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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement does not constitute or form a part of any offer of securities for sale in the United States. The securities referred herein (the "**Securities**") and the guarantee of the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other jurisdiction and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the Securities will be made in the United States.*

***This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document) forms the basis for any contract or commitment whatsoever.** For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer (as defined below) and the Guarantor (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.*

***Notice to Hong Kong investors**: Each of the Issuer (as defined below) and the Guarantor (as defined below) confirms that the Notes (as defined below) are intended for purchase by Professional Investors (as defined below) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. This announcement is for distribution to Professional Investors only. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR AND PRICING SUPPLEMENT

STATE ELITE GLOBAL LIMITED
邦傑環球有限公司

(incorporated with limited liability in the British Virgin Islands)
(a wholly-owned subsidiary of CCB International (Holdings) Limited)
(the "**Issuer**")

U.S.$ 700,000,000 1.50 per cent. Fixed Rate Notes due 2026 (the "Notes")
(Stock Code:40870)
under the US$2,700,000,000 Medium Term Note Programme (the "Programme")
unconditionally and irrevocably guaranteed by
CHINA CONSTRUCTION BANK CORPORATION, HONG KONG BRANCH
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 939)
(the "**Guarantor**")

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

CCB International **China Construction Bank (Asia)**

Joint Lead Managers and Joint Bookrunners

Agricultural Bank of China Limited Hong Kong Branch	**ANZ**	**Bank of China**
Bank of Communications	**BOCOM International**	**China CITIC Bank International**
China Everbright Bank Hong Kong Branch	**China International Capital Corporation**	**China Minsheng Banking Corp., Ltd., Hong Kong Branch**
China Securities International	**China Zheshang Bank Co., Ltd. (Hong Kong Branch)**	**CMBC Capital**
CMB Wing Lung Bank Limited	**Guotai Junan International**	**Huatai International**
HSBC	**ICBC International**	**ICBC (Asia)**
Industrial Bank Co., Ltd. Hong Kong Branch	**Nanyang Commercial Bank**	**Shanghai Pudong Development Bank Hong Kong Branch**
SPDB International	**Standard Chartered Bank**	**The Bank of East Asia, Limited**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Please refer to the offering circular relating to the Programme dated 22 September 2021 (the "**Offering Circular**") and the pricing supplement relating to the Notes dated 23 September 2021 (the "**Pricing Supplement**", together with the Offering Circular, the "**Listing Documents**") appended herein. As disclosed in the Listing Documents, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) ("**Professional Investors**") only and have been listed on Hong Kong Stock Exchange on that basis.

The Listing Documents do not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Listing Documents must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer and no such inducement is intended. No investment decision should be made based on the information contained in the Listing Documents.

Hong Kong, 30 September 2021

As at the date of this announcement, the executive directors of China Construction Bank Corporation (the "Bank") are Mr. Tian Guoli and Mr. Wang Jiang; 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 and Mr. William Coen.

As at the date of this announcement, the directors of State Elite Global Limited are Mr. Fok Kam Hung and Mr. Chung Tao Li.

APPENDIX 1
OFFERING CIRCULAR DATED 22 SEPTEMBER 2021

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to represent to each of State Elite Global Limited 邦傑環球有限公司 (the "**Issuer**"), CCB International Capital Limited or any additional arranger or dealer appointed under the Programme (together, the "**Arrangers**" and the "**Dealers**") that (1) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached and any amendments or supplements thereto by electronic transmission.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, CCB International (Holdings) Limited (the "**Company**"), China Construction Bank Corporation, Hong Kong Branch (the "**Guarantor**"), the Arrangers and the Dealers, any person who controls any of the Arrangers or the Dealers, any director, officer, employee nor agent of the Issuer or the Company or the Guarantor or the Arrangers or the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers or the Dealers.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Arrangers, or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Arranger or Dealer or any affiliate of it is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed this Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THIS OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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STATE ELITE GLOBAL LIMITED

邦傑環球有限公司

(incorporated with limited liability in the British Virgin Islands)

unconditionally and irrevocably guaranteed by

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

CHINA CONSTRUCTION BANK CORPORATION, HONG KONG BRANCH

(a joint stock company incorporated in the People's Republic of China with limited liability)

US$2,700,000,000

Medium Term Note Programme

On 29 December 2014, State Elite Global Limited 邦傑環球有限公司(the "**Issuer**") established a US$2,000,000,000 Medium Term Note Programme (the "**Programme**"). With effect from 16 October 2019, the Issuer has upsized the Programme to US$2,700,000,000 and this Offering Circular supersedes the respective offering circulars dated 29 December 2014, 11 October 2016, 6 June 2017 and 16 October 2019. Any Notes (as defined below) issued under this Programme on or after the date of this Offering Circular are issued subject to the provisions described herein save for, in the case of the terms and conditions of the Notes, any Notes issued on or after the date of this Offering Circular so as to be consolidated and form a single series with any Series (as defined herein) of Notes issued before the date of this Offering Circular. Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue guaranteed medium term notes (the "**Notes**") unconditionally and irrevocably guaranteed (the "**Guarantee**") by China Construction Bank Corporation, Hong Kong Branch (the "**Guarantor**"). The Issuer is a wholly-owned subsidiary of CCB International (Holdings) Limited (the "**Company**"), which itself is a wholly-owned subsidiary of the China Construction Bank Corporation (the "**Bank**").

Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed US$2,700,000,000 (or its equivalent in other currencies at the date of the relevant agreement to issue Notes). The Notes may be issued on a continuing basis to one or more of the dealers specified under "Summary of the Programme" or any additional dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme under which Notes may be issued by way of debt securities to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Professional Investors**") only during the 12 month period after the date of this Offering Circular on the Hong Kong Stock Exchange. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer or the Guarantor or the Company or the Bank or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, 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 Offering Circular.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes" and each term therein, a "**Condition**") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, 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 Offering Circular.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Notes of each Series issued in bearer form (the "**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Notes**"). Notes in registered form (the "**Registered Notes**") will be represented by global certificates (each a "**Global Certificate**"), one Global Certificate being issued in respect of each Noteholder's entire holding of Notes in registered form of one Series. Global Certificates representing Registered Notes will be registered in the name of, or in the name of a nominee for, one or more clearing systems. Global Notes and Global Certificates may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority (the "**HKMA**").

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantee may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale".

The Bank has been rated A1 by Moody's Investors Service ("**Moody's**"), A by Standard & Poor's Ratings Services ("**S&P**") and A by Fitch Ratings Ltd. ("**Fitch**"). The Programme has been rated "A1" by Moody's and "A" by S&P. These ratings are only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. The principal risk factors that may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations in respect of the Notes and the Guarantee, are discussed under "Risk Factors" below.

Sole Arranger and Sole Dealer

CCB International

Offering Circular dated 22 September 2021

IMPORTANT NOTICE

Each of the Issuer, the Company and the Bank having made all reasonable enquiries confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Company, the Guarantor, and the Bank and its subsidiaries taken as a whole (the "**Group**") and to the Notes and the Guarantee which is material in the context of the issue and offering of the Notes (including all information required by applicable laws and the information which, according to the particular nature of the Issuer, the Bank and of the Notes and the Guarantee, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attaching to the Notes and the Guarantee); (ii) the statements contained herein relating to the Issuer, the Company, the Guarantor, the Bank, the Group, the Notes and the Guarantee are in every material respect true and accurate and not misleading and there are no other facts in relation to the Issuer, the Company, the Guarantor, the Bank, the Group, or the Notes and the Guarantee, the omission of which would, in the context of the issue and offering of the Notes or the Guarantee, make any statement in this Offering Circular misleading in any material aspect; (iii) the opinion and intentions expressed in this Offering Circular with regard to the Issuer, the Company, the Guarantor, the Bank and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) all reasonable enquiries have been made by the Issuer, the Company and the Bank to ascertain such facts and to verify the accuracy of all such information and statements; and (v) the Offering Circular does not include an untrue statement of a material fact or omit to state a material fact with regards to the Issuer, the Company, the Bank, the Group, the Notes or the Guarantee necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor, the Company, the Bank, the Group, the Notes and the Guarantee. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular and each confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

IMPORTANT – **UK RETAIL INVESTORS** — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**"); or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Company and the Guarantor, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuer, the Company, the Guarantor, the Bank, the Group, the Arrangers or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Company, the Guarantor, the Bank, the Group, the Arrangers or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC, Singapore and the British Virgin Islands, and to persons connected therewith. The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes and the Guarantee in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of bearer notes, delivered within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular, see "Subscription and Sale".

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Information Incorporated by Reference"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, the Guarantor, the Bank, the Group, the Notes or the Guarantee. In making an investment decision, investors must rely on their own examination of the Issuer, the Company, the Guarantor, the Bank, the Group and the terms of the offering, including the merits and risks involved. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

No person has been authorised by the Issuer, the Company, the Guarantor, the Bank or the Group to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Company, the Guarantor, the Bank, the Group, any Arranger or any Dealer.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer, the Company, the Guarantor, the Bank or the Group since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The maximum aggregate nominal amount of Notes outstanding at any one time under the Programme will not exceed US$2,700,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement as defined under "Subscription and Sale"). The maximum aggregate nominal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager (or persons acting on behalf of any Stabilisation Manager) (the "**Stabilisation Manager**") in the applicable Pricing Supplement may, to the extent permitted by applicable laws and rules, over allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

None of the Arrangers, the Dealers or any Agents (as defined under "Terms and Conditions of the Notes") has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers or any Agent or any director, officer, employee, agent or affiliate of any such person accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by an Arranger, a Dealer, any Agent, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer, the Company, the Guarantor, the Bank, the Group, the Notes, the Guarantee or the issue and offering of the Notes. Each Arranger, each Dealer and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Company, the Guarantor, the Bank, the Group, the Arrangers or the Dealers, or any director, officer, employee, agent or affiliate of any such person that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Company, the Guarantor, the Bank and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers or the Agents or any agent or affiliate of any such person undertakes to review the financial condition or affairs of the Issuer, the Company, the Guarantor, the Bank or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers, the Agents or any of them.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**U.S.$**", "**US$**" and to "U**.S. dollars**" are to United States dollars; all references to "**HK$**" and "**Hong Kong dollars**" are to Hong Kong dollars; all references to "**£**" are to the currency of the United Kingdom; all references to "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended; all references to "**yen**" are to Japanese yen; all references to "**Renminbi**", "**RMB**" "**Chinese Yuan**" and "**CNY**" are to the currency of the PRC; all references to "**United States**" or "**U.S.**" are to the United States of America; references to "**China**", "**Mainland China**" and the "**PRC**" in this Offering Circular mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to "**PRC government**" mean the government of the PRC; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; and all references to "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland.

FORWARD LOOKING STATEMENTS

Certain statements under "Risk Factors", "Description of the Issuer", "Description of the Company", "Description of the Bank", and elsewhere in this Offering Circular constitute "forward looking statements". The words including "believe", "intend", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Company, the Bank or the Group and the plans and objectives of the management of the Company, the Bank and the Group for its future operations (including development plans and objectives relating to the Company's, the Bank's or the Group's operations), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Company, the Bank or the Group to differ materially from those expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the present and future business strategies of the Company, the Bank and the Group and the environment in which the Company, the Bank or the Group will operate in the future. The Issuer, the Company, the Bank and the Group expressly disclaim any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's, the Company's, the Bank's or the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from the Issuer's, the Company's, the Bank's or the Group's expectations. All subsequent written and forward-looking statements attributable to the Issuer, the Company, the Bank or the Group or persons acting on behalf of the Issuer, the Company, the Bank or the Group are expressly qualified in their entirety by such cautionary statements.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains selected consolidated financial data as at and for the years ended 31 December 2018 and 2019 which was extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 (the "**2019 Audited Financial Statements**") and the selected consolidated financial data as at and for the year ended 31 December 2020 which was extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 (the "**2020 Audited Financial Statements**"). These financial statements were prepared in accordance with the International Financial Reporting Standards ("**IFRS**"). The consolidated financial information of the Group as at and for the year ended 31 December 2018 was audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong ("P**ricewaterhouseCoopers**"), the independent auditors of the Bank for the year ended 31 December 2018, in accordance with Hong Kong Standards on Auditing ("**HKSA**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). From 1 January 2019, the independent auditor of the Bank has been Ernst & Young, Certified Public Accountants, Hong Kong ("**EY**"). The consolidated financial information of the Group as at and for the years ended 31 December 2019 and 2020 was audited by EY in accordance with HKSA.

The selected consolidated interim financial data as at and for the six months ended 30 June 2020 and 2021 was extracted from the unaudited consolidated interim financial statements of the Group as at and for the six months ended 30 June 2021 (the "**2021 Interim Financial Statements**"), which were prepared and presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board ("**IASB**") and have been reviewed by EY, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). However, such unaudited consolidated interim financial information should not be relied upon to provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate the Group's financial condition, results of operations and results. Such unaudited consolidated interim financial information as at and for the six months ended 30 June 2021 should not be taken as an indication of the expected financial condition and results of operations for the Group for the full financial year ending 31 December 2021.

The Group has adopted IFRS 16 "Leases" ("**IFRS 16**") as issued by IASB in January 2016 with a date of initial application on 1 January 2019. The impact of the adoption of IFRS 16 is disclosed in note 4(27) of the 2019 Audited Financial Statements. The Group has chosen to measure the right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of prepaid lease payments, etc. Total assets and total liabilities at the consolidated level as at 1 January 2019 both increased by RMB19,944 million as compared to the end of 2018. In addition to land use rights, the Group recognised other right-of-use assets and lease liabilities of RMB21,752 million and RMB19,914 million at the date of initial application, respectively. The reconciliation between the operating lease commitments disclosed in the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 (the "**2018 Audited Financial Statements**"), and the lease liabilities recognised in the statement of financial position at the date of initial application is further set out in note 4(27) of the 2019 Audited Financial Statements. As permitted by the transitional provisions of IFRS 16, the Group elected not to restate comparative figures.

Pursuant to the Notice on strictly implementing the accounting standards for business enterprises and strengthening the annual report of enterprises in 2020 (关于严格执行企业会计准则切实加强企业 2020 年年报工作的通知财会〔2021〕2 号), in respect of the financial information as at and for the year ended 31 December 2020, the Group reclassified its Net Fee and Commission Income from its credit card instalment business, such that it is recognised as Interest Income for the year ended 31 December 2020, while also reclassifying related fee receivables from Other Assets to Loans and Advances to Customers. The comparative figures as at and for the year ended 31 December 2019 were also similarly adjusted, however the comparative figures as at and for the year ended 31 December 2018 have not been adjusted. Investors should therefore exercise caution when comparing the year-to-year financial data of the Bank in relation to such line items for the years ended 31 December 2018, 2019 and 2020. Please refer to note 64 of the 2020 Audited Financial Statements for further information.

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited consolidated financial statements of the Bank, the most recently published unaudited but reviewed consolidated interim financial statements of the Bank published subsequently to such audited consolidated financial statements of the Bank from time to time (if any), together in each case with any audit report or review report thereto, the most recently published unaudited and unreviewed consolidated quarterly financial statements of the Bank and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge from the website operated by the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank's own website (www.ccb.com).

TABLE OF CONTENTS

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Global Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuer	State Elite Global Limited 邦傑環球有限公司, a company incorporated with limited liability in the British Virgin Islands. (Legal Entity Identifier: 254900FRO7K50Y54IW59)
Company	CCB International (Holdings) Limited.
Guarantor	China Construction Bank Corporation, Hong Kong Branch.
Description	Medium Term Note Programme.
Arranger(s)	CCB International Capital Limited.
Dealer(s)	CCB International Capital Limited and any other Dealers appointed in accordance with the Dealer Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale".
Fiscal Agent, Paying Agent and Calculation Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent in respect of Notes not cleared through the CMU	The Bank of New York Mellon SA/NV, Luxembourg Branch.
CMU Lodging and Paying Agent, Registrar and Transfer Agent in respect of Notes cleared through the CMU	The Bank of New York Mellon, Hong Kong Branch.
Programme Size	Up to US$2,700,000,000 (or its equivalent in other currencies at the date of the relevant agreement to issues Notes) outstanding at any time. The Issuer and the Guarantor may increase the

	amount of the Programme in accordance with the terms of the Dealer Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at part or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in bearer or registered form as described in "Form of the Global Notes". Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the relevant ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes.
Other provisions in relation to Floating Rate Notes	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount, or offered and sold at their nominal amount and be redeemed at a premium, and will not bear interest.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons, or pursuant to a winding-up of the Issuer following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "Certain Restrictions – Notes having a maturity of less than one year" above.
Denomination of Notes	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. See "Certain Restrictions" above.
Taxation	All payments of principal and interest in respect of the Notes, Receipts and Coupons will be made without deduction for or on account of withholding taxes imposed by the British Virgin Islands, PRC or Hong Kong or any authority therein or thereof having power to tax to which the Issuer or the Guarantor becomes subject in respect of payments made by it in respect of the Notes, Receipts and the Coupons subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Events of Default for the Notes	Events of Default for Notes are set out in Condition 10.
Cross Acceleration	The terms of the Notes will contain a cross acceleration provision as further described in Condition 10(c).

Status of the Notes and Guarantee	Subject to the terms and conditions of the Deed of Guarantee (including the limitations summarised in Terms and Conditions of the Notes), the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed by the Issuer under the Notes, the Receipt, and the Coupons. Its obligations in respect of the Guarantee are contained in the Deed of Guarantee. The Notes and the Receipts and the Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of the Guarantor under the Deed of Guarantee shall, save for such exceptions as may by provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Bank respectively, present and future.
Listing	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular. Separate application may be made for the listing of the Notes on the Hong Kong Stock Exchange. The Notes may be listed on the Hong Kong Stock Exchange and on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies). Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Ratings	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Jurisdiction	The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee and

	accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee may be brought in such courts.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the European Economic Area, Singapore, Japan, Hong Kong and the PRC and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale".
United States Selling Restrictions	Regulation S, Category 1 or 2, as specified in the applicable Pricing Supplement. Whether TEFRA C or D rules apply or whether TEFRA is not applicable will be specified in the applicable Pricing Supplement.
Clearing Systems	The CMU, Euroclear, Clearstream, Luxembourg and/or any other clearing system as specified in the applicable Pricing Supplement. See "Form of the Global Notes".

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth the summary consolidated financial data of the Group as at and for the periods indicated.

The selected consolidated financial data as at 31 December 2018 and 31 December 2019 was extracted from the 2019 Audited Financial Statements and the selected consolidated financial data as at 31 December 2020 was extracted from the 2020 Audited Financial Statements. The selected consolidated financial data of the Group as at and for the year ended 31 December 2018 were audited by PricewaterhouseCoopers. The consolidated financial information of the Group as at and for the years ended 31 December 2019 and 2020 was audited by EY in accordance with HKSA.

The selected consolidated interim financial data as at and for the six months ended 30 June 2020 and 2021 has been extracted from the 2021 Interim Financial Statements which were prepared and presented in accordance with IAS 34 as issued by the IASB and have been reviewed by EY, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA.

However, such unaudited consolidated interim financial statements from the 2021 Interim Financial Statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit. Accordingly, potential investors must exercise caution when using such data to evaluate the Group's financial condition, results of operations and results. Such unaudited consolidated interim financial information as at and for the six months ended 30 June 2021 should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year ending 31 December 2021.

The Group has adopted IFRS 16 as issued by IASB in January 2016 with a date of initial application on 1 January 2019. The impact of the adoption of IFRS 16 is disclosed in note 4(27) of the 2019 Audited Financial Statements. The Group has chosen to measure the right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of prepaid lease payments, etc. Total assets and total liabilities at the consolidated level as at 1 January 2019 both increased by RMB19,944 million as compared to the end of 2018. In addition to land use rights, the Group recognised other right-of-use assets and lease liabilities of RMB21,752 million and RMB19,914 million at the date of initial application, respectively. The reconciliation between the operating lease commitments disclosed in the 2018 Audited Financial Statements, and the lease liabilities recognised in the statement of financial position at the date of initial application is further set out in note 4(27) of the 2019 Audited Financial Statements. As permitted by the transitional provisions of IFRS 16, the Group elected not to restate comparative figures.

Pursuant to the Notice on strictly implementing the accounting standards for business enterprises and strengthening the annual report of enterprises in 2020 (关于严格执行企业会计准则切实加强企业 2020 年年报工作的通知财会〔2021〕2 号), in respect of the financial information as at and for the year ended 31 December 2020, the Group reclassified its Net Fee and Commission Income from its credit card instalment business, such that it is recognised as Interest Income for the year ended 31 December 2020, while also reclassifying related fee receivables from Other Assets to Loans and Advances to Customers. The comparative figures as at and for the year ended 31 December 2019 were also similarly adjusted, however the comparative figures as at and for the year ended 31 December 2018 have not been adjusted. Investors should therefore exercise caution when comparing the year-to-year financial data of the Bank in relation to such line items for the years ended 31 December 2018, 2019 and 2020. Please refer to note 64 of the 2020 Audited Financial Statements for further information.

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Group, including the notes thereto, included elsewhere in this Offering Circular.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018, 2019 AND 2020 AND 30 JUNE 2021

	As at 31 December			As at 30 June
	2018	2019	2020	2021
	(audited)			(unaudited)
	(RMB millions, unless otherwise stated)			
Assets:				
Cash and deposits with central banks	2,632,863	2,621,010	2,816,164	2,780,438
Deposits with banks and non-bank financial institutions	486,949	419,661	453,233	469,534
Precious metals	33,928	46,169	101,671	132,842
Placements with banks and non-bank financial institutions	349,727	531,146	368,404	330,107
Positive fair value of derivatives	50,601	34,641	69,029	52,304
Financial assets held under resale agreements	201,845	557,809	602,239	705,282
Loans and advances to customers	13,365,430	14,542,001(1)	16,231,369	17,493,902
Financial investments:				
Financial assets measured at fair value through profit or loss	731,217	675,361	577,952	575,380
Financial assets measured at amortised cost	3,272,514	3,740,296	4,505,243	4,696,655
Financial assets measured at fair value through other comprehensive income	1,711,178	1,797,584	1,867,458	1,956,288
Long-term equity investments	8,002	11,353	13,702	14,755
Fixed assets	169,574	170,740	172,505	166,138
Land use rights	14,373	14,738	14,118	13,818
Intangible assets	3,622	4,502	5,279	5,100
Goodwill	2,766	2,809	2,210	2,168
Deferred tax assets	58,730	72,314	92,950	102,518
Other assets	129,374	194,127(1)	238,728	335,959
Total assets	**23,222,693**	**25,436,261**	**28,132,254**	**29,833,188**
Liabilities:				
Borrowings from central banks	554,392	549,433	781,170	765,913
Deposits from banks and non-bank financial institutions	1,427,476	1,672,698	1,943,634	1,778,272
Placements from banks and non-bank financial institutions	420,221	521,553	349,638	366,938
Financial liabilities measured at fair value through profit or loss	431,334	281,597	254,079	292,401
Negative fair value of derivatives	48,525	33,782	81,956	43,797
Financial assets sold under repurchase agreements	30,765	114,658	56,725	115,668
Deposits from customers	17,108,678	18,366,293	20,614,976	22,317,969
Accrued staff costs	36,213	39,075	35,460	31,387
Taxes payable	77,883	86,635	84,161	51,114
Provisions	37,928	42,943	54,114	63,729
Debt securities issued	775,785	1,076,575	940,197	957,161
Deferred tax liabilities	485	457	1,551	1,401
Other liabilities	281,414	415,435	545,240	585,097
Total liabilities	**21,231,099**	**23,201,134**	**25,742,901**	**27,370,847**
Equity:				
Share capital	250,011	250,011	250,011	250,011
Other equity instruments				
Preference shares	79,636	79,636	59,977	59,977

	As at 31 December			As at 30 June
	2018	2019	2020	2021
	(audited)			(unaudited)
	(RMB millions, unless otherwise stated)			
Perpetual bonds	–	39,991	39,991	39,991
Capital reserve	134,537	134,537	134,263	134,924
Other comprehensive income	18,451	31,986	15,048	14,755
Surplus reserve	223,231	249,178	275,995	275,995
General reserve	279,725	314,389	350,228	349,885
Retained earnings	990,872	1,116,529	1,239,295	1,311,434
Total equity attributable to equity shareholders of the Bank	**1,976,463**	**2,216,257**	**2,364,808**	**2,436,972**
Non-controlling interests	15,131	18,870	24,545	25,369
Total equity	**1,991,594**	**2,235,127**	**2,389,353**	**2,462,341**
Total liabilities and equity	**23,222,693**	**25,436,261**	**28,132,254**	**29,833,188**

Note:

(1) In 2020, the Group re-classified related fee receivables from Other Assets to Loans and Advances to Customers. For the comparative figures in 2019, there was re-classification of RMB1,334 million between the Loans and Advances to Customers and Other Assets. As a result, the amount of Other Assets decreased from RMB195,461 million to RMB194,127 million and the amount of Loans and Advances to Customers increased from RMB14,540,667 million to RMB14,542,001 million.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2018, 2019 AND 2020, AND FOR THE SIX MONTHS ENDED 30 JUNE 2021

	For the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
	(audited)			(unaudited)	
	(RMB millions, unless otherwise stated)				
Interest income	811,026	909,885[(1)]	989,509	485,537	515,949
Interest expense	(324,748)	(372,819)	(413,600)	(204,029)	(219,864)
Net interest income	**486,278**	**537,066[(1)]**	**575,909**	**281,508**	**296,085**
Fee and commission income	138,017	126,667[(1)]	131,512	72,706	77,570
Fee and commission expense	(14,982)	(15,769)[(1)]	(16,930)	(7,700)	(8,132)
Net fee and commission income	**123,035**	**110,898[(1)]**	**114,582**	**65,006**	**69,438**
Net trading gain	12,614	9,120	4,313	3,313	2,870
Dividend income	773	1,184	3,182	1,496	3,657
Net gain arising from investment securities	3,444	9,093	5,765	3,984	1,853
Net gain/(loss) on derecognition of financial assets measured at amortised cost	(2,241)	3,359	4,649	1,381	2,527
Other operating income, net:					
– Other operating income	35,918	36,127	47,874	32,779	40,289
– Other operating expense	(26,049)	(28,846)	(42,050)	(29,543)	(35,812)
Other operating income, net	**9,869**	**7,281**	**5,824**	**3,236**	**4,477**
Operating income	**633,772**	**678,001**	**714,224**	**359,924**	**380,907**
Operating expenses	**(174,764)**	**(188,132)**	**(188,574)**	**(79,805)**	**(88,160)**
	459,008	489,869	525,650	280,119	292,747
Credit impairment losses	(151,109)	(163,000)	(193,491)	(111,378)	(108,320)

	For the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
		(audited)		(unaudited)	
	(RMB millions, unless otherwise stated)				
Other impairment losses	121	(521)	3,562	(188)	(192)
Share of profit of associates and joint ventures	**140**	**249**	**895**	**220**	**228**
Profit before tax	**308,160**	**326,597**	**336,616**	**168,773**	**184,463**
Income tax expense	(52,534)	(57,375)	(63,037)	(29,834)	(30,357)
Net profit	**255,626**	**269,222**	**273,579**	**138,939**	**154,106**
Other comprehensive income:					
(1) Other comprehensive income that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	(296)	199	479	160	121
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	120	444	(279)	(277)	(139)
Others	43	59	24	-	4
Subtotal	(133)	702	224	(117)	(14)
(2) Other comprehensive income that may be reclassified subsequently to profit or loss					
Fair value changes of debt instruments measured at fair value through other comprehensive income	35,887	9,005	(9,108)	6,825	2,627
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	303	1,624	(762)	605	(47)
Reclassification adjustments included in profit or loss due to disposals	(149)	(175)	(491)	(377)	(248)
Net loss on cash flow hedges	(267)	(292)	(61)	115	245
Exchange difference on translating foreign operations	2,573	2,682	(6,720)	180	(2,819)
Subtotal	38,347	12,844	(17,142)	7,348	(242)
Other comprehensive income for the year, net of tax	**38,214**	**13,546**	**(16,918)**	**7,231**	**(256)**
Total comprehensive income for the year	**293,840**	**282,768**	**256,661**	**146,170**	**153,850**
Net profit attributable to:					
Equity shareholders of the Bank	254,655	266,733	271,050	137,626	153,300
Non-controlling interests	971	2,489	2,529	1,313	806
	255,626	**269,222**	**273,579**	**138,939**	**154,106**
Total comprehensive income attributable to:					
Equity shareholders of the Bank	292,705	280,268	254,112	144,813	153,007
Non-controlling interests	1,135	2,500	2,549	1,357	843
	293,840	**282,768**	**256,661**	**146,170**	**153,850**
Basic and diluted earnings per share (in RMB Yuan)	**1.00**	**1.05**	**1.06**	**0.55**	**0.61**

Note:

(1) In 2020, the Group re-classified Interest Income and Net Fee and Commission Income. For the comparative figures in 2019, there was a re-classification of RMB26,386 million between Interest Income and Net Fee and Commission Income. As a result, the amount of Interest Income increased from RMB883,499 million to RMB909,885 million, the amount of Fee and Commission Income decreased from RMB155,262 million to RMB126,667 million, the amount of Fee and Commission Expense decreased from RMB17,978 million to RMB15,769 million and the amount of Net Fee and Commission Income decreased from RMB137,284 million to RMB110,898 million.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The Issuer, the Company and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to repay principal, pay interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and the Issuer, the Company and the Guarantor do not represent that the statements below regarding the risks of holding the Notes are exhaustive. The following factors are contingencies which may or may not occur and none of the Issuer, the Company nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuer, the Company or the Guarantor or which the Issuer, the Company or the Guarantor currently deems to be immaterial, may affect the Group's business, financial condition or results of operations or the Issuer's, the Company's or the Guarantor's ability to fulfil its obligations under the Notes and the Guarantee.

RISKS RELATING TO THE BANK'S BUSINESS

Uncertainties and instability in global market conditions could adversely affect the Bank's business, financial condition and results of operations.

The Group has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit.

While the International Monetary Fund expects global economic growth to be 5.5 per cent. in 2021, there are a number of uncertainties ahead. The escalating tensions between the PRC and the United States, including ongoing trade disputes and deterioration in diplomatic relations, have contributed to increased market volatility, weakened consumer confidence and diminished expectations for economic growth around the world. Some of these tensions have manifested themselves through actions taken and sanctions imposed by the governments of the United States and the PRC in 2020 and early 2021. The United States has imposed a range of sanctions and trade restrictions on Chinese persons and companies, focusing on entities the United States believes are involved in human rights violations, information technology and communications equipment and services, and military activities, among others. In response, the PRC has announced a number of sanctions and trade restrictions that target or provide authority to target foreign officials and companies, including those in the United States. Heightened geopolitical tensions between the United States and the PRC continue to cause significant uncertainty in the global macroeconomy. Furthermore, global economic fluctuations have also had significant impacts on the global economy and on the Group. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay of U.S. fiscal and monetary policies, and aggressive quantitative easing programmes in Japan and Europe may lead to more volatile global capital flows, which could in turn impact global growth. Third, in the United Kingdom ("**UK**") a remain-or-leave referendum on its membership within the European Union ("**EU**") was held in June 2016, the result of which favoured the exit of the UK from the EU ("**Brexit**"). On 31 January 2020, the UK officially exited the EU following a UK-EU Withdrawal Agreement signed in October 2019. The UK and the EU signed the Brexit trade deal on 30 December 2020 and the UK completed its separation from the EU with effect from 1 January 2021. While the UK and the EU had reached the trade deal, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market. These could include falls in stock exchange indices, a fall in the value of the key trading currencies such as the Euro and/or greater volatility of markets in general due to the increased uncertainty. Fourth, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the Group's business, financial condition and results of operations. To the extent uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's business and results of operations could likewise be significantly and adversely affected.

The outbreak of the coronavirus disease 2019 ("**COVID-19**") and its spread worldwide have caused and are expected to continue to bring uncertainty and volatility in global markets, and the future effects of the COVID-19 pandemic are uncertain. The COVID-19 pandemic necessitated that governments respond at unprecedented levels to protect public health, local economies and livelihoods. It has affected different countries at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the COVID-19 pandemic have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind the government support measures and restrictions and return to pre COVID- 19 economic levels will vary based on the levels of infection, local governmental decisions and access to and ability to roll out vaccines. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus. Renewed outbreaks emphasise the ongoing threat of COVID- 19 even in countries that have recorded lower than average cases so far. Please also refer to "*Risk Factors – Risks Relating to the Bank's Business – Any force majeure events, including occurrence of natural disasters or outbreaks of contagious diseases (such as COVID-19) may have an adverse effect on the Bank's business operations, financial condition and results of operations*" and "*Recent Developments – Impact of COVID-19 pandemic and the Group's main countermeasures*".

In addition, as the COVID-19 outbreak hampers business activities in the world, including China, the CBIRC has promulgated a series of measures to relax credit controls and increase financial support to small and medium-sized enterprises ("**SMEs**") to combat the challenges arising from the COVID- 19 outbreak. In particular, it has encouraged banking institutions to increase lending to SMEs by lowering loan rates and increasing the amounts these enterprises could borrow. However, SMEs are more vulnerable to fluctuations in the macroeconomy and the adverse impact brought by major economic crisis or regulatory changes. In addition, these enterprises may not be able to provide reliable information necessary for the Bank to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, the non-performing loans of the Bank may increase significantly if a large number of its SMEs clients are affected by major economic crisis or regulatory changes. As a result, this may have an impact on the Bank's overall risk profile and quality of the loan portfolio, which could in turn materially and adversely affect its business, financial condition and results of operations. Separately, there can be no assurance that the policies, laws and regulations governing the PRC banking industry, in particular those relating to loans to SMEs (e.g. incentive policies to encourage lending to SMEs), will not change in the future or that any such changes will not materially and adversely affect the Bank's business, financial condition and results of operations.

Investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including the Group. In addition, the Group remains subject to the risks posed by the indirect economic effect of the global credit crisis, some of which cannot be anticipated and the vast majority of which are not under its control. The Group also remains subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to the Group. If there is another global or regional financial crisis or a downturn in the economic condition of the Group's primary markets, this would likely have a material adverse effect on the Group's business, financial condition and results of operations.

The Bank has a concentration of credit exposure to certain customers and certain sectors.

As at 30 June 2021, the Bank's corporate loans and advances to the domestic (i) transportation, storage and postal services industries; (ii) manufacturing industry; (iii) leasing and commercial services industries; (iv) production and supply of electric power, heat, gas and water industries; and (v) wholesale and retail trade industries accounted for 9.29 per cent., 7.69 per cent., 9.09 per cent., 4.96 per cent. and 4.71 per cent. of the Bank's gross loans and advances excluding accrued interest, respectively. If any of these industries in which the Bank's loans are highly concentrated experiences a significant downturn, the Bank's asset quality, business, financial condition and results of operations may be adversely affected, which in turn may negatively affect its ability to service the Bonds and to satisfy its other obligations under the Notes.

Any significant or extended downturn in any of these sectors may reduce the borrowing activities in these sectors, as well as increase the level of the Bank's impaired loans and related provisions for impaired loans, any of which could in turn reduce its net profit and adversely affect its business, financial condition and results of operations.

The Bank is also exposed to the fluctuations of the real estate market through its extension of personal residential mortgage loans and individual commercial property mortgage loans. The Bank's real estate related loans mainly include both corporate real estate loans and personal residential mortgage loans. As at 30 June 2021, corporate real estate loans amounted to RMB742,906 million, representing 4.11 per cent. of the Group's gross loans and advances excluding accrued interest, and its corresponding non-performing loan ("**NPL**") ratio was 1.56 per cent. As at 30 June 2021, personal residential mortgages amounted to RMB6,105,839 million, representing 33.72 per cent. of the Group's gross loans and advances to customers and its corresponding NPL ratio was 0.20 per cent. Notwithstanding prudential measures the Bank has put in place to maintain a portfolio of high quality real estate loans with sustainable growth, including imposing stringent standards for the acceptance of new customers for personal residential mortgage loans, the PRC real estate market is subject to volatility and property prices have experienced significant fluctuations in recent years. In the event that PRC real estate prices experience a significant prolonged decline, the Bank's asset quality will likely be negatively affected. Further, the PRC government has already implemented and continues to implement certain adjustment measures aimed at managing the fluctuations of the real estate market. These policies may have an adverse effect on the quality as well as the rate of growth of loans extended to the real estate industry. In addition, if the real estate market in China experiences a significant downturn, the value of the real estate securing the Bank's loans may decrease, resulting in a reduction in the amount the Bank can recover. Any of the above developments or a combination thereof may adversely affect the Bank's asset quality, business, financial condition and results of operations, which in turn may negatively affect its ability to service the Notes and to satisfy its other obligations under the Notes.

In accordance with national policies aimed at limiting the over-development of certain industries with excess capacity, including the iron and steel, cement, electrolytic aluminium, plate glass and shipbuilding industries, the Bank carefully manages its exposure to these industries and has adopted a strict policy towards extending loans to these industries in order to reduce its loan exposure and risks associated with loans to these high-risk industries.

Notwithstanding the credit measures the Bank has put in place, in the event the PRC government issues policies to further restrict such industries or there is deterioration in the production and operation of the Bank's customers from industries with overcapacity, the quality of the Bank's loans could suffer, which could in turn have an adverse effect on its business, financial position and results of operations, and may negatively affect its ability to service the Notes and to satisfy its other obligations under the Notes.

Since 2012, with the aim of reinforcing the risk management of loans to local government financing vehicles ("**LGFV**"), the PRC State Council ("**State Council**"), the CBIRC and the PBOC, along with several other PRC regulatory authorities, have promulgated a series of notices, guidelines and other regulatory documents to direct PRC banks and other financial institutions to further optimise and strengthen their risk management measures regarding their loans to LGFV. The Bank has adopted a series of measures such as imposing stringent controls on granting loans to LGFV and strengthening credit related policies to manage and control the risks associated with loans to LGFV. Unfavourable developments in macroeconomic conditions, adverse changes to state policies, the financial condition of local governments and other factors may adversely affect the debt repayments of these financing platforms, which may in turn adversely affect the Bank's asset quality, financial condition and results of operations. Such developments may negatively affect its ability to service the Notes and to satisfy its other obligations under the Notes.

While the Bank introduced heightened criteria in 2009 to manage the risks associated with LGFV loans, including stricter requirements for guarantees, it cannot be assured that these loans will not default in the event of macroeconomic instability or other policy changes introduced by the PRC government. Given their importance to the composition of the Bank's loan portfolio, the default of any portion of such loans for any reason may affect its loan quality and will adversely affect its business, financial position and results of operations. Such developments may negatively affect its ability to service the Notes and to satisfy its other obligations under the Notes. At the end of June 2021, the Group's gross loans and advances to customers stood at RMB18.11 trillion, an increase of RMB1.32 trillion or 7.87 per cent. from 31 December 2020, mainly due to the increase in domestic loans; its NPL ratio as at 30 June 2021 was 1.53 per cent., representing a decrease of 0.03 per cent. as compared to the corresponding ratio as at 31 December 2020. As at 30 June 2021, the NPL ratio for corporate loans and advances was 2.49 per cent., representing a decrease of 0.07 per cent. from 31 December 2020, and the NPL ratio for personal loans and advances was 0.39 per cent., representing a decrease of 0.02 per cent. from 31 December 2020. The NPL ratio for overseas operations and subsidiaries as at 30 June 2021 was 1.71 per cent., representing a decrease of 0.24 per cent. from 31 December 2020.

The Bank may be unable to realise the full value of the collateral or guarantees securing the Bank's loan portfolio.

As at 30 June 2021, the balances of the Group's unsecured loans, guaranteed loans, loans secured by property and other immovable assets and other pledged loans were RMB5,862,906 million, RMB2,486,138 million, RMB8,229,341 million and RMB1,486,354 million, respectively, accounting for 32.38 per cent., 13.73 per cent., 45.44 per cent. and 8.21 per cent. of the Group's gross loans and advances to customers, respectively. If there is substantial deterioration in the business condition of a borrower which adversely affects the borrower's ability to repay, the Bank may not be able to recover the amounts lent under credit loans, which will in turn adversely affect the Bank's financial position and results of operations, and may negatively affect the Bank's ability to service the Bonds and to satisfy its other obligations under the Bonds. Guaranteed loans are loans that are guaranteed by affiliates of the borrower or other third parties. Notwithstanding the fact that such loans are guaranteed, the Bank's exposure to the guarantor is generally unsecured and if the financial position of the guarantor deteriorates significantly, its ability to recover such loans will correspondingly deteriorate. Furthermore, the guarantee provided by such guarantor may be determined by the court as invalid if the guarantor fails to comply with certain laws and regulations in the PRC, including the "PRC Civil Code", "Interpretation of Supreme People's Court on Application of the Security System under the PRC Civil Code" and "Interpretation of the Supreme People's Court on the Application of Real Right Part of the PRC Civil Code (I)". A significant percentage of the Bank's loan portfolio is secured by collateral, consisting mainly of domestic assets such as properties, land use rights and securities. The value of the collateral is generally higher than the amount loaned but such value is affected by factors the Bank cannot control including those affecting the PRC economy. If the PRC economy deteriorates, it could result in a decrease in the value of the collateral which will lead to the reduction of the amount of the loan that can be recovered. In addition, the procedures for liquidating or otherwise realising the value of collateral of borrowers in China may be protracted, and the enforcement process in China may be difficult. According to a judicial interpretation issued by the Supreme Court of the

PRC, effective from 21 November 2004 and amended in December 2008 and December 2020, the court may seal up the collateral necessary for the life of the borrower and his dependent family members, but shall not auction, sell or use it to pay a debt. As a result, it may be difficult and time-consuming for banks to take control of or liquidate the collateral securing NPLs. Accordingly, if a borrower fails to repay and if the Bank is not able to timely realise the entire or sufficient part of the value of collateral, pledged assets or guarantees represented, the Bank's asset quality, business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may not be able to maintain or reduce its current NPL ratio.

The Bank's results of operations have been negatively affected by its NPLs, which may continue to affect the Bank's current and future business performance. As at 30 June 2021, the amount of the Group's NPLs was RMB276,981 million and the NPL ratio was 1.53 per cent., representing a decrease of 0.03 per cent. as compared to the corresponding ratio as at 31 December 2020. As at 30 June 2021, the NPL ratio for corporate loans and advances was 2.49 per cent., representing a decrease of 0.07 per cent. from 31 December 2020, and the NPL ratio for personal loans and advances was 0.39 per cent., representing a decrease of 0.02 per cent. from 31 December 2020. The NPL ratio for overseas operations and subsidiaries as at 30 June 2021 was 1.71 per cent., representing a decrease of 0.24 per cent. from 31 December 2020. The NPL ratio for credit card loans as at 30 June 2021 was 1.28 per cent., representing a decrease of 0.12 per cent. from 31 December 2020.

It cannot be assured that the Bank will be able to reduce or even maintain the same level in the future. This is because the quality of the Bank's loan portfolio is affected by factors which the Bank is unable to control, including any adverse changes to the PRC economic structure and any deterioration in the PRC's economy or the global economy. Adverse changes in the economic environment in the PRC or globally as well as force majeure events including natural disasters or outbreak of diseases may all have a negative impact on the ability of the Bank's customers to repay the loans. Factors such as deterioration in the credit conditions of the Bank's customers' trading partners, decline in both residential and commercial property prices, an increase in the unemployment rate in China and the deterioration in the profitability of corporate borrowers will also lead to a reduction in the quality of the Bank's assets. All of these factors can lead to an increase in the Bank's NPL ratio, which will correspondingly adversely affect its business, financial condition and results of operations, and may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes. See also *"Risk Factors – Risks relating to the Bank's Business – Uncertainties and instability in global market conditions could adversely affect the Bank's business, financial condition and results of operations"*.

The Bank's allowance for impairment losses may not be adequate to cover future actual losses to its loan portfolio.

As at 30 June 2021, the Group's allowance for impairment losses on loans and advances to customers measured at amortised cost was RMB615,141 million, and the ratio of its allowance for impairment losses to total assets was 2.06 per cent. The amount of the allowance for impairment losses to loans is based on the Bank's current assessment of and expectations concerning various factors that may affect the quality of its loan portfolio. These factors include, among other things, the borrowers' financial condition, repayment ability and repayment intention, the realisable value of any collateral and the likelihood of support from guarantors, as well as the PRC's economy, macroeconomic policies, interest rates, exchange rates and legal and regulatory environment. The above-mentioned factors are beyond the Bank's control. If the Bank's assessment of and expectations concerning these factors differ from actual developments in the future, or if the quality of its loan portfolio deteriorates, its allowance for impairment losses may not be adequate to cover its actual losses and the Bank may need to make additional provisions for impairment losses, which may adversely affect its business, financial condition and results of operations and, in turn, may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The expanding range of products and services exposes the Bank to new risks.

The Bank has expanded and intends to continue to expand the range of its products and services. As at 30 June 2021, the Group had 34 overseas institutions and 19 major subsidiaries with a total of 592 entities, including 425 domestic ones and 167 overseas ones, covering 30 countries and regions including Hong Kong, Singapore, Germany, South Africa, Japan, South Korea, the U.S., the U.K., Vietnam, Australia, Russia, the United Arab Emirates, Taiwan, Luxembourg, Macau, New Zealand, Canada, France, Netherlands, Spain, Italy, Switzerland, Brazil, Cayman Islands, Ireland, Chile, Indonesia, Malaysia, Poland and Kazakhstan and maintained wholly-owned operating subsidiaries including CCB Asia, CCB London, CCB Russia, CCB Europe, CCB New Zealand, CCB Brasil and CCB Malaysia and held 60 per cent. of the total share capital of CCB Indonesia. Expansion of its business activities exposes the Bank to a number of risks and challenges, including the following:

- the Bank may have limited or no experience in certain new business activities or geographies and may not be able, or may take a relatively long period, to compete effectively in these areas;
- the Bank may not be able to devote sufficient resources or management capacity to certain new business activities or geographies;
- there is no guarantee that the new business activities will meet the Bank's expectations of their profitability;
- the Bank may not be able to hire new personnel or retrain existing personnel who are able to conduct new business activities; and
- the Bank may not be able to continually add to the capability of its risk management and information technology systems to support a broader range of activities.

If the Bank is not able to achieve the intended results in these new business areas, its business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes. In addition, if the Bank fails to promptly identify and expand into new areas of business to meet the increasing demand for certain products and services, it may fail to maintain its market share or lose some of its existing customers to its competitors.

Furthermore, the Bank's international expansion into multiple jurisdictions exposes the Bank to a variety of new regulatory and business challenges and risks and has increased the complexity of its risks in a number of areas, including currency risk, interest rate risk, credit risk, regulatory and compliance risk, reputational risk and operational risk. If the Bank is unable to manage the risks resulting from its international expansion, its reputation, business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank is subject to liquidity risk.

The Bank regularly monitors the gap between its assets and liabilities for various maturities in order to assess its liquidity risk for different periods. As at 30 June 2021, the loan-to-deposit ratio of the Group was 77.83 per cent., which increased as compared to a loan-to-deposit ratio of 77.49 per cent. as at 31 December 2020. Customer deposits have historically been the main source of the Bank's funding. Generally, the Bank's short-term customer deposits have not been withdrawn upon maturity and have represented a stable source of funding. However, it cannot be assured that this will continue to be the case. If a substantial portion of the Bank's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the Bank may have no choice but to seek other sources of funding to meet its funding requirements. It cannot be assured that the Bank can find alternative sources of financing based on normal commercial terms when necessary. Furthermore, the Bank's ability to obtain additional funds may also be affected by other factors including factors that the Bank may find difficult to control or be totally incapable of controlling, such as the deterioration of overall market conditions, severe disturbance to the financial market or a bleak outlook for industries where it has substantial credit exposure. Any of these factors could result in adverse effects on the Bank's liquidity, business, financial position and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The adoption of the PRC deposit insurance scheme may adversely affect the Bank's deposit-taking business and financial position.

The "Deposit Insurance Regulation" formulated by the State Council came into effect on 1 May 2015 (the "**Deposit Insurance Regulation**"), and it has resulted in the formal establishment of a deposit insurance scheme in the PRC. The Deposit Insurance Regulation requires that the commercial banks and other deposit-taking banking financial institutions established in the PRC shall take out deposit insurance and pay deposit insurance premiums to relevant deposit insurance fund management institutions, with such premiums to be used as deposit insurance funds to compensate depositors in the event of the liquidation or similar event of any PRC bank. Under the Deposit Insurance Regulation schedule, upon the liquidation or similar event of any PRC bank, the maximum compensation that a depositor may receive on the total principal and accrued interest deposited with such PRC bank will be capped at RMB500,000.

The deposit insurance premiums to be paid by the Bank in accordance with the Deposit Insurance Regulation and other relevant laws and regulations will increase the Bank's operating costs and capital requirements. Furthermore, the Deposit Insurance Regulation scheme may increase competition among PRC banks for deposits as some depositors may consider spreading out their deposits with different PRC banks. This may result in deposits currently held with the Bank being transferred by depositors to other PRC banks as well as the Bank needing to offer higher interest rates to retain existing depositors and attract new depositors, which may have an adverse effect on the Bank's business, financial position and operating results.

The Bank is subject to credit risks with respect to certain off-balance sheet commitments and guarantees.

In the ordinary course of the Bank's business, the Bank makes commitments and guarantees which are not reflected as liabilities on its balance sheet, including providing bank acceptances, guarantees, letters of credit and other credit commitments. As at 30 June 2021, the balance of the Group's credit commitments was RMB3,459,288 million, representing an increase of RMB45,758 million as compared to RMB3,413,530 million as at 31 December 2020. The Bank is subject to credit risks on its commitments and guarantees because certain of its commitments and guarantees may need to be fulfilled as a result of the Bank's customers' default. If the Bank is not able to obtain payment from its customers in respect of these commitments and guarantees or enforce its contracts with them, the Bank's business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank is subject to risks associated with its hedging activities and other derivative transactions.

The Bank has entered into derivative transactions for hedging purposes as well as conducted derivative transactions on behalf of its customers. Accordingly, the Bank faces market and operational risks associated with these transactions. At present, the regulation of China's derivative market remains in the development stage and requires further improvement and this increases the risks of the derivative transactions the Bank enters into. Further, the Bank's ability to monitor, analyse and report these transactions is limited by its information technology. Accordingly, the Bank's business, financial position and results of operations may be adversely affected given the volatility of the prices of these derivatives, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's provisioning policies and loan classifications may be different in certain respects from those applicable to banks in certain other countries or regions.

The Bank has adopted the IFRS 9 expected loss impairment model in recognising and providing for credit losses. The Bank's provisioning policies may be different in certain respects from those of banks incorporated in certain other countries or regions which do not assess loans under IAS 39. As a result, the Bank's allowance for impairment losses, as determined under the provisioning policies, may differ from those that would be reported if it was incorporated in those countries or regions.

The Bank classifies its loans as "normal", "special mention", "sub-standard", "doubtful" and "loss" by using the five-category classification system according to requirements of the CBIRC. The Bank's five-category classification system may be different in certain respects from those of banks incorporated in certain other countries or regions. As a result, it may reflect a different degree of risk than what would be reported if the Bank was incorporated in those countries or regions.

The Bank's business, financial position and results of operations may be affected by its policies regarding provisioning and loan classification. If the Bank's approach to provisioning policies and/or loan classification proves not to be adequate, the Bank's business, financial position and results of operations may be negatively affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's risk management and internal control policies and procedures may not be effective in completely managing and avoiding all of its risks.

In recent years, the Bank has achieved progress in terms of risk management by improving its policies and procedures. However, as the Bank's business continues to develop, the Bank's risk management and internal control policies may not be able to effectively reduce and mitigate all types of risks, including unexpected risks and those of which the Bank is unaware of. In addition, the Bank's risk management capabilities are limited by the information, tools and technologies available to the Bank. Furthermore, the Bank's ability to control market risk and liquidity risk is constrained by the current PRC laws and regulations that restrict the types of financial instruments and investments the Bank may hold. If the Bank is unable to effectively implement the enhanced risk management and internal control policies and procedures, or if the intended results of such policies and procedures are not achieved in a timely manner, its asset quality, business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's business is highly dependent on the proper functioning and improvement of its information technology systems.

The Bank's business is highly dependent on the ability of its information technology systems to accurately process large numbers of transactions across numerous markets and products in a timely manner. The proper functioning of the Bank's financial control, risk management, accounting, customer service and other data processing systems, together with the communication networks between the Bank's various branch outlets and its main data processing centre, is critical to its business and its ability to compete effectively. The Bank's data centres provide backup data that could be used in the event of a system breakdown or a failure of the Bank's primary systems, and have established alternative communications networks where available. However, the Bank does not operate all of its backup systems on a real-time basis and it cannot be assured that the Bank's business activities would not be substantially disrupted if there was a partial or complete failure of any of these primary information technology systems or communications networks. Such failures could be caused by, among other things, software flaws, computer virus attacks or conversion errors due to system upgrading. In addition, any security breach caused by unauthorised access to information or systems, or intentional destruction or loss or corruption of data, software, hardware or other computer equipment, could have an adverse effect on the

Bank's business, financial condition and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's ability to remain competitive will depend in part on its ability to upgrade its information technology systems on a timely and cost-effective basis. In addition, the information available to and received by the Bank through its existing information technology systems may not be timely or sufficient for the Bank to manage risks and plan for, and respond to, market changes and other developments in its current operating environment. As a result, the Bank is making and intends to continue making investments to improve or upgrade its information technology systems. Any substantial failure to improve or upgrade the Bank's information technology systems effectively or on a timely basis could adversely affect its competitiveness, business, financial condition and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may not be able to detect and prevent fraud or other misconduct committed by its employees or third parties on a timely basis.

The Bank may suffer from economic loss, penalties from regulatory institutions and severe damage to its reputation as a result of fraud or other misconduct committed by the Bank's employees or third parties. Types of misconduct conducted by the Bank's employees in the past include, among other things, theft, embezzlement or misappropriation of customers' funds; mishandling of deposits-taking business and settlement of payment transactions; improper extensions of credit; improper accounting; fraud; and the giving or acceptance of bribes. Types of misconduct by third parties which may affect the Bank include, among other things, fraud, theft, robbery and certain armed crimes. In addition, the Bank's employees may commit errors that could subject the Bank to financial claims as well as regulatory actions. While the Bank is constantly strengthening its inspection efforts and increasing its precautionary measures to prevent misconduct by employees and third parties, given the Bank's significant number of branch outlets, it cannot be assured that the Bank can identify and prevent all fraudulent behaviours of misconduct or that the preventive measures the Bank has adopted will be effective in every circumstance. As at 30 June 2021, the Bank had a total of 14,656 operating entities. It cannot be assured that any fraud or other misconduct committed by the Bank's employees or third parties, whether involving past acts that have gone undetected or future acts, will not have an adverse effect on the Bank's business, financial condition and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.

The Bank is required to comply with applicable anti-money-laundering, anti-terrorism laws and other regulations in the PRC, Hong Kong and other jurisdictions where the Bank has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering activities or by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering or other illegal or improper activities. To the extent the Bank fails to fully comply with applicable laws and regulations, the relevant government agencies to whom the Bank reports have the power and authority to impose fines and other penalties on the Bank, which could harm its business and reputation, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank does not possess the relevant land use right certificates or building ownership certificates for some of the properties it holds, and it is subject to risks that its leases over certain properties may not be renewed.

The Bank leases a significant number of properties in the PRC, primarily as business premises for its branch outlets. It cannot be assured that all lessors of the Bank's leased business premises have the relevant land use right certificates or building ownership certificates. As a result, third parties may be able to challenge the validity of the Bank's leases. In addition, it cannot be assured that the Bank will be able to renew its leases on acceptable terms upon their expiration. If any of the Bank's leases were terminated as a result of challenges by third parties or failure of the lessors to renew them upon expiration, the Bank may be forced to relocate affected branch outlets and, if it fails to find suitable replacement sites on acceptable terms, its business, financial condition and results of operations may be adversely affected. This may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

In addition, the Bank occupies certain parcels of land and buildings for which it does not have the relevant land use right certificates or building ownership certificates. The Bank is in the process of applying for the relevant land use rights and building ownership certificates that the Bank does not yet hold. However, it cannot be assured that the Bank's ownership rights would not be adversely affected in respect of any parcels of land or buildings for which the Bank was unable to obtain the relevant certificates.

The Bank may face situations where it cannot meet the capital adequacy requirements imposed by the relevant PRC regulators or as a G-SIB pursuant to the Third Basel Capital Accord ("Basel III").

According to the "Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)" ("**CBIRC Capital Regulations**") formulated by the previously-named China Banking Regulatory Commission ("**CBRC**") (now called CBIRC) to implement the Basel III in June 2012 and effected on 1 January 2013, the capital adequacy ratio of different tiers of a commercial bank shall not be lower than the following minimum requirements at any point in time: (i) the core tier 1 capital adequacy ratio shall not be lower than 5 per cent.; (ii) the tier 1 capital adequacy ratio shall not be lower than 6 per cent.; (iii) the capital adequacy ratio shall not be lower than 8 per cent.; (iv) the capital conservation buffer shall not be lower than 2.5 per cent.; and (v) the countercyclical buffer shall not be lower than 0 to 2.5 per cent. In addition, the Bank as a domestic systemically important bank will also be required to maintain a further 1 per cent. capital surcharge above prevailing core tier 1 capital requirements. Since January 2013, the Bank has calculated its capital adequacy ratio in accordance with these measures.

Furthermore, the Financial Stability Board has identified the Bank as a globally systemically important bank ("**G-SIB**") since November 2017. As a G-SIB, the Bank is required to satisfy heightened capital adequacy ratios pursuant to Basel III. As at 30 June 2021, the Group's total capital ratio, Tier 1 ratio and Common Equity Tier 1 ratio, which were calculated in accordance with *the Capital Rules for Commercial Banks (Provisional)* issued by the CBIRC, were 16.58 per cent., 13.80 per cent. and 13.23 per cent. respectively, meeting the regulatory requirements. In November 2017, the Basel Committee on Banking Supervision further issued new regulations on how banks calculate risk-weighted assets, which are expected to be implemented in 2022. The new regulations focus on enhancing the robustness of standard risk-weighted asset calculation models and limiting the scope of use of banks' internal capital models. If the new regulations are implemented and adopted by the Bank, it may further affect the Bank's future capital raising plan.

Although the Bank has already implemented medium to long term capital management policies to strengthen capital management and its capability to maintain growth, some regulatory developments may affect the Bank's ability to continually comply with capital adequacy requirements, including the decline in asset quality, the decline in value of its investments, the raising of minimum capital adequacy ratios by the CBIRC and the changes in calculations of capital adequacy ratios by the CBIRC.

In order to support a steady growth and development, the Bank may need to raise more capital to ensure that its capital complies with or exceeds the minimum regulatory requirement. In its future plans to raise capital, the Bank may issue any share securities that can contribute towards core tier 1 capital or share or perpetual securities that can contribute towards additional tier 1 capital or any debt securities that can contribute towards additional tier 1 capital or tier 2 capital. For instance, on 14 September 2020, the Bank issued RMB65,000,000,000 4.20 per cent. Domestic Tier 2 Capital Bonds due 2030 ("**Domestic Tier 2 Capital Bonds due 2030**"). The Domestic Tier 2 Capital Bonds due 2030 are fixed rate bonds with a term of 10 years and the Bank has a conditional right to redeem the Domestic Tier 2 Capital Bonds due 2030 at the end of the fifth year. The funds raised from the issuance of the Domestic Tier 2 Capital Bonds due 2030 will be used to replenish the Bank's Tier 2 capital in accordance with the applicable laws and the approvals from the regulatory authorities.

The Bank's capital-raising ability may be restricted by the Bank's future business, financial and operational results, the Bank's credit rating, necessary regulatory approvals, overall market conditions including PRC and global economic, political and other conditions at the time of any capital raising.

If the Bank fails to meet the capital adequacy requirements, the CBIRC may require the Bank to take corrective measures, including, for example, restricting the growth of its loans and other assets or restricting its declaration or distribution of dividends. These measures could adversely affect the Bank's reputation, business, financial condition and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may not manage risks associated with the replacement of benchmark indices effectively.

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened national working groups ("**NWGs**") to identify alternative replacement 'risk-free' rates ("**RFRs**") for these interbank offered rates ("**IBORs**") and, where appropriate, to make recommendations that would facilitate an orderly transition to these RFRs.

Following the FCA Announcement (as defined below) on 27 July 2017 where the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021, the NWGs for the impacted currencies were tasked with providing guidance and support to financial and non-financial firms to help them facilitate an orderly transition of the relevant LIBORs to their chosen RFRs.

The expected discontinuation of certain key IBORs such as LIBOR, the adoption of RFRs by the market, and the development of RFR products by the Bank, introduce a number of risks for the Bank, its clients, and the financial services industry more widely. These include, but are not limited to:

- regulatory compliance, legal and conduct risk, arising from both the continued sale of products referencing IBORs, sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that the Bank is unable to meet regulatory milestones associated with the discontinuance of sale of certain IBOR products, which may result in regulatory investigations or reviews being conducted into the Bank's preparation and readiness for the replacement of IBORs with alternative reference rates. Additionally, if the Bank's sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;

- legal risks associated with the enforceability of fall-back provisions in IBOR contracts. There is a risk that some contracts will not be transitioned before the relevant IBOR is discontinued and the parties will need to rely on the "fall-back" provisions of those contracts. As these fall-back provisions do not always contemplate the permanent cessation of the relevant IBOR, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed in the UK, U.S. and EU, market participants will need to consider the impact of any proposals ultimately adopted; and

- financial risks resulting from the discontinuation of IBORs and the development of RFR market liquidity will affect the Bank throughout transition. The differences in IBOR and RFR interest rate levels will create a basis risk that the Bank will need to actively manage through appropriate financial hedging. Basis risk in the trading book and in the banking book may arise out of the asymmetric adoption of RFRs across assets and liabilities and across currencies and products. In addition, this may limit the ability to hedge effectively.

If any of these risks materialise, it could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and customers.

The Bank is subject to certain operational requirements as well as guidelines set by the PRC banking regulatory authorities. The Bank is also subject to the supervision and inspection of domestic regulators and overseas regulators in jurisdictions where it operates.

The Bank is subject to regular and irregular supervision and inspection by China's regulatory institutions, including the MOF, the PBOC, the CBIRC, the previously-named China Insurance Regulatory Commission (now called the CBIRC), the State Administration of Taxation ("**SAT**"), the State Administration of Industry & Commerce ("**SAIC**"), the SAFE and the National Audit Office ("**NAO**").

The Bank is subject to certain operational requirements and guidelines set by the PRC banking regulatory authorities. It cannot be assured that the Bank will be able to meet these operational requirements and guidelines in the future at all times, or that no sanction will be imposed on the Bank in the future if the Bank fails to do so. If sanctions are imposed on the Bank for the breaches of these or other operational requirements and guidelines, its business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

Furthermore, the Bank may also be subject to inspection and supervision of overseas regulatory institutions in overseas jurisdictions where it operates. The Bank's overseas branches, subsidiaries and representative offices must follow local laws, regulations and the regulatory requirements of relevant local regulatory institutions of their respective jurisdictions. It cannot be assured that the Bank's overseas branches, subsidiaries and representative offices will be able to meet the applicable laws and regulatory requirements at all times. If the Bank is not able to meet these requirements, there may be an adverse impact on the Bank's business in these jurisdictions. Some of these inspections have led to penalties and other sanctions imposed on the Bank as a result of non-compliance. Although none of the penalties and sanctions imposed on the Bank have had a material adverse impact on the Bank's operations, financial position, and business performance, it cannot be assured that future inspections by regulatory institutions will not result in penalties or sanctions which may adversely affect the Bank's operations, reputation, business, financial position and results of operations, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may be subject to OFAC penalties if it conducts transactions in violation of OFAC regulations.

The United States currently imposes various economic sanctions, which are administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") and which apply only to U.S. persons and, in certain cases, to foreign subsidiaries of U.S. persons or to transactions involving certain items subject to U.S. jurisdiction. Similar sanctions are administered by the United Kingdom, the European Union, United Nations

Security Council and other applicable jurisdictions. These sanctions are intended to address a variety of policy concerns, including, among other things, denying certain countries, certain individuals and entities, the ability to support international terrorism and to pursue weapons of mass destruction and missile programmes. Countries which are currently subject to sanctions for different reasons include but are not limited to Crimea region of Ukraine, Cuba, Iran, Libya, North Korea, Syria and Sudan. The Bank does not believe that these sanctions are applicable to any of the Group's activities. However, if the Group engages in any prohibited transactions by any means or it was otherwise determined that any of the Group's transactions violated applicable sanctions regulations, the Group could be subject to penalties and its reputation and ability to conduct future business in the U.S. or other relevant jurisdictions or with U.S. persons or other relevant persons could be adversely affected. As the Bank's business, financial condition and results of operations may be adversely affected, the Bank's ability to service the Notes and to satisfy its other obligations under the Notes may also be negatively affected.

Potential investors should not place undue reliance on the financial information incorporated by reference that is not audited or that is not audited nor reviewed.

This Offering Circular incorporates the most recently published unaudited but reviewed interim consolidated financial statements of the Bank published from time to time after the date of this Offering Circular in each case together with any review reports prepared in connection therewith, as well as the most recently published unaudited and unreviewed quarterly financial information, published subsequent to the most recently published consolidated financial statements of the Bank. The Bank publishes its consolidated quarterly interim reports in respect of the three months ended 31 March and 30 September of each financial year. A copy of the quarterly interim reports can be found on the website of the Hong Kong Stock Exchange.

The quarterly consolidated financial information of the Group has not been and will not be audited or reviewed by the Bank's independent auditors. The unaudited and unreviewed consolidated quarterly financial information of the Group should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Potential investors should exercise caution when using such data to evaluate the Bank's financial condition and results of operations.

None of the Arranger or the Dealer makes any representation or warranty, express or implied, regarding the sufficiency of the Group's unaudited or unreviewed financial information for an assessment of the Group's financial condition, results of operations and results.

In addition, such unaudited quarterly consolidated financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit. The unaudited quarterly consolidated financial information of the Group should not be taken as an indication of the expected financial condition or results of operations of the Group for a full financial year.

Any force majeure events, including occurrence of natural disasters or outbreaks of contagious diseases (such as COVID-19) may have an adverse effect on the Bank's business operations, financial condition and results of operations

Any force majeure events, such as the occurrence of natural disasters or outbreaks of health epidemics and contagious diseases, including but not limited to the on-going COVID-19 outbreak caused by the SARS-CoV-2 virus, all variants of the avian influenza, severe acute respiratory syndrome ("**SARS**"), Middle East Respiratory Syndrome ("**MERS**"), Ebola virus, and swine flu caused by H1N1 virus ("**H1N1 Flu**"), may adversely affect the Bank's business, financial condition and results of operations. Possible force majeure events may give rise to additional costs to be borne by the Bank and have adverse effects on the quality of the Bank's assets, business, financial condition and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect the Bank's business. In particular, the on-going COVID- 19 outbreak has resulted in increased travel restrictions and extended delay or suspension of business activities in China and worldwide, which may result in adverse impact on the Bank's businesses. There is no assurance that the outbreak will not lead to decreased demand for services the Bank provides; nor is there assurance that the outbreak's adverse impact on the PRC and global economy and the Bank's customers will not adversely affect the level of non-performing loans. The outbreak may also adversely affect the Bank's ability to keep normal operations and provide uninterrupted services to its customers. The COVID- 19 epidemic has created and may further create negative economic impact and increase volatility in the PRC and global market and continue to cause increasing concerns over the prospects of the financial market in PRC.

Government restrictions imposed around the world to limit the spread of COVID- 19 resulted in a sharp decline in global economic activity during 2020. At the same time, governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic activity recovered unevenly in the second half of 2020 as some jurisdictions imposed renewed restrictions in the fourth quarter in response to a resurgence in COVID-19 cases. While a number of vaccine candidates have announced high efficacy rates, raising hopes of widespread immunisation from COVID- 19 being achieved by the end of 2021 and government restrictions being eased, the rollout of vaccination programmes is uneven across markets, hampering the global pace of recovery even as certain individual markets return to pre-pandemic levels of activity.

There is a material risk of a renewed drop in economic activity. The economic fallout from the COVID- 19 pandemic risks increasing inequality across markets that have already suffered from social unrest. This leaves the burden on governments and central banks to maintain or increase fiscal and monetary stimulus. After financial markets suffered a sharp fall in the early phases of the spread of COVID- 19, they rebounded but still remain volatile. Depending on the degree to which global economic growth suffers permanent losses, financial asset prices may suffer a further sharp fall. Depending on the time taken for economic activity to return to previous levels, there could be further adverse impacts on the Bank income due to lower lending and transaction volumes.

The Group has duly implemented various policies issued by the PRC Central Government, as well as requirements of the Notice on Further Enhancing Financial Support for the Prevention and Control of the Novel Coronavirus Pneumonia Outbreak (關於進一步強化金融支持防控新型冠狀病毒感染肺炎疫情的通知), which was jointly published by the People's Bank of China (the "**PBOC**"), the PRC Ministry of Finance (the "**MOF**"), the China Banking and Insurance Regulatory Commission ("**CBIRC**"), the China Securities Regulatory Commission (the "**CSRC**") and the State Administration of Foreign Exchange ("**SAFE**"), and strengthened financial support for the prevention and control of the pandemic. COVID-19 has affected the operation of businesses in geographic regions and industries to varying degrees, which may in turn affect the quality or the yields of the Group's credit assets and other financial assets, the extent of which will depend on factors including evolvement of the pandemic, macro policies, resumption of work and activities in enterprises. The Group has been closely monitoring and will continue to close monitor the evolvement of COVID-19 and in 2020 actively addressed the impact of COVID-19 by continuously improving the quality and efficacy of operation and development, but there remains significant uncertainties in assessing the duration of the COVID-19 pandemic and its impact. A continued period of significantly reduced economic activity as a result of the impact of the COVID-19 pandemic could have a material adverse effect on the Bank's financial condition, results of operations, prospects, liquidity, capital position and credit ratings.

Please also refer to "*Risk Factors – Risks Relating to the Bank's Business – Uncertainties and instability in the global market conditions could adversely affect the Bank's business, financial condition and results of operations*" and "*Recent Developments – Impact of COVID-19 pandemic and the Group's main countermeasures*". Any of these factors could have a material adverse effect on the Group's financial condition, business and results of operation. In addition, any future occurrence of severe natural disasters in China or elsewhere may adversely affect PRC's economy or the global economy and in turn the Bank's business. There is no guarantee that any future occurrence of natural disasters or outbreak of any avian influenza, SARS, MERS, Ebola virus, H1N1 Flu, COVID-19 or other epidemics, or the measures taken by the PRC government or other countries in response to such future outbreak of epidemics, will not seriously interrupt the Bank's operations or those of the Bank's customers, which may have an adverse effect on the Bank's business, financial condition and results of operations.

RISKS RELATING TO THE PRC BANKING INDUSTRY

The highly competitive nature of the PRC banking industry could adversely affect the Bank's profitability.

The PRC banking industry is intensely competitive. The Bank competes primarily with other domestic commercial banks and financial institutions, as well as foreign-invested financial institutions. These commercial banks and financial institutions compete with the Bank for substantially the same loans, deposits and fees from customers.

Following the removal of regulatory restrictions on their geographical presence, customer base and operating licence in China in December 2006 as part of China's WTO accession commitments, the Bank has experienced increased challenges from foreign-invested commercial banks. Furthermore, the "Mainland and Hong Kong Closer Economic Partnership Arrangement", which permits smaller Hong Kong banks to operate in China, the rapid development of new competitors such as Alipay and WeChat Pay, and the emergence of new technologies such as new digital currencies in the PRC have also increased the competition in China's banking industry.

The increased competitive pressures resulting from the above and other factors may adversely affect the Bank's business and prospects, as well as the Bank's business, financial condition and results of operations by, among other things:

- reducing the Bank's market share in its principal products and services;
- affecting the growth of the Bank's loan portfolio or deposit base and other products and services;
- decreasing the Bank's interest income or increasing its interest expense, thereby decreasing its net interest margin;
- reducing the Bank's fee and commission income;
- increasing the Bank's non-interest expenses, such as marketing expenses;
- reducing the Bank's asset quality; and
- increasing the turnover of senior management and qualified professional personnel.

The Bank may not always be able to maintain its competitive advantage or successfully compete in all the business areas in which it currently operates or intends to operate in the future. The adverse developments described above may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank may also face competition for funds from other forms of investment alternatives as the PRC capital market continues to develop. For example, as the PRC capital market continues to develop and become a more viable and attractive investment alternative, the Bank's deposit customers may elect to transfer their funds into bonds, equities and other capital market instruments, which may reduce the Bank's deposit base and adversely affect the Bank's business, financial condition and results of operations. This may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's business is inherently subject to market fluctuations and general economic conditions, particularly in the PRC.

The Bank's business is inherently subject to global capital market fluctuations and general economic conditions. Global market factors and the volatility and strength of the capital markets all affect the business and economic environment and, ultimately, the Bank's business. In particular, uncertain economic conditions, volatility and disruptions in global capital markets, such as those that occurred in late 2008 and 2009 during the global financial crisis, can have a material adverse effect on the Bank. The economic recovery since the global financial crisis has been slow, with economic growth rates in major economies remaining persistently lower than pre-crisis levels, due to issues including the ongoing COVID-19 outbreak, the escalating tensions between the PRC and the United States, the ongoing concerns about European sovereign debt levels and the prolonged period of uncertainty around Brexit. Please also refer to "*Risk Factors – Risks Relating to the Bank's Business – Uncertainties and instability in global market conditions could adversely affect the Bank's business, financial condition and results of operations*".

Furthermore, uncertainties in the global and the PRC's economies may also adversely affect the Bank's business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of the customers or counterparties could become delinquent in respect of their loan repayments or other obligations to the Bank, which, in turn, could result in a higher level of NPLs, allowances for impairment losses and write-offs;
- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where the Bank operates may restrict its business flexibility and increase its compliance costs;
- the value of the Bank's investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;
- the Bank's ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect the Bank's business prospects.
- Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in the PRC, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. In addition, global economic uncertainty and the slowdown in PRC economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. It cannot be predicted whether or when such actions may occur, nor can it be predicted what ultimate impact, if any, such actions or any other governmental actions could have on the Bank's business, results of operations and financial condition. There can be no assurance that the PRC's economy or the global economy will continue to improve or maintain sustainable growth. If further economic downturn occurs or continues, the Bank's business, financial condition and results of operations could be materially and adversely affected.

The Bank's businesses are highly regulated which may be adversely affected by future regulatory changes.

The Bank's businesses are highly regulated which may be adversely affected by future regulatory changes. The Bank's business and operations are directly affected by changes in the PRC's policies, laws and regulations relating to the banking industry, such as those affecting the extent to which the Bank can engage in specific businesses as well as changes in other governmental policies. There can be no assurance that the policies, laws and regulations governing the banking industry will not change in the future or that any such changes will not adversely affect the Bank's business, financial condition and result of operations nor can the Bank assure investors that it will be able to adapt to all such changes on a timely basis. For example, in recent years, the PRC government has announced a number of supply-side structural reforms, including the reforms to improve the corporate governance of SMEs to reduce systemic financial risks and credit risk and to increase lending activities to SMEs while effectively controlling risks, to achieve a healthy economic growth.

The Bank has participated in such supply-side structural reforms, including the development of Guangdong-Hong Kong-Macau Greater Bay Area and Free Trade Zones, SMEs financing and debt-to-equity swap reforms. In addition, the Bank may be entrusted to administer banking business. For example, on 24 May 2019, the Bank announced that it has accepted the entrustment of Baoshang Bank to take its business into custody. Under the custodian period of one year, the Bank had assisted Baoshang Bank in the reform of its corporate governance and risk management and in its business operations. There is no assurance that the policies implemented by the PRC regulators and the Bank's participation in them will not affect the Bank's business, financial condition and result of operations or that the Bank will be able to make proper adjustment(s) to its business operations according to the changes in the financial regulatory policies, monetary policies and structural-side reforms.

In addition, there may be uncertainties regarding the interpretation and application of new policies, laws and regulations, which may result in penalties and restrictions on the Bank's activities and could also have a significant impact on the Bank's business. The adverse developments described above may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The growth rate of the PRC banking market may not be sustainable.

The Bank expects the banking market in the PRC to expand as a result of anticipated growth in the PRC economy, increases in household wealth, continued social welfare improvement, demographic changes and the opening of the PRC banking market to foreign participants. However, the prospective impact on the PRC banking industry of certain trends and events, such as the pace of economic growth in the PRC and the ongoing reform of the social welfare system is currently not clear. Consequently, it cannot be assured that the growth and development of the PRC banking market will be sustainable.

Fluctuations in interest rates may adversely affect the Bank's lending business and its financial condition.

As with most commercial banks, the Bank's results of operations depend to a great extent on the Bank's net interest income. For the year ended 31 December 2020, net interest income represented 80.63 per cent. of the Group's operating income. For the six months ended 30 June 2021, net interest income represented 77.73 per cent. of the Group's operating income. Fluctuations in interest rates could affect the Bank's financial condition and profitability in different ways. For example, a decrease in interest rates may reduce the Bank's interest income and yields from interest-earning assets. An increase in interest rates may decrease the value of the Bank's investment in debt securities portfolio and raise the Bank's funding costs. In addition, an increase in interest rates may reduce overall demand for loans, and, accordingly, reduce the Bank's origination of new loans, as well as increase the risk of customer default. Fluctuations in interest rate will also affect the market value of and return on derivative financial instruments and may result in a gap between the Bank's interest rate sensitive assets and interest rate sensitive liabilities.

Interest rate spread may also be affected by the PBOC's reserve requirement ratio for commercial banks. The reserve requirement refers to the amount of funds that banks must hold in reserve against deposits made by their customers. The PBOC may further adjust the reserve requirement ratio or revise its calculation basis in the future. Increases in the bank reserve requirement ratio or expansion of the calculation basis of the reserve requirement may negatively impact the amount of funds available for loans to businesses by the Bank and other commercial banks in China and therefore may adversely affect the Bank's ability to earn interest income, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

In addition, increasing competition in the banking industry and further deregulation of interest rates by the PBOC may result in higher fluctuations in market interest rates. If the interest rates the Bank pays for its deposits increase to a greater extent than the interest rates it receives for its loans, the Bank's net interest margin will narrow, leading to a reduction in its net interest income. Increases in interest rates might also affect borrowers' financial condition and hence their ability to repay loans. As a result, fluctuations in interest rates may adversely affect the Bank's lending operations, financial condition and results of operations, which in turn may negatively affect the Issuer's and/or the Guarantor's ability to service the Notes and to satisfy their other obligations under the Notes.

PRC regulations impose limitations on the types of investments the Bank may make and, as a result, the Bank has limited abilities to seek optimal investment returns, to diversify its investment portfolio and to hedge the risks of its Renminbi-denominated assets.

As a result of the PRC regulatory restrictions, substantially all of the Renminbi-denominated investment assets of PRC commercial banks are concentrated in the limited types of investments permitted by the PRC government. These permitted investments include PRC treasury bonds, financial debt securities issued by PRC policy banks, notes issued by PBOC, and subordinated bonds. These restrictions on the Bank's ability to diversify its investment portfolio limit its ability to seek an optimal return. The restrictions also expose the Bank to significantly greater risk of investment loss in the event a particular type of investment the Bank holds suffers a decrease in value. For example, a general increase in interest rates may result in a significant decline in the value of the fixed income debt securities held by the Bank. In addition, due to the limited availability of hedging tools, the Bank's ability to manage market and credit risks relating to Renminbi-denominated assets is limited, and any resulting decline in the value of its Renminbi-denominated assets will adversely affect the Bank's financial condition and results of operations. This may negatively affect the Issuer's and/or the Guarantor's ability to service the Notes or the Guarantee (as the case may be) and to satisfy their other obligations under the Notes or the Guarantee (as the case may be).

The Bank's results of operations may be adversely affected if the PBOC further expedites the deregulation of interest rates.

In recent years, the PBOC has adopted reform measures to liberalise China's interest rate regime. For example in 2002, the PBOC substantially liberalised interest rates for foreign currency-denominated loans and deposits. In October 2004, the PBOC eliminated restrictions in respect of the maximum interest rate for RMB-denominated loans and the minimum interest rate for RMB-denominated deposits. In June 2012, PBOC lowered the one-year Renminbi benchmark deposit and loan interest rates each by 0.25 per cent.. At the same time, the PBOC also adjusted the upper limit of the floating range for deposit interest rates and the lower limit of the floating range for loan interest rates.

On 19 July 2013, the PBOC published the "Notice on Furthering Market-based Interest Rate Reform" pursuant to which, other than the restriction that commercial banks in China cannot set interest rates for RMB-denominated residential mortgage loans below 70 per cent. of the relevant PBOC benchmark rate (since 27 October 2008), restrictions on the loan interest rates were fully liberalised. According to existing PBOC regulations, RMB-denominated deposits in commercial banks in China remain subject to restrictions and the interest rate for RMB-denominated deposits cannot be set above 110 per cent. of the relevant PBOC benchmark rate. On 25 October 2013, the PBOC introduced a new prime lending rate, officially known as the "loan prime rate", which is based on a weighted average of lending rates from nine commercial banks. In 2015, the PBOC made consecutive interest rates cuts and removed the deposit interest rate ceiling, giving rise to greater competitions among banks and general shrinking of returns in the bond and monetary markets. On 17 August 2019, the PBOC issued Bulletin [2019] No. 15, reforming and improving the loan prime rate calculation mechanism, further liberalising the interest rate system. The PBOC may further liberalise the existing interest rate restrictions on RMB-denominated loans and deposits. If the existing regulations are substantially liberalised or eliminated, competition in China's banking industry will likely intensify as China's commercial banks seek to offer more attractive interest rates to customers. Further adjustments by the PBOC to the benchmark interest rates or liberalisation by the PBOC may result in the narrowing of the spread in the average interest rates between RMB-denominated loans and RMB-denominated deposits, thereby adversely affecting the Bank's business, financial condition and results of operations, which in turn may negatively affect the Issuer's and/or the Guarantor's ability to service the Notes or the Guarantee (as the case may be) and to satisfy their other obligations under the Notes or the Guarantee (as the case may be).

The effectiveness of the Bank's credit risk management system is affected by the quality and scope of information available in the PRC.

National credit information databases developed by the PBOC have been in operation since January 2006. However, as the information infrastructure in China is still under development and there remains limitations on the availability of information, national credit information databases are generally under-developed and are not able to provide complete credit information on many of the Bank's credit applicants. Therefore, the Bank's assessment of the credit risk associated with a particular customer may not be based on complete, accurate or reliable information, and the Bank's ability to effectively manage the Bank's credit risk may be adversely affected. This may negatively affect the Issuer's and/or the Guarantor's ability to service the Notes or the Guarantee (as the case may be) and to satisfy their other obligations under the Notes or the Guarantee (as the case may be).

Certain facts and statistics and information relating to the Bank and the Group are derived from publications not independently verified by the Bank, the Arrangers and Dealers or any of their respective directors, employees, representatives, affiliates or advisers.

Certain facts and statistics in this Offering Circular relating to the PRC, its economy and its banking industry are derived from various official and publicly available sources generally believed to be reliable. While the Bank has taken reasonable care to ensure that the facts and statistics or information relating to the Bank and the Group presented are accurately extracted from such sources, such facts, statistics and information have not been independently verified by the Bank, the Arrangers and Dealers or any of their respective directors, employees, representatives, affiliates or advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics or information, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice or other reasons, the statistics herein may be inaccurate or may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon.

RISKS RELATING TO THE PRC

PRC economic, political and social conditions and government policies could affect the Bank's financial condition and results of operations.

A substantial majority of the Bank's businesses, assets and operations are in China. Accordingly, the Bank's financial condition, results of operations and business prospects are, to a significant degree, subject to the economic, political and legal developments in China. The PRC economy differs from the economies of most developed countries in many respects, including with respect to government involvement, level of development, economic growth rate, economic and political structure, control of foreign exchange, regulation of capital investment and allocation of resources. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. In recent years, the PRC government has implemented a series of measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. However, there can be no assurance that the PRC government will continue to pursue economic reforms or that any such reforms will not have a material adverse effect on the Group's business. In addition, a large portion of productive assets in China remain owned by the PRC government. The PRC government retains the power to implement macroeconomic policies affecting the PRC economy and continues to play a significant role in regulating industrial development, allocating resources, setting monetary policy, implementing measures on production, pricing, management and taxation and providing preferential treatment to particular industries or companies. These measures are aimed at benefiting the overall economy of the PRC, but some of the measures may have negative effects on certain industries, including the commercial banking industry. For example, the Bank's operating results may be adversely affected by government control over capital investments or changes in the interpretation of, and application of, applicable tax regulations.

Interpretation of PRC laws and regulations may involve uncertainty.

The Bank is organised under the laws of the PRC. The PRC legal system is based on written statutes. Since 1979, the PRC government has promulgated laws and regulations dealing with economic matters, such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view towards developing a comprehensive system of commercial law. However, as many of these laws and regulations are relatively new and continue to evolve, these laws and regulations may be subject to different interpretation and inconsistently enforced. In addition, there is a limited volume of published court decisions, and although they may be cited for reference, they are not binding on subsequent cases and have limited precedential value unless the Supreme People's Court otherwise provides. These uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Bank and the Noteholders.

Noteholders may experience difficulties in effecting service of legal process and enforcing judgments against the Bank and its directors and officers.

The Bank is a company incorporated under the laws of the PRC, and substantially all of its assets and its subsidiaries are located in the PRC. In addition, most of the Bank's directors and officers reside within the PRC, and the assets of its directors and officers may be located within the PRC. As a result, it may be difficult to effect service of process outside of the PRC upon most of the Bank's directors and officers and for the Noteholders to effect service of process against the Bank's assets or its directors and officers in the PRC in order to seek recognition and enforcement for foreign judgments in the PRC.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognise and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law and other applicable laws and regulations based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of the United States, the United Kingdom, Japan or most other Western countries. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against the Bank or its directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. Hence, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in any of these jurisdictions.

The Bank is subject to PRC government controls on currency conversion and future movements in exchange rates.

The Bank receives a substantial majority of its revenues in RMB, which is currently not a freely convertible currency. A portion of these revenues must be converted into other currencies in order to meet the Bank's demands for foreign currencies.

The exchange rates of the RMB against the U.S. dollar and other currencies are in constant fluctuation and influenced by, among other things, the changes in Chinese and international political and economic conditions. Since 1994, China had implemented a single and managed floating exchange rate regime based on market supply and demand to determine the exchange rate of RMB with reference to the exchange rate determined by the PBOC based on the interbank exchange rates and the prevailing rate of the international financial market on the previous business day. On 21 July 2005, the PRC government adopted a more flexible market-based and managed floating exchange rate regime with reference to a basket of currencies. Under the new system, the exchange rate of RMB was allowed to fluctuate within a regulated band. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, China continued to deepen its exchange rate regime reform to implement a managed floating exchange rate system based on market supply and demand. Given the domestic and overseas economic developments, in June 2010, the PBOC decided to proceed further with reform of the RMB exchange rate regime, improve the flexibility of the RMB exchange rate and widen the daily trading band for the U.S.$/RMB exchange rate in April 2012 and in March 2014. In 2017, the RMB depreciated as against the U.S. dollar and continued to fluctuate in 2018 and early 2019. Against the backdrop of uncertain trade and global economy, the PBOC authorised the China Foreign Exchange Trade System and National Interbank Funding Centre on 8 August 2019 to publish the central parity rate of the RMB as against the U.S. dollar in the interbank exchange market, which was U.S.$ 1.00 to RMB7.0039. That was the first time the value of the RMB as against the U.S. dollar fell below RMB7.00 per U.S. dollar since 2008. The PRC government may in the future implement other exchange rate reforms.

The Bank is also currently required to obtain the approval of SAFE before converting significant sums of foreign currencies into RMB. All of these factors could adversely affect the Bank's business, financial condition, results of operations and compliance with capital adequacy ratios and operational ratios, which in turn may negatively affect the Issuer's and/or the Guarantor's ability to service the Notes or the Guarantee (as the case may be) and to satisfy their other obligations under the Notes or the Guarantee (as the case may be).

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME AND THE GUARANTEE

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Certain Series of Notes may be complex financial instruments. Sophisticated investors generally do not purchase complex financial instruments as standalone investments but rather purchase such complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the overall portfolios. A potential investor should not invest in such Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how such Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each of the Notes and the Guarantee are effectively subordinated to all secured debt of each of the Issuer and the Bank.

Each tranche of Notes and the Guarantee will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness (except for creditors whose claims are preferred by laws and rank ahead of the holders of the Notes) that each of the Issuer and the Bank has issued or may issue. Payments under the Notes and the Guarantee are effectively subordinated to all secured debt of each of the Issuer and the Bank to the extent of the value of the assets securing such debt.

As a result of such security interests given to the Issuer's and the Bank's secured lenders, in the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding involving the Issuer and the Bank, the affected assets of the Issuer and the Bank may not be used to pay the Noteholders until after:

- all secured claims against the affected entity have been fully paid; and
- if the affected entity is a subsidiary of the Issuer or the Bank, all other claims against such subsidiary, including trade payables, have been fully paid.

The Issuer is a special purpose vehicle with no business activities of its own and will be dependent on funds from its affiliates to make payments under the Notes.

The Issuer is a wholly-owned subsidiary of the Company which, in turn, is a wholly-owned subsidiary of the Bank. The Issuer is a special purpose vehicle which does not have any material assets. The Issuer intends to on-lend the proceeds from the issue of any Notes to the Company and its affiliates for the development and expansion of its business. The Issuer's ability to make payments under the Notes depends on timely payments under such loans. In the event that the Company or its affiliates does not make such payments due to limitation in such loans or other agreements, lack of available cash flow or other factors, the Issuer's ability to make payments under the Notes could be adversely affected.

In the event that the Guarantor failed to fully perform its obligations under the Deed of Guarantee, performance by the Bank of such obligations may be subject to approvals of the PRC government authorities.

According to the Law of the People's Republic of China on Commercial Banks (中華人民共和國商業銀行法) and the circular issued by the PBOC named "Reply on the Issues Regarding the Civil Liabilities of the Branches of Commercial Banks" (關於對商業銀行分支機構民事責任問題的覆函), in the event that a branch of a commercial bank fails to fully perform the obligations to the extent of the assets of the branch, such commercial bank shall fulfil such obligations to the extent that the branch has failed to perform them.

Therefore, in the event the Guarantor is unable to or does not perform its obligations under the Deed of Guarantee, the Bank will assume all obligations of the Guarantor with respect to the payments under the Notes. The remittance of funds outside the PRC by the Bank in order to perform these obligations may be subject to approvals, registration or verification of the State Administration of Foreign Exchange (the "**SAFE**"). There can be no assurance that the Bank will successfully obtain any of the requisite approvals in time, or at all.

An active trading market for the Notes may not develop.

The Dealers are not obliged to make a market in any Tranche of Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Dealers. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, even if a market develops for the Notes, it may not be liquid and the holders of the Notes may encounter difficulties in selling these Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales regardless of the performance of the Bank. In addition, to the extent that the Bank is not able to obtain or maintain a listing and quotation of any Tranche of Notes that are listed on the Hong Kong Stock Exchange or any other stock exchange, the sustainability and liquidity of such Notes may be adversely affected.

There could be conflicts of interest arising out of the different roles played by the Bank and its subsidiaries, and the Bank's other activities may affect the value of the Notes.

The Issuer of the Notes is a wholly-owned subsidiary of the Company, which, in turn, is a wholly owned subsidiary of the Bank. The Bank's subsidiary is also appointed as an Arranger and Dealer for the Programme. The Bank or its subsidiaries may also issue other competing financial products which may affect the value of the Notes. Investors should also note that potential and actual conflicts of interest may arise from the different roles played by the Bank and its subsidiaries in connection with the Notes and the economic interests in each role may be adverse to the investors' interests in the Notes. Although the Bank has internal control policies and procedures to minimise any potential conflict of interest, the Bank owes no duty to investors to avoid such conflicts.

Investors shall be aware of the effect of change of law.

The Conditions are based on English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws as specified in the Pricing Supplement, or administrative practices after the date of this Offering Circular.

Credit Ratings may not reflect all risks and any credit rating of the Notes may be downgraded or withdrawn.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above, and other factors that may affect the value of the Notes. As at the date of this Offering Circular, the Bank has been assigned a rating of "A1" by Moody's, A by S&P and A by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Each Tranche of Notes may be rated or unrated, as specified in the applicable Pricing Supplement. The rating represents the opinion of the relevant rating agency and its assessment of the ability of the Issuer and, the Guarantor to perform their respective obligations under the Notes and the Guarantee of the Notes, and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities. The rating can be lowered or withdrawn at any time. Neither the

Issuer nor the Guarantor obligated to inform holders of the Notes if a rating is lowered or withdrawn. A reduction or withdrawal of a rating may adversely affect the market price of the Notes.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include the Bank to the extent it conducts licensed activities in Hong Kong. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or part of the Notes or the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result. Holders of the Notes may become subject to and bound by the FIRO. The implementation of FIRO remains untested and certain detail relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, the Bank is unable to assess the full impact of FIRO on the financial system generally, the Bank's counterparties, the Bank, any of its consolidated subsidiaries, its operations and/or its financial position.

Investors shall pay attention to any modifications and waivers.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series. The Conditions also provide that the Issuer may permit or agree to (i) any modification of any of the provisions of the Fiscal Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Fiscal Agency Agreement) and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Fiscal Agency Agreement, that is in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing Systems.

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, or lodged with the CMU (each of Euroclear, Clearstream, Luxembourg and the CMU, a "**Clearing System**").

Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing Systems will maintain records of the beneficial interests in the Global Notes and the Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the relevant Clearing Systems for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing Systems to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and the Global Certificates.

Holders of beneficial interests in the Global Notes and the Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing Systems to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (i) equal to, or integral multiples of, the minimum denomination, and (ii) the minimum denomination plus integral multiples of an amount lower than the minimum denomination. In relation to any issue of Notes in registered form, definitive Certificates will only be issued if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announce(s) an intention to permanently cease business. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

There are risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Bank

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes will generally not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) the payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to the Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Risks related to Notes which are linked to "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates and indices which are deemed to be or used as "benchmarks" are the subject of recent national, international regulatory and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevents certain uses by European Union supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-European Union based, not deemed equivalent or recognized or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act

2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the United Kingdom Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international, national, or other proposals, for reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the London interbank offered rate ("**LIBOR**") has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023, (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the "**IBA**") to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if the Calculation Agent, the Issuer or other party as specified in the Conditions is no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Benchmark Rate (both as defined in the Conditions), with or without the application of an Adjustment Spread (as defined in the Conditions) which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark.

The use of any such Successor Rate or Alternative Benchmark Rate to determine the Rate of Interest may result in Notes linked to or referencing the initial inter-bank offered rate or other relevant reference rate performing differently (including paying a lower Rate of Interest) than they would do if the initial inter-bank offered rate or other relevant reference rate (as applicable) were to continue to apply in its current form. In addition, there is no guarantee that any Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Benchmark Rate may nonetheless be used to determine the Rate of Interest.

Under these fall back arrangements, the Issuer will use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Conditions) to determine the Successor Rate or Alternative Benchmark Rate (as applicable), and, in either case, an Alternative Relevant Screen Page (as defined in the Conditions) and an Adjustment Spread (if applicable) no later than five Business Days (as defined in the Conditions) prior to the relevant Interest Determination Date, but in the event that the Issuer is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or Alternative Benchmark Rate (as applicable) prior to the relevant Interest Determination Date, the Issuer (acting in a good faith and in a commercially reasonable manner) will have discretion to, amongst other things, determine the relevant Successor Rate or Alternative Benchmark Rate (as applicable). There can be no assurance that such Successor Rate or Alternative Benchmark Rate (as applicable) determined by the Issuer will be set at a level which is on terms commercially acceptable to all Noteholders.

In certain circumstances, the ultimate fallback for the purposes of calculation of Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Benchmark Rates, any determinations that may need to be made by the Issuer with the involvement of an Independent Adviser entails a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by Benchmarks Regulation (EU) 2016/1011 or any other international or national reforms, in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then-prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

If the Issuer does not satisfy its obligations under the Notes, Noteholders' remedies will be limited

Payment of principal of the Notes may be accelerated only in the event of certain events involving the Issuer's or the Guarantor's bankruptcy, winding-up or dissolution or similar events or otherwise if certain conditions have been satisfied. See "Terms and Conditions of the Notes – Events of Default".

Investment in the Notes is subject to risks related to the market generally.

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest (where applicable) on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes, and/or (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest and/or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law which took effect on 1 January 2008 and was later amended on 24 February 2017 and 29 December 2018, and and its implementation rules which took effect on 1 January 2008 and was later amended on 23 April 2019, any gain realised on the transfer of the Notes by non-resident enterprise holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether the gain realised from the transfer of the Notes would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. According to the arrangement between the PRC and Hong Kong for the avoidance of double taxation, residents of Hong Kong, including enterprise holders and individual holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Notes.

Therefore, if non-resident enterprise holders are required to pay PRC income tax on gains on the transfer of the Notes (such enterprise income tax is currently levied at the rate of 10 per cent. of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the Notes reside that reduces or exempts the relevant tax), the value of their investment in the Notes may be materially and adversely affected.

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

Notes denominated in RMB (the "**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors, including:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into or out of the PRC which may adversely affect the liquidity of RMB Notes.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transaction. These transactions are known as current account items. Currently, participating banks in various countries, including Singapore, Hong Kong and Taiwan have been permitted to engage in the settlement of RMB trade transactions. However, remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

On 7 April 2011, SAFE promulgated the "Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi" (the "**SAFE Circular**"), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the relevant Ministry of Commerce ("**MOFCOM**") to the relevant local branch of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that foreign debts borrowed, and foreign guarantee provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign guarantee regime.

On 13 October 2011, the PBOC promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the "**PBOC RMB FDI Measures**") as part of the implementation of the PBOC's detailed foreign direct investment ("**FDI**") accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC RMB FDI Measures, which provides more detailed rules relating to cross-border Renminbi direct investments and settlement. On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the "**2013 PBOC Circular**"), which sought to improve the efficiency of the cross-border Renminbi settlement process. For example, where automatic fund remittance occurs, the bank can debit the amount into the relevant account first and subsequently verify the relevant transaction. PBOC further issued the Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors (關於境外投資者投資境內金融機構人民幣結算有關事項的通知) on 23 September 2013, which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC.

On 3 December 2013, the MOFCOM promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (商務部關於跨境人民幣直接投資有關問題的公告) (the "**MOFCOM Circular**"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying "Renminbi Foreign Direct Investment" and the amount of capital contribution is required for each FDI. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

The reforms which are being introduced and will be introduced in the Shanghai Free Trade Zone (the "**Shanghai FTZ**") aim to upgrade cross-border trade, liberalise foreign exchange control, improve convenient cross-border use of Renminbi and promote the internationalisation of Renminbi. However, given the infancy stage of the Shanghai FTZ, how the reforms will be implemented and whether (and if so when) the reforms will be rolled out throughout China remain uncertain.

To support the development of the Shanghai FTZ, the Shanghai Head Office of the PBOC issued the Circular on Supporting the Expanded Cross-border Utilisation of Renminbi in the Shanghai FTZ (關於支持中國 (上海) 自由貿易試驗區擴大人民幣跨境使用的通知) (the "**PBOC Shanghai FTZ Circular**") on 20 February 2014, which allows banks in Shanghai to settle FDI based on a foreign investor's instruction. In respect of FDI in industries that are not on the "negative list" of the Shanghai FTZ, the MOFCOM approval previously required is replaced by a filing. However, the application of the Shanghai FTZ Circular is limited to the Shanghai FTZ.

As the SAFE Circular, the PBOC RMB FDI Measures, the MOFCOM Circular and the PBOC Shanghai FTZ Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

Although starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will continue to liberalise control over cross-border remittances of RMB in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions imposed by the PRC government on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC has also established Renminbi clearing and settlement mechanism for participating banks in various countries, through settlement agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (each, a "**Renminbi Clearing Bank**") and these Renminbi Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions.

However, the current size of Renminbi denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. Dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to RMB Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in RMB Notes is subject to interest rate risks.

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in interest rates. If a holder of RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of RMB Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.

Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Euroclear and Clearstream or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and/or Clearstream rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by draft or by transfer to a bank account in the PRC).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be on lent by the Issuer to the Company and/or any of its subsidiaries for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplements. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are part of a Series (as defined below) of Notes issued by State Elite Global Limited 邦傑環球有限公司 (the "**Issuer**") and are issued pursuant to a first amended and restated fiscal agency agreement dated 11 October 2016 (as amended, restated or supplemented as at the Issue Date, the "**Fiscal Agency Agreement**") which has been entered into in relation to the Notes between the Issuer, China Construction Bank Corporation, Hong Kong Branch (the "**Guarantor**"), The Bank of New York Mellon, London Branch as fiscal agent, paying agent and calculation agent, The Bank of New York Mellon, Hong Kong Branch as CMU lodging and paying agent, registrar and transfer agent in respect of Notes cleared through the CMU, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent in respect of Notes not cleared through the CMU and the other agents named in it and with the benefit of a Deed of Covenant (as amended, restated or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 29 December 2014 executed by the Issuer and the Guarantor in relation to the Notes and a deed of guarantee (as amended or supplemented as at the Issue Date, the "**Deed of Guarantee**") dated 29 December 2014 executed by the Guarantor in relation to the Notes. The fiscal agent, the CMU lodging and paying agent, the other paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**CMU Lodging and Paying Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent and the CMU Lodging and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the relevant Registrar(s)) and the "**Calculation Agent(s)**" (such Fiscal Agent, CMU Lodging and Paying Agent, Paying Agents, Registrars, Transfer Agents and Calculation Agent(s) being together referred to as the "**Agents**"). For the purposes of these terms and conditions (the "**Conditions**"), all references to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of and are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

Notwithstanding that the Guarantor is not a separate and independent legal person of China Construction Bank Corporation (the "**Bank**"), any obligations of the Bank under these Conditions shall be construed subject to, and in accordance with, applicable law.

Copies of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection during usual business hours at the specified offices of the Paying Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

In the case of Notes represented by a Global Note or Global Certificate, interest shall be calculated in respect of any period by applying the Rate of Interest to the total aggregate amount of the Notes represented by such Global Note or Global Certificate.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: Subject to Condition 2(f) (*Closed Periods*), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Fiscal Agency Agreement). To the extent any changes to the regulations may be reasonably expected to be prejudicial to the interests of the Noteholders as determined by the Issuer, the regulations may only be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. New Certificates shall only be issued against surrender of the existing Certificates to a Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or any other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the relevant other Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or the relevant other Transfer Agent may require) in respect of taxes or charges.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days ending on (and including) any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 6 or (iii) during the period of seven days ending on (and including) any Record Date.

3 Guarantee and Status

(a) **Guarantee**: Subject to the terms and conditions of the Deed of Guarantee (including the limitations summarised below), the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed by the Issuer under the Notes, the Receipt, and the Coupons. Its obligations in respect of such guarantee (the "**Guarantee**") are contained in the Deed of Guarantee.

(b) **Status of the Notes and Guarantee**: The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of the Guarantor under the Deed of Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Bank respectively, present and future.

4 Other Covenants

Where the NDRC Circular applies to the Tranche of Notes to be issued, the Issuer undertakes to provide or cause to be provided a notification of the requisite information and documents in connection with such Tranche of Notes to the NDRC within the prescribed timeframe after the relevant Issue Date in accordance with the NDRC Circular.

In these Conditions:

"**NDRC**" means the National Development and Reform Commission of the PRC or its local counterparts; and

"**NDRC Circular**" means the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知 (發改外資 [2015] 2044 號)) issued by the NDRC and which came into effect on 14 September 2015, and any implementation rules as issued by the NDRC from time to time.

5 Interest and Other Calculations

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates*: Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined by the Calculation Agent in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin, if any. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) ***Screen Rate Determination for Floating Rate Notes***

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate and, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (at the request of the Issuer) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference

Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) ***Benchmark Replacement***

In addition, notwithstanding the provisions above in Condition 5(b), if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified hereon when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate (as applicable), then the following provisions shall apply:

(i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Accrual Period (the "**IA Determination Cut-off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Accrual Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(iii)(C)); provided, however, that if sub-paragraph (ii) applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Accrual Period (or alternatively, if there has not been a first

Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin, Maximum Rate of Interest or Minimum Rate of Interest that applied to such preceding Interest Accrual Period for the Margin, Maximum Rate of Interest or Minimum Rate of Interest that is to be applied to the relevant Interest Accrual Period); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(iii)(C));

(iv) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, business days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/ or Adjustment Spread (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Fiscal Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(b)(iii)(C). Noteholder or Couponholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Fiscal Agent (if required); and

(v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Fiscal Agent, Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

(D) ***Rate of Interest for Index Linked Interest Notes***: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and interest will accrue by reference to an index or formula as specified hereon.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes**: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.

(e) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest, Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means (a) a spread (which may be positive or negative or zero) or (b) a formula or methodology for calculating a spread, in each case required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(3) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines that no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (iii) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders and Couponholders.

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate.

"**Benchmark Event**" means:

(1) such Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(2) a public statement by the administrator of such Reference Rate that it has ceased or will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(3) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;

(4) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions or adverse consequences;

(5) a public statement by the supervisor of the administrator of such Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or

(6) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate,

provided that in the case of sub-paragraphs (2), (3) and (4) of this definition, the Benchmark Event shall occur on the date of the cessation of publication of such Reference Rate, the discontinuation of such Reference Rate, or the prohibition of use of such Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of Notes denominated in euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of Notes denominated in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of Notes denominated in a currency and/or one or more Business Centres specified hereon, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Amount**" means the amount by reference to which the Interest Amount, Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount are calculated as specified in the Pricing Supplement.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the

Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1))}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1))}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1))}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro, Hong Kong dollars, Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR provided that in this definition, "**Business Day**" shall mean a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London or Hong Kong (as the case may be).

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified hereon)) published by the International Swaps and Derivatives Association, Inc.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and supplemented and as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon and, if specified as such hereon, as supplemented by the ISDA Benchmarks Supplement.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding (as defined in the Fiscal Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or, if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(1) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or

upon it becoming due and payable as provided in Condition 10(a) shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(2) Subject to the provisions of sub-paragraph (3) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(3) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) (as applicable) or upon it becoming due and payable as provided in Condition 10(a) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (2) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or Condition 6(d) or upon it becoming due and payable as provided in Condition 10(a), shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of a payment by the Issuer) or Hong Kong or the PRC (in the case of a payment by the Guarantor) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (ii) such obligation cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer or the Guarantor (as the case may be) shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer (or the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified hereon.

(g) **Purchases:** Each of the Issuer and the Bank and their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

(h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or the Bank or any of their Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

(i) in the case of Notes denominated in a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Notes denominated in Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7, "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Fiscal Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(iii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Notes denominated in Renminbi) and fifteenth (in the case of Notes denominated in a currency other than Renminbi) day before the due date for payment thereof (the "**Record Date**") and in the manner provided in Condition 7(b)(ii) below.

(iii) Payments of principal or interest, as the case may be, on each Registered Note shall be made:

(x) in the case of a currency other than Renminbi, by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

*So long as the Notes are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Notes in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payment where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer or the Guarantor.

(d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Calculation Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Calculation Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrars and the Transfer Agents appointed under the Fiscal Agency Agreement and any other Calculation Agent(s) appointed in respect of any Notes act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the CMU Lodging and Paying Agent, any other Paying Agent, any Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Fiscal Agency Agreement, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes outside the United Kingdom, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where the Conditions so require and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Hong Kong and the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as "**Financial Centres**" hereon, and:

(i) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; or

(iii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, PRC or Hong Kong or any political subdivision or any authority therein or thereof having power to tax to which the Issuer or the Guarantor becomes subject in respect of payments made by it in respect of the Notes, Receipts and the Coupons, unless such withholding or deduction is required by law. In that event, the Issuer, or as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with British Virgin Islands or, in the case of payments by the Guarantor, the PRC or Hong Kong other than the mere holding of the Note, Receipt or Coupon; or

(b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority; or

(c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8.

No Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

9 Prescription

Claims against the Issuer or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) and the Guarantee shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the holder of any Note may give notice to the Issuer at the specified office of the Fiscal Agent that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with (if applicable) accrued interest to the date of payment shall become immediately due and payable:

(a) **Non-Payment**: The Issuer or the Guarantor fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of 30 days; or

(b) **Breach of Other Obligations**: The Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes, the Deed of Guarantee or the Fiscal Agency Agreement which default continues for a period of 45 days after written notice of such default shall have been given to the Issuer or the Guarantor by any Noteholder; or

(c) **Cross-Acceleration**: Any other present or future Public External Indebtedness of the Issuer or the Bank or any of their respective Subsidiaries becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof, or any such Public External Indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds US$25,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank of the day of which this paragraph operates); or

(d) **Insolvency**: The Issuer or the Bank or any of their respective Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or the Bank or any of their respective Material Subsidiaries; or

(e) **Winding-up**: An order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Bank or any of their respective Material Subsidiaries, or the Issuer or the Bank ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary of the Issuer or the Bank, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or the Bank or another of their respective Subsidiaries; or

(f) **Illegality**: It is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes, Coupons, Receipts, the Deed of Guarantee or the Fiscal Agency Agreement; or

(g) **Guarantee**: the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

In these Conditions:

"**Material Subsidiary**" means a Subsidiary of the Issuer or the Bank (as the case may be) whose total assets or total revenue as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which these audited financial statements relate, account for 5 per cent. or more of the consolidated assets or consolidated revenue of the Issuer or the Bank (as the case may be) as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to another Subsidiary of the Issuer or the Bank (as the case may be), the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer.

"**Public External Indebtedness**" means any indebtedness of the Issuer or the Bank (or, for the purposes of Condition 10, any Subsidiary), or any guarantee or indemnity by the Issuer or the Bank of indebtedness, for money borrowed which, (i) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is issued outside the People's Republic of China (for the purposes hereof not including the Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**") and is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placements); and (ii) has an original maturity of more than 365 days; and

"**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer or the Bank, as the case may be.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a

Minimum and/or Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum Rate of Interest, Instalment Amount or Redemption Amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the Deed of Guarantee, in which case the necessary quorum shall be one or more persons holding or representing not less than 66⅔ per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Fiscal Agency Agreement:** The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if:

(i) to do so could not be expected to be prejudicial to the interests of the Noteholders; or

(ii) such modification is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law. Any determination as to material prejudice applying to the interests of the Noteholders pursuant to these Conditions (including this Condition 11(b)) shall be made by the Issuer and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes (except for the first payment of interest and if applicable, the timing for notification to the NDRC and save that for the avoidance of doubt, references in these Conditions to "**Issue Date**" shall be the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Hong Kong. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia (which is expected to be the Asian Wall Street Journal). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

15 Contracts (Rights Of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer and the Guarantor shall jointly and severally indemnify it against any loss sustained by it as a result. In any event, the Issuer and the Guarantor shall jointly and severally indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

17 Governing Law and Jurisdiction

(a) **Governing Law**: The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits (and the Guarantor has in the Deed of Guarantee irrevocably submitted) to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Waiver of Immunity**: To the extent that the Issuer or the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or the Guarantor, or their respective assets or revenues, each of the Issuer and the Guarantor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

(d) **Agent for Service of Process**: Each of the Issuer and the Guarantor irrevocably agrees to receive service of process in any Proceedings in Hong Kong based on these Conditions at the Guarantor's registered place of business in Hong Kong. If for any reason the Issuer or the Guarantor is not able to receive service of process in Hong Kong, it shall appoint a process agent and immediately notify the Noteholders of such appointment in accordance with the Conditions. Nothing herein shall affect the right to serve process in any other manner permitted by law.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

Pricing Supplement dated [●]

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels."]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook and professional clients only, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II[.]/[; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

[**PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA[.]/[; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.] Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.] (For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.).]

[*The following language applies if the Notes are to be listed on The Stock Exchange of Hong Kong Limited.*

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Professional Investors**")) only.

The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor, the Company, the Bank or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, 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 document.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor, the Company, the Bank, the Group, the Notes and the Guarantee. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

State Elite Global Limited 邦傑環球有限公司

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●] under the US$2,700,000,000 Medium Term Note Programme

Unconditionally and Irrevocably Guaranteed by China Construction Bank Corporation, Hong Kong Branch

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [●] 2021. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [●] 2021 [and the supplemental Offering Circular dated [date]]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular and this Pricing Supplement. In particular, investors in the Notes should read the section titled "Risk Factors" contained therein.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the pricing supplement of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of issue, the minimum denomination must have £100,000 or its equivalent in any other currency.*]

1	(i)	Issuer:	State Elite Global Limited 邦傑環球有限公司
	(ii)	Company:	CCB International (Holdings) Limited
2		Guarantor:	China Construction Bank Corporation, Hong Kong Branch
3	(i)	[Series Number:]	[●]
	(ii)	[Tranche Number: (*If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.*)]	[●]
4		Specified Currency or Currencies:	[●]
5		Aggregate Nominal Amount:	[●]
	(i)	[Series:]	[●]
	(ii)	[Tranche:	[●]]
6	(i)	[Issue Price:]	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)]
	(ii)	[Net Proceeds:	[●] (Required only for listed issues)]

7	(i) Specified Denominations[1], [2]:	[●]
	(ii) Calculation Amount:	[●]
8	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
9	Maturity Date:	*[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*[3] *[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
10	Interest Basis:	[[●] per cent. Fixed Rate LIBOR/EURIBOR/HIBOR/CNH HIBOR Specify reference rate +/-[●] per cent. [Zero Coupon] [Other (Specify)] (further particulars specified below)
11	Redemption/Payment Basis:	[Redemption at par] [Dual Currency] [Partly Paid] [Instalment] [Other (Specify)]
12	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
13	Put/Call Options:	[Put Option] [Call Option] [(further particulars specified below)]
14	Listing:	[Hong Kong/Other (*specify*)/None]

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[1] Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

[2] If the specified denomination is expressed to be 100,000 or its equivalent and multiples of a lower principal amount (for example 1,000), insert the additional wording as follows: "100,000 and integral multiples of 1,000 in excess thereof up to and including 199,000. No notes in definitive form will be issued with a denomination above 199,000". In relation to any issue of Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Notes", such Notes may only be issued in denominations equal to, or greater than, 100,000 (or equivalent) and multiples thereof.

[3] Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

15	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semiannually/quarterly/monthly/other (specify)] in arrear][4]
	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[5]
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction (Condition 5(j)):	[30/360/Actual/Actual-ISDA/Actual/Actual-ICMA/Actual/365(Fixed)[6]/specify other]
	(vi)	Denomination Date(s) (Condition 5(j)):	[Not applicable/give details]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[Not applicable/give details]
	(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
17	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●] *(Not applicable unless different from the Interest Payment Date(s))*
	(iii)	Interest Commencement Date:	[●]

[4] Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

[5] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest [CNY0.01, with CNY0.005 or above rounded upwards/HK$0.01, with HK$0.005 or above rounded upwards]".

[6] Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

	(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(v)	Business Centre(s):	[Not Applicable/*give details*]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
	(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(viii)	Screen Rate Determination (Condition 5(b)(iii)(B))::	
		– Reference Rate:	LIBOR/EURIBOR/HIBOR/CNH HIBOR, *Specify reference rate*
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[For example, Reuters LIBOR 01/EURIBOR 01]
		– Relevant Time:	[For example, 11.00 a.m. London time/Brussels time]
		– Relevant Financial Centre:	[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro]
	(ix)	ISDA Determination (Condition 5(b)(iii)(A)):	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
		– ISDA Definitions (if different from [●] those set out in the Conditions):	[●]
	(x)	Margin(s):	[+/-][●] per cent. per annum
	(xi)	Minimum Rate of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18		Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Day Count Fraction (Condition 5(j)):	[●]
	(iii)	Any other formula/basis of determining [●] amount payable:	[●]
19	Dual Currency Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/Method of calculating Rate of Exchange:	(*give details*)
	(ii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iii)	Party responsible for calculating the Rate of Exchange (if not the Calculation Agent):	[●]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]
	(v)	Day Count Fraction (Condition 5(j)):	[●]

PROVISIONS RELATING TO REDEMPTION

20	Call Option:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		– Minimum Redemption Amount:	[●] per Calculation Amount
		– Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]
21	Put Option:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Notice period:	[●]
22	Final Redemption Amount of each Note:		[●] per Calculation Amount

23	Early Redemption Amount: Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c) or, where otherwise specified herein, Condition 6(d) or Condition 6(e)) or an Event of Default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice][7] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.] Registered Notes: [Registered Notes may not be exchanged for Bearer Notes. Global Certificate exchangeable for Certificates in the limited circumstances described in the Global Certificate.]
25	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details.* *Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 17(v) relates*]
26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, *give details*]

[7] if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "[100,000] and integral multiples of [1,000] in excess thereof up to and including [199,000]", the Temporary Global Note shall not be exchangeable at the option of the holder.

27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	[Yes/No. If yes, *give details*]
28	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Yes/No. If yes, *give details*]
29	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
30	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

31	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Date of Subscription Agreement:	[●]
	(iii) Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
32	If non-syndicated, name of the relevant Dealer:	[Not Applicable/*give name and address*]
33	U.S. Selling Restrictions:	Reg. S Category [1/2]; [TEFRA C/TEFRA D/TEFRA not applicable]
34	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
35	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
36	Additional selling restrictions:	[Not Applicable/*give details*]

YIELD

37	Indication of yield:	[●]

OPERATIONAL INFORMATION

38	Legal Entity Identifier:	254900FRO7K50Y54IW59
39	ISIN Code:	[●]
40	Common Code:	[●]
41	CMU Instrument Number:	[●]

42	Any clearing system(s) other than Euroclear/Clearstream and the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
43	Delivery:	Delivery [against/free of] payment
44	Additional Paying Agent(s) (if any):	[●]
45	Ratings:	[●]
GENERAL		
46	The aggregate nominal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in Hong Kong dollars)::	[Not Applicable/US$]
47	In the case of Registered Notes, specify the location of the office of the Registrar if other than [Hong Kong/Luxembourg]:	[Not Applicable]
48	In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London:	[Not Applicable]

[USE OF PROCEEDS

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[LISTING

This Pricing Supplement comprises the final terms required to list the issue of the Notes described herein pursuant to the US$2,700,000,000 Medium Term Note Programme of the Issuer.]

[STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.]

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Group since [●] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since [●].

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of State Elite Global Limited 邦傑環球有限公司:

By: __________________________________
Duly authorised

Signed on behalf of China Construction Bank Corporation, Hong Kong Branch:

By: __________________________________
Duly authorised

FORMS OF THE GLOBAL NOTES

Terms used in this section that are not otherwise defined shall have the meanings given to them in "Terms of Conditions of the Notes."

INITIAL ISSUE OF NOTES

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note or a Global Certificate with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream, Luxembourg or (ii) the Hong Kong Monetary Authority as operator of the CMU and delivery of the relevant Global Note or Global Certificate to the Common Depositary or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream, Luxembourg or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Bearer Notes issued in compliance with TEFRA D must be initially issued in the form of a Temporary Global Note.

RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid.

EXCHANGE

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. The payments in respect of a Note issued under TEFRA D may not be collected without certificate as to non-U.S. beneficial ownership.

FURTHER ISSUES

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream, Luxembourg or the CMU, any further issue of Notes by the Issuer pursuant to Condition 15 may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a Temporary Global Note for interests in a Permanent Global Note upon the relevant Certification.

PERMANENT GLOBAL NOTES

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or the CMU, except as provided under the paragraph titled "Partial Exchange of Permanent Global Notes" below, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfer of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In the event that a Global Certificate is exchanged for a definitive certificate, such definitive certificate shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive certificate in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

PARTIAL EXCHANGE OF PERMANENT GLOBAL NOTES

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

DELIVERY OF NOTES

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent).

In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

EXCHANGE DATE

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

AMENDMENT TO CONDITIONS

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made to the extent that certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement, or any other form acceptable to the Issuer that meets the requirements of TEFRA D, is presented to the Issuer. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "business day" set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a Permanent Global Note or a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note or its presentation to or to the order of the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such Permanent Global Note or, in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a Permanent Global Note or by a Global Certificate may only be purchased by the Issuer, the Bank or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note or by a Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU or any other clearing system (as the case may be).

Noteholders' Options (in the case of Permanent Global Note)

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of the Permanent Global Note, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Certificate may be exercised in respect of all or some of the Notes represented by the Global Certificate.

Noteholders' Options (in the case of Global Certificate)

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Certificate may be exercised by (i) the registered holder of the Global Certificate giving notice to the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise (if required) or (ii) a holder of a book-entry interest in the Notes represented by the Global Certificate delivering to the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) the relevant notice, duly completed by or on behalf of such holder (on appropriate proof of its identity and interest), in each case within the time limits specified in the Conditions and otherwise in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg, or the CMU Rules. In the case of (ii) above, deposit of the Global Certificate with the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) together with such redemption notice shall not be required.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

ELECTRONIC CONSENT AND WRITTEN RESOLUTION

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer or the Guarantor given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, each of the Issuer and the Guarantor shall be entitled to rely on consent or instructions given in writing directly to the Issuer or the Guarantor, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer or the Guarantor has obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Guarantor shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

CAPITALISATION

The following table sets forth the Bank's capitalisation and indebtedness as at 30 June 2021. For additional information, see the Bank's financial statements and notes thereto incorporated by reference into this Offering Circular.

This table should be read in conjunction with the unaudited consolidated interim financial statements as at and for the six months ended 30 June 2021 of the Bank and related notes thereto incorporated by reference into this Offering Circular.

	As at 30 June 2021
	(unaudited)
	(RMB in millions)
Total liabilities[(1)]	**27,370,847**
Equity	
Share capital	250,011
Other equity instruments	
– Preference Shares	59,977
– Perpetual Bonds	39,991
Capital reserve	134,924
Other comprehensive income	14,755
Surplus reserve	275,995
General reserve	349,885
Retained earnings	1,311,434
Total equity attributable to equity shareholders of the Bank	2,436,972
Non-controlling interests	25,369
Total equity	**2,462,341**
Total capitalisation[(2)]	**29,833,188**

Notes:

(1) Total liabilities include borrowings from central banks, deposits from banks and non-bank financial institutions, placements from banks and non-bank financial institutions, financial liabilities measured at fair value through profit or loss, negative fair value of derivatives, financial assets sold under repurchase agreements, deposits from customers, accrued staff costs, taxes payable, provisions, debt securities issued, deferred tax liabilities and other liabilities.

(2) Total capitalisation equals the sum of total liabilities and total equity.

Unless otherwise disclosed in this Offering Circular, there has not been any material change in the capitalisation of the Bank since 30 June 2021.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer was incorporated with limited liability under the laws of the British Virgin Islands on 11 November 2014. It is a wholly-owned subsidiary of the Company, which, in turn, is a wholly-owned subsidiary of the Bank. The Issuer's registered office is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its registration number is 1849007.

BUSINESS ACTIVITY

The Issuer was established and bound by the unrestricted objects and powers set out in its articles of association. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as an indirect wholly-owned subsidiary of the Bank and those related to the establishment and update of this Programme and, subject to compliance with all relevant laws, regulations and directives, the on-lending of the proceeds thereof to CCB International (Holdings) Limited and its affiliates.

DIRECTORS AND OFFICERS

The Directors of the Issuer are Mr. Fok Kam Hung and Mr. Chung Tao Li and their business address is at 12/F CCB Tower, 3 Connaught Road Central, Central, Hong Kong. None of the Directors of the Issuer has any interests or short positions in the shares, underlying shares or debentures of the Issuer or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong ("**SFO**")) which have to be notified to the Issuer and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the SFO), or any interests or short positions which have to be recorded in the register under Section 352 of SFO.

The Issuer does not have any employees and has no subsidiaries.

SHARE CAPITAL

The Issuer is authorised under its memorandum of association to issue a maximum of 50,000 shares of US$1.00 par value and one hundred shares have been issued and is outstanding. The register of members of the Issuer is maintained at the British Virgin Islands. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

SUMMARY FINANCIAL INFORMATION

As at the date of this Offering Circular, the Issuer has an outstanding debt of US$2 billion under the Programme.

The financial year of the Issuer runs from 1 January to 31 December. There has been no material change to the activities of the Issuer since its incorporation.

The Issuer has not produced any audited financial statements.

DESCRIPTION OF THE COMPANY

OVERVIEW

The Company is a limited liability company incorporated under Hong Kong Law on 27 July 1973. It is a wholly-owned subsidiary of the Bank.

The Company's core business is divided into three main areas, namely Pre-IPO, IPO and Post-IPO which in turn form a comprehensive investment services value chain that offers a full range of products, and services including sponsoring and underwriting, financial advisory, corporate mergers and acquisitions and restructuring, additional issuance and placement of shares and refinancing for listed companies, direct investment, asset management, securities brokerage, market research, investment consultancy, etc.

BUSINESS OPERATIONS OF THE COMPANY

The Company, via its operating subsidiaries, primarily engages in investment banking, direct investment, asset management and securities brokerage businesses through its Hong Kong and PRC subsidiaries.

CORPORATE FINANCE AND CAPITAL MARKET SERVICES

Through its wholly-owned subsidiary, CCB International Capital Limited ("**CCB International Capital**"), the Company primarily provides corporate finance and financial advisory services. Its team of professionals possesses related qualifications in finance and rich industrial experience. Relying on its extensive professional knowledge, CCB International Capital offers comprehensive and professional investment services to clients.

Corporate finance is one of the core businesses of CCB International Capital. The division assists well-developed clients in listing and capital raising in international capital markets, provides essential advisory services as well as acting as sponsor, financial advisor for them and provides services including underwriting, syndication and placement. Since inception, CCB International Capital has acted as sponsor, underwriter or financial advisor for companies in various sectors and raised over HK$1,000 billion in global capital markets.

To help realize clients' goal for cross-border mergers and acquisitions, CCB International Capital has set up a specialized M&A development to assist Chinese clients in overseas mergers and acquisitions, debt restructuring and takeover of listed companies. The M&A team comprises experienced professionals with global perspective.

ASSET MANAGEMENT AND DIRECT INVESTMENT

The Company's wholly owned subsidiary, CCB International Asset Management Limited ("**CCB International Asset Management**"), focuses on direct investments and fund management. CCB International Asset Management has established various private equity funds including pre-IPO funds, IPO placement funds and special account management.

CCB International Asset Management invests in industry leaders in real estate, cement, infrastructure, shipbuilding, new media and consumer products. In recent years, CCB International Asset Management has been striving to explore strategic emerging industry so as to capture the rising market opportunities. While maintaining a steady growth in investment returns in traditional sectors, direct investment business of CCB International Asset Management well defines healthcare, culture and creative industry, Internet and Internet of things, new energy, energy saving and environmental protection, information technology, new materials and the eighth economic sector, a sector featuring new business model, new product and technology and traditional industry modification, as the key investment direction. CCB International Asset Management steps up its investment through industry research, project selection and corporate development with an aim to forge and nourish more rising stars with high growth potential.

The portfolio management team has extensive experience in managing SFC-authorized funds and private equity funds. The team invests primarily in a comprehensive investment portfolio including equities, equity related securities and bonds that can benefit from the government policies in China.

The Third Party Asset Management Division of CCB International Asset Management was established in 2010. Its main functions are to raise, launch and manage third party funds or other investment management products, etc. Its mission is to build and improve CCBI's "three-in-one" third party asset management platform that combines "products, channels and services" together.

INSTITUTIONAL SECURITIES SALES & RESEARCH

CCB International Securities Limited ("**CCB International Securities**"), a wholly owned subsidiary of the Company, is the institutional brokerage arm of the Company in the investment servicing value chain, primarily providing brokerage and research services for institutional investors and professional investors.

CCB International Securities provides institutional investors in-depth economic, industry and company specific research of key industries and brokerage services using its state of the art global distribution and execution platform. The team of ex-bulge bracket research, sales and trading professionals offer institutional investors unique China related investment opportunities by leveraging the resources and access of the Bank.

DOMESTIC CORPORATIONS AND FINANCE SERVICES

CCB International (China) Limited ("**CCB International China**"), a company established in Beijing and a wholly owned subsidiary of the Company, is a principal business unit on behalf of the Company in the domestic capital market as well as a significant platform that provides the Financial Total Solution to the Bank's Clients. Utilizing its connection with the onshore business of the Bank to establish unparallel advantages and relying on the powerful financial strength of its parent group, CCB International China roots firmly in the onshore market and provides high-quality corporate clients with localized investment products and services, including direct investment, financial advisory services, investment management, innovative structured investment products and securities research.

DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The directors and senior management team of the Company has extensive experience in related industries and possesses leadership qualities. The board of directors of the Company is responsible for the overall coordination and provision of guidance and support to the management to ensure the steady and strong development and growth of the Company.

The following table sets forth certain information concerning the Company's directors as at the date of this Offering Circular:

Name	Position
Ho Pak Tai Patrick	Director
Tse Hau Yin..	Director
Zhang Jun...	Director
Cai Hongbin...	Director

Name	Position
Liu Shoujian..	Director
Feng Xilai...	Director
Li Qianxin	Director

DESCRIPTION OF THE GUARANTOR

BUSINESS ACTIVITIES

The Guarantor was established in 1995. It was the first branch of the Bank outside Mainland China. Today the Guarantor, specialising in wholesale banking business, offers a wide range of products to corporate customers in trade finance, remittance, foreign exchange, money market, derivatives, deposits taking, loans, project and structured finance, loan syndications and financial advisory services. As at 31 December 2021, its amount of gross loans and advances to customers was HK$51,346 million. As at the same date, its amount of total deposits from customers was HK$73,193 million, and its amount of total assets was HK$241,311 million. For the year ended 31 December 2020, it generated HK$5,315 million of interest income and HK$251 million of fee and commission income.

The Guarantor offers a wide range of corporate and commercial banking products and services in Hong Kong. The Guarantor provides services including conventional transactional, foreign exchange, loans, investments and RMB services, while corporate and commercial banking includes a wide variety of products and services in trade financing, working capital and trade lending, foreign exchange and investment banking.

The Guarantor receives extensive support from the Bank in terms of funding, settlement, information technology (IT) and client resources. The wide-ranging collaboration between the Guarantor and the Bank enables the Guarantor to better serve its customers, maximise cross selling efforts, expand its product range and capture the emerging business opportunities in Hong Kong and the PRC.

The Guarantor does not have any employees. The personnel team of China Construction Bank (Asia) Corporation Limited ("**CCBA**") currently performs functions and provides services and support to both the Guarantor and CCBA. CCBA receives fees from the Guarantor in exchange for such services and support, determined on an arm's length basis.

HONG KONG BANKING INDUSTRY REGULATORY REGIME

The banking industry in Hong Kong is regulated under the provisions of the Banking Ordinance (Cap. 155) of Hong Kong (the "**Banking Ordinance**") and subject to the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only banks which have been granted a banking license ("**license**") by the HKMA may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**licensed banks**").

The provisions of the Banking Ordinance are implemented by the HKMA, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The HKMA supervises licensed banks through, *inter alia*, a regular information gathering process, the main features of which are as follows:

- each licensed bank must submit a monthly return to the HKMA setting out the assets and liabilities of its principal place of business in Hong Kong and all local branches and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, unless the HKMA permits returns to be made at less frequent intervals;

- the HKMA may order a licensed bank, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary in the interests of the depositors or potential depositors of the licensed bank concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The

HKMA may also require a report by a licensed bank's auditors (approved by the HKMA for the purpose of preparing the report) confirming whether or not such information or return is correctly compiled in all material respects;

- licensed banks may be required to provide information to the HKMA regarding companies in which they have an aggregate of 20 per cent. or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller (as defined in the Banking Ordinance), with common features in their names or a concert party arrangement to promote the licensed bank's business;
- licensed banks are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations;
- the HKMA may direct a licensed bank to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the licensed bank or the adequacy of the systems of control of the licensed bank or other matters as the HKMA may reasonably require; and
- the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any licensed bank, and in the case of a licensed bank incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such licensed bank. Such inspections are carried out by the HKMA on a regular basis.

In addition, the Guarantor is also subject to The Financial Institutions (Resolution) Ordinance (No. 23 of 2016). Please refer to risk factor "Risk Factors – Risks Relating to the Notes issued under the Programme and the Guarantee – The Financial Institutions (Resolution) Ordinance may adversely affect the Notes" on page 31 for further information.

DESCRIPTION OF THE BANK

OVERVIEW

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 and its Unified Social Credit Code is 911100001000044477. The registered address of the Bank is No. 25, Finance Street, Xicheng District, Beijing 100033, China and its telephone number is +86 10 6621 5533. As at 30 June 2021, the Bank had 250,010,977,486 ordinary shares outstanding. Headquartered in Beijing, 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.

The Bank operates principally in mainland China with branches in all provinces, autonomous regions and municipalities directly under the central government, and several subsidiaries located in mainland China. The Bank's principal business activities include corporate banking, personal banking, treasury business and others. Within the Bank's corporate banking business, the Bank offers a broad range of products and services to corporations, government agencies and financial institutions, including corporate loans, trade financing, deposit taking and wealth management services, agency services, financial consulting and advisory services, cash management services, remittance and settlement services, custody services and guarantee services.

The Bank provides a broad range of personal banking products and services under well recognised brands, including personal loans, deposit taking and wealth management services, card business, remittance services and agency services. The Bank's treasury operations include inter-bank money market transactions and repurchase and resale transactions, and investments in debt securities. It also trades in derivatives and foreign currencies for its own account. The treasury carries out customer-driven derivatives, foreign currency and precious metal trading.

Leveraging its vast resources and geographic advantages in the Chinese domestic market, the Bank is committed to providing a world-wide banking and financial services platform to service the overseas banking needs of its domestic corporate and personal banking customers and the domestic banking needs of its overseas corporate and personal banking customers seeking to trade with or invest in China. The Group adheres to a positive and steady international operation and overseas development strategy, leading to a steady expansion of its overseas network. As at 30 June 2021, the Group had a total of 14,656 operating entities, consisting of 14,622 domestic entities including the Head Office, 37 tier-one branches, 361 tier-two branches, 14,045 sub-branches, 177 outlets under the sub-branches and one specialised credit card centre at the Head Office, and 34 overseas institutions. The Bank had 19 major subsidiaries with a total of 592 entities, including 425 domestic ones and 167 overseas ones. The Group has more than 200 overseas entities, covering 31 countries and regions including Hong Kong, Singapore, Germany, South Africa, Japan, South Korea, the U.S., the U.K., Vietnam, Australia, Russia, the United Arab Emirates, Taiwan, Luxembourg, Macau, New Zealand, Canada, France, Netherlands, Spain, Italy, Switzerland, Brazil, Cayman Islands, Ireland, Chile, Indonesia, Malaysia, Poland and Kazakhstan, and maintained wholly-owned operating subsidiaries including CCB Asia, CCB London, CCB Russia, CCB Europe, CCB New Zealand, CCB Brasil and CCB Malaysia and held 60 per cent. of the total share capital of CCB Indonesia.

As at 30 June 2021, the Group's total assets, total liabilities and total equity were RMB29,833,188 million (including loans and advances to customers of RMB17,493,902 million), RMB27,370,847 million (including total deposits from customers of RMB22,317,969 million) and RMB2,462,341 million, respectively. For the year ended 31 December 2020, the Group's net interest income was RMB575,909 million, representing an increase of 7.23 per cent. over the same period in 2019 and the profit before tax was RMB336,616 million, representing an increase of 3.07 per cent. over the same period in 2019. For the six months ended 30 June 2021, the Group's net interest income was RMB296,085 million, representing an increase of 5.18 per cent. over the same period in 2020 and the profit before tax was RMB184,463 million, representing an increase of 9.30 per cent. over the same period in 2020. The NPL ratio of the Group as at 30 June 2021 was 1.53 per cent., representing a decrease of 0.03 per cent. as compared to the corresponding ratio as at 31 December 2020. As at 30 June 2021, the NPL ratio for domestic corporate loans and advances was 2.49 per cent., a decrease of 0.07 per cent. from 31 December 2020, and the NPL ratio for personal loans and advances was 0.39 per cent., a decrease of 0.02 per cent. from 31 December 2020.

As at 30 June 2021, the NPL ratio for overseas operations and subsidiaries was 1.71 per cent., representing a decrease by 0.24 per cent. from 31 December 2020. As at 30 June 2021, the Group's total capital ratio was 16.58 per cent. and Common Equity Tier 1 ratio was 13.23 per cent., representing a decrease of 0.48 per cent. and 0.39 per cent., respectively, as compared to the corresponding ratio as at 31 December 2020.

The Group adheres to a steady and prudent capital management strategy. It strengthens capital constraint and incentives and promotes intensive capital management to continuously enhance the efficiency of capital use. The Group relies both on internal capital accumulation and external capital replenishment, maintains a capital adequacy level that is constantly above the regulatory requirements, and outperforms its peers. In 2020, facing the impact of COVID-19, the Group gave full play to the role of capital in counter-cyclical adjustments and increased capital support for the prevention and control of COVID-19 and the recovery and development of the real economy. It continuously optimised the asset structure and encouraged the development of businesses with low capital occupation and high return on capital. It further pressed ahead with intensive capital management, used big data to further save capital, and reduced ineffective and inefficient capital occupation. It used market financing to replenish capital and issued U.S.$2 billion overseas Tier 2 capital bonds and RMB65 billion domestic capital bonds. It finalised the capital plan for 2021-2023 to make reasonable arrangements for medium-term capital sources and utilisation. In the first half of 2021, the Group gave full play to the role of capital in supporting the development of various businesses, reinforced the capital-centred planning evaluation mechanism, and strived to maintain the reasonable growth and optimise the structure of total risk-weighted assets. It further implemented intensive capital management measures, and improved the efficiency of capital use. It also actively prepared for the implementation of the final set of Basel III rules across the Bank.

The Group maintained a stable market position and its core indicators and market capitalisation continued to be in the leading position among its peers. The Group formulated the Transformation and Development Plan of China Construction Bank in 2014, which proposed to accelerate transformation towards a comprehensive banking group, multi-functional service, intensive development, an innovative bank and a smart bank. In accordance with the requirements of enhancing capability to serve national development, to prevent financial risks and to participate in international competition, the Group specified seven key points of transformation, including promoting operation and management of assets and liabilities on a consolidated basis, consolidating and developing wholesale business, accelerating the development of retail business, improving the quality of electronic banking business, enhancing asset management business for customers in an all-round way, strengthening the competitiveness of subsidiaries and accelerating the expansion of international business and overseas operations. By deepening reform of system and mechanism, strengthening risk management and control, enhancing IT support and big data usage capacity, the Group strives to build the best value creation bank.

In recent years, the Group, adhering to the New Finance Concept of inclusiveness, openness and sharing, took the lead in digital transformation, took digitalised operation as the breakthrough point to implement the "Three Major Strategies" of house rental, inclusive finance and FinTech, and developed a set of effective digital transformation methods with CCB's characteristics according to the basic logic of "building ecologies, setting up scenarios and expanding user base".

In 2018, 2019 and 2020, the Group received numerous awards from various domestic and international institutions including the "Best Large-Scale Retail Bank 2018", the "Achievement in Comprehensive Risk Management Award 2018", the "Achievement in Comprehensive Risk Management Award 2019", the "Best Mega Trade Finance Bank in China 2019" and "Bank of the Year in China 2020" in Wealth and Society sector and "Custodian Bank of the Year in China 2020" from Singapore magazine The Asian Banker, the "Best Bank in China 2019" from The Asset, the "Best Bank in China 2018", "Best Private Bank in China 2019" and "Overall Best National Retail Bank in China 2020" from Asiamoney, the "Most Competitive Online Finance Bank 2019" and the "2020 Excellent Competitiveness RMB International Bank" from China Business Journal, the "Best Bank for Inclusive Finance Service of Golden Dragon Award 2018", "Best Fintech Innovation Bank 2019" and "Digital Operation Bank of the Year 2020" from Financial News, "Most Influential Bank" and "Innovative Mobile Banking" in 2019 from Sina Finance, the "Best Inclusive Finance Performance Award" and the "Best Social Responsibility Practice Award" in 2019 and "Best Targeted Poverty Alleviation Contribution Award" in 2020 from the China Banking Association, "Best Bank in China 2018" from UK magazine The Banker, the "Most Innovative Bank for Trade Finance of the World" in 2018 and the "Best Bank for Cross-Border Trade" in 2020 from Global Finance, the "Asian Risk Management Awards for Excellence 2018" from 21st Century Business Herald, the "Best Financial Innovation Award 2018" from The Chinese Banker magazine, "The Bank of the Highest Investment Value" in 2018 from Sina Finance, the "Grand Prize of the Bank Technology Development Award" by the PBOC in 2018, "Digital Economy Sailing Award 2020" from Securities Daily and the "Best Board of Directors" from Directors & Boards. The Group ranked second in UK magazine The Banker's "Top 1000 World Banks" in 2018, 2019 and 2020, ranked 31st in the "Fortune Global 500" of the US magazine Fortune in 2018 and 2019 and ranked 30th in the same in 2020, and ranked third in the "Top 50 Most Valuable Management Award in China" in 2019 by Interbrand. In addition, the Group won numerous awards from major domestic and foreign media organisations for its achievements in fields including corporate governance, corporate social responsibility, risk management, corporate credit, retail business, investment custodial business, underwriting of debt securities, credit card business, housing finance and information technology.

OVERVIEW OF CHINA'S BANKING INDUSTRY

In 2018, the CBIRC took a series of robust measures to redress market irregularities and internet finance risks, and restore proper order in the financial markets. With the implementation of the Guiding Opinions on Regulating the Asset Management Business of Financial Institutions and detailed rules, commercial banks accelerated their pace in setting up wealth management subsidiaries and a new paradigm in the asset management sector began to take shape. The release of policies for promoting capital instrument innovations in the banking sector enabled the industry to move forward steadily with more diversified capital replenishment channels. China's banking industry continued to grow in scale, as the overall credit quality remained stable, the overall market liquidity remained solid and the industry's capability to mitigate risks continued to improve.

In 2019, domestic regulators continued to promote supply-side structural reform in the financial sector to prevent and mitigate financial risks, improve the management level of banking sector, and enhance the soundness of banking system. total assets of banking sector grew steadily with stable liquidity and credit quality, and sufficient capacity to mitigate risks.

In 2020, the global economy fell into a deep recession in the wake of COVID-19, and developed economies introduced extremely loose monetary policies and massive fiscal stimulus programmes. China coordinated the prevention and control of COVID-19 and the economic and social development, and its economic performance recovered steadily, making it the only major economy in the world achieving positive economic growth. Its consumption and investments recovered steadily, exports gained strong momentum, and international payments were balanced. China's GDP and consumer price index increased by 2.3 per cent. and 2.5 per cent. year on year respectively. Financial markets were stable and the money market was active with stable interest rates. The bond issuance and cash bond trading volume also increased, and the stock market index rebounded, with transaction volume and funds raised increasing year on year. Domestic regulators formulated numerous policies and measures to promote smooth financing channels, pressed ahead with the transformation of asset management businesses, accelerated the disposal of non-performing assets, and consolidated the capital foundation of banks. The interest spread of the banking sector narrowed, and the income from interest margin declined, bringing pressure on profitability. The rapid development of FinTech drove the digital transformation of the banking sector. Total assets of the sector grew steadily with stable liquidity and credit quality, and sufficient capacity to mitigate risks.

In the first half of 2021, the global economy continued to recover, though with growing divergence. Major developed economies continued to maintain monetary easing policies, while a few emerging economies began to raise interest rates in response to pressures such as inflation, capital outflows and currency depreciation. China continued to consolidate its achievements in COVID-19 prevention and control as well as economic and social development, and its economic development maintained an overall stable and upward trend. Domestic consumption gradually improved, investment continued to recover, and the growth of import and export trades remained favourable. In the first half of 2021, China's gross domestic product and consumer price index rose by 12.7 per cent. and 0.5 per cent. from the same period last year, respectively.

Domestic regulators carefully coordinated the relationship between economic recovery and risk prevention, placed greater importance on serving the real economy, and the banking industry maintained a good momentum of stable operation. The banking industry continuously enhanced its financial services with steady growth of total assets, basically stable credit asset quality, continued profit growth, relatively strong risk mitigation ability and steady liquidity.

The Group stayed committed to prudent operations and innovation driven development, focused on serving the real economy, and continued to enhance internal control over risks to deliver solid results. In the first half of 2021, the Group enhanced the quality and efficiency in serving the real economy, and achieved new progress in its high-quality development. The Group's total assets and liabilities steadily increased.

THE BANK'S COMPETITIVE STRENGTHS

The Bank believes its strengths, as set out below, provide a stable and effective platform through which it will be able to maintain its competitive advantage in China's banking industry:

Large Customer Base and Established Relationships

The Bank has a quality corporate customer base and large personal banking customer base. The Group continued to expand its customer base. As at 30 June 2021, the number of personal online banking customers and corporate online banking customers increased by 3.03 per cent. and 5.00 per cent. respectively, as compared to 31 December 2020. As at 30 June 2021, the number of private banking customers increased to 175,610, representing an increase of 9.21 per cent. compared to the year ended 31 December 2020, and the amount of such private banking customers' assets under management with the Bank amounted to RMB1.93 trillion, representing an increase of 8.45 per cent. as compared to 31 December 2020.

Extensive Distribution Network and a Diversified Service Channel

The Bank has an extensive distribution network. Through its branches, customer self-service equipment, specialised service entities across the country and an electronic banking service platform, the Bank provides customers with convenient and high-quality banking services. As at 30 June 2021, the Group had a total of 14,656 operating entities, consisting of 14,622 domestic entities including the Head Office, 37 tier-one branches, 361 tier-two branches, 14,045 sub-branches, 177 outlets under sub-branches and one specialised credit card centre at the Head Office and 34 overseas institutions. As at 30 June 2021, the Bank had 19 major subsidiaries with a total of 592 entities, including 425 domestic ones and 167 overseas ones. As at 30 June 2021, the Bank had set up 250 inclusive finance (small business) service centres and small business centres, and built over 1,800 personal loan centres. The Bank also continued to streamline its self-service network, which comprised 73,065 ATMs and 24,831 self-service banks, including 10,683 off-premise self-service banks. As at the same date, the Bank also had 48,549 smart teller machines, supporting both retail and corporate banking services. The Bank's extensive distribution network and diversified service channels provide it with the competitive measures and resources for sustainable development.

Leading Positions in Key Products and Services, Pioneering New Product and Service Development and Implementing Fintech Strategy

To be in line with the Bank's objective of establishing an "innovative bank", the Bank continuously improves its product innovation capability, vigorously supporting transformation and development. In 2018, the Bank organised the "Inaugural Innovation Marathon" and increased efforts in innovation to further deepen the "Three Major Strategies" of house rental, inclusive finance and FinTech, while exploring the options for building a long-term CCB-specific innovation and incubation mechanism. Through the "Benevolence Religious Affairs" comprehensive service platform, the Bank provides one-stop comprehensive services in relation to religious affairs. "Jianrongzhihe", an AI-assisted comprehensive service platform for business matchmaking among enterprises, has created a new model for business development. The blockchain trade finance platform has enabled the online end-to-end processing of domestic letters of credit, forfeiting, international factoring and logistics finance. The end-to-end support system for the underwriting and distribution of bonds enables the Bank to further strengthen its enterprise-level management and systemic end-to-end management and control of bond underwriting and distribution business. The Bank launched the "Cloud Tax Loan" to connect with the tax data systems of the State Taxation Administration and provincial tax authorities, enabling the Bank to more accurately match its products and services with the demands of small and micro enterprises and entrepreneurs and more accurately manage their risks. The "Long Fortune" personal wealth management platform created a new retail model by integrating financial and technological resources. Family offices have been created as part of its private banking business to provide comprehensive services for customers with assets of over RMB500 million, including family wealth management and inheritance, family governance, family business management on a going concern basis and social charity. A young customer service system had been put in place to attract young customers.

In 2019, focusing on creating an environment of innovation for all employees, the Bank continued to actively promote the "Inaugural Innovation Marathon", the building of a crowd-creation platform and the construction of a product pedigree to optimise the management mechanism and strengthen management foundation. In 2020, the Bank implemented 47 strategic product innovation projects of the Head Office and completed 79 key innovation projects of the Head Office, 1,664 independent innovation projects of branches and 15 product innovation projects of subsidiaries, improving the quantity and quality of innovation.

The Bank carried out innovation of merger and acquisition ("**M&A**") loans, supported the economic transformation and upgrading as well as the resolution of overcapacity, and improved its capability to support enterprise M&A. The Bank integrated its resources to push forward comprehensive financial service schemes for strategic group clients, offering comprehensive financial service solutions tailored for them. The Bank initiated service mode innovation of bank medical cards, establishing a more mature mode that was able to meet customers' needs with existing technical conditions. Based upon big data technology, the Bank launched "Xinyidai" for small and micro businesses, refining the small and micro businesses big data credit product system. The Bank offered cross-bank smart money collection and integrated cross-bank money collection channels, smoothing the process as well as presenting various choices of signing and authorising. By introducing the "Suixinyong" application, the Bank realised functions such as over-the-air issuing, off-line card transaction, inquiring, electronic cash recharging and industry application recharging, featuring convenient card activation and secure transaction. The Bank formulated comprehensive service solutions to housing reform finance and initiated new operations for provident housing fund loans, providing one-stop services for individual housing loan of housing provident fund (combined) customers. The Bank launched Long Card Cloud QuickPass to migrate the security management function of mobile payment from mobile hardware to Cloud platform, realising quick and secure mobile payment of simulated IC cards. The Bank launched market member bond lending, carrying forward bond lending transactions with market members. The Bank presented three brands comprising "Jiandantong, Jianpiaotong and Jianxintong", to provide financing services for companies contracted with foreign projects as well as those exporting whole set equipment. The Bank introduced WeChat-based "E Shenche" and "E Jiesuan" to adapt to the fast-growing Internet financial needs, and strengthened the Group's internal cooperation by collaborating with CCB Pension to provide an all-round solution for pension insurance fund business. As at 30 June 2021, the Bank's official WeChat account "CCB Customer Service" has cumulatively served over 57.11 million customers.

As part of the "Three Major Strategies", the Bank has been actively exploring the comprehensive house rental financial solutions, to implement the positioning of "Houses are for living in, not for speculation" and help people realise their dreams of having a home. In 2018, the Bank launched the house leasing cloud platform to increase the supply of long-term housing units from governments and enterprises, becoming China's largest transparent house leasing service platform. The Bank built "Jianrong Jiayuan" community for long-term house leasing. At the end of June 2021, the Group's comprehensive house rental service platform covered 96 per cent. administrative regions at prefecture-level or above across the country, providing a transparent trading platform for 14 thousand enterprises and 37 million individual landlords and tenants. More than 10 million verified houses and apartments and 6 million contracts had been filed with the platform on a cumulative basis, which also provided the government with an effective tool for market supervision. The Bank has also established CCB Housing Services, the first housing service company in the banking industry, to facilitate the building of house leasing market, and is the first to launch house leasing price indices. The Bank is committed to building a smart ecosystem to create greater social empowerment. Anchoring on its house leasing service platform, the Bank has established platforms for smart community services, senior care, and public education, and connected these platforms to empower the public and deliver combining financial and non-financial services.

In 2018, the Bank took the lead in making inclusive finance a bank-wide strategy, made comprehensive arrangements, and formulated a three-year plan for the inclusive finance strategy. It leveraged fintech to build inclusive finance with "CCB features" while adhering to the innovation-driven development strategy. For example, the Bank launched the "Huidongni" app as a one-stop service platform for small and micro enterprises. It used internal and external data to accurately align its products and services with the customer needs, formed a new type of bank-enterprise communication mode to realise the bilateral interaction between the Bank and its customers, and enhanced customers' sense of gaining in comprehensive service experience. By the end of June 2021, the application had attracted over 130 million online user visits and been downloaded more than 17 million times. It had over 5.56 million certified enterprises and more than 1 million credit customers. Over 700 billion loans had been granted to borrowers via the application. The Bank released "CCB – Xinhua Inclusive Finance – Small and Micro Enterprise Index", the first inclusive financial index and evaluation index in the banking industry that has gained national influence.

Further, in 2018, the Bank issued its FinTech strategic plan, aiming at promoting the reform of Fintech innovation system, implementing Fintech to improve the management of operation security, so as to boost business innovation and development. The Bank promoted the implementation of Fintech strategy, constructed a dual-driven Fintech foundation of technology and data, and created a Fintech business system that promoted the combination of smart finance and smart ecosystem. The Bank also established CCB Fintech Co., Ltd. as the Bank enhanced efforts in making Fintech a driving force. The Bank strengthened the establishment of platforms and application of business scenarios for new technologies, such as AI, big data and blockchain, built a collaborative integrated R&D platform and an enterprise-level R&D ecosystem, and promoted the transformation of Fintech R&D model.

In 2019, the Bank continued to increase investment in Fintech innovation and has further unleashed Fintech efficiency, with coordinated efforts in research and development, infrastructure construction and system operation and maintenance. Centering on intelligent government service platform, the Bank has established platforms for the benevolence religious affairs services, senior care, party and masses services, and smart government services. It focused on supporting the application, research and development of smart finance related technologies, and enhanced disaster recovery and cloud infrastructure environment construction, to ensure the safe and stable operation of the system. The Bank sped up the establishment of its efficient and collaborative Fintech governance system that supported innovation, and improved the incentive system for Fintech innovation by strengthening patent protection and promoting independent innovation. It built a cloud platform for Fintech innovation service that provided all-round support for innovation with functions such as AI modelling and financial data mining. In addition, the Bank built panoramic customer profiling, optimised data asset management, and enhanced data driven value creation. It also built an integrated collaborative research and development platform to achieve flexible, efficient, digital and automated collaborative research and development management.

The Bank developed collaborative and evolutionary smart finance internally. It realised centralised control of supply chain services, formed a unified view of supply chain relations and supply chain financial business at group level, and promoted the development of new corporate banking featuring "seamless integration of trading business and emerging business". The Bank promoted groupwide intelligent operation system construction, and built "multi-access and integrated" smart channels. It broke through the information barrier between its corporate banking and personal banking, and established a "comprehensive, intelligent, accurate, timely, proactive and forward-looking" risk control system. The Bank extended the open and shared intelligent ecosystem externally. It promoted the construction of the data centralisation platform for provident housing funds and the rural land use right transfer platform of the Ministry of Housing and Urban-Rural Development, and continued to build its edge in the housing arena. The Bank preliminarily set up a Fintech product system for financial institutions, expanding its offerings from banking sector to non-banking services. The Bank assisted in the sharing of financing information within the banking industry through projects such as joint credit granting led by China Banking Association. The Bank took sole lead among its peers in launching the "Government Affairs Service Platform for a Smart City", building a bridge from root-level population to government customers, and creating a "prototype" for electronic government affairs services.

The Group further pressed ahead with FinTech strategy in 2020 and continued to optimise its FinTech governance system and promote in-depth development of FinTech strategy in 2021. The support capacity of AI technology was established, with 507 AI scenarios as at 30 June 2021 covering areas such as customer service, risk management, centralised operation, and smart government affairs service. The support capacity of application of big data played an important role in the digitalised operation. It further improved the layout of blockchain and expanded the application and innovation of blockchain technology in areas such as cross-border trade, smart government affairs, and supply chain service. The Group developed an autonomic computer vision algorithm suitable for small edge computing devices, supported realtime video analysis scenarios in fields such as security and compliance by connecting with IoT, and innovated the application of AI + satellite remote sensing technology to agriculture-related loans. The blockchain service platform realised cloud-based service supply, adapted to various blockchain underlying technology frameworks, supported cross-chain interconnection of heterogeneous architecture, and established relatively complete capability in underlying management and application support of blockchain, which was applied in more than 30 scenarios including 12 business areas such as trade finance, cross-border payments, smart government affairs, and housing rental.

In addition, the Group formed a flexible, agile and cloud-oriented financial infrastructure supply capacity based on "CCB Cloud", and provided cloud services support for 401 applications in nine areas including government affairs, housing, financial institutions, and livelihood, outperforming its domestic peers in terms of overall scale and service capacity. It enabled largescale cloud-based resource supply through the big data platform, and significantly enhanced the capacity in massive data processing and real-time computing. It further upgraded the data lake technology and migrated all business data to the data lake to provide more abundant data resources and data processing modes for business development. It managed and shared the Group's data as assets, to support digitalised operation, group-level integration and other big data scenarios. It built an applet-based open ecology for mass development through the mobile internet platform. It continued to build special IoT network, which connected with over one million Internet of Things (IoT) terminals and supported 26 IoT applications including data collection by event tracking for digitalised operation, 5G smart banking, intelligent security, operation and distribution and CCB Yunongtong.

In 2020, the Group's FinTech investments were RMB22,109 million, an increase of 25.38 per cent. over 2019, accounting for 3.10 per cent. of the operating income. The Bank's subsidiary, CCB Fintech Co., Ltd., introduced three strategic investors for capital injection and share issuance and its valuation rose to RMB10 billion after capital injection. As at 30 June 2021, the Group had been granted an aggregate amount of 606 patents, including 389 invention patents, giving it a leading position in terms of invention patents in the domestic banking industry and the number of FinTech personnel of the Group was 14,012, accounting for 3.79 per cent. of its total headcount.

Advanced Financial Management Capabilities and Financial Controls

The Bank is one of the first domestic banks to establish a resource allocation and performance evaluation assessment system on the basis of an economic value-added approach. The Bank has further centralised its financial management and promoted an overall cost control system, while increasing the Bank's research efforts on strategic cost management. In addition, the Bank followed the successful experience of leading global banks and developed an internal fund transfer pricing ("**FTP**") system, an enterprise resource planning ("**ERP**") system and a management accounting system.

The Bank believes that its advanced financial management capabilities and sound financial controls have allowed the Bank to implement development strategies effectively, optimise resource allocation and improve overall operating efficiency.

Effective Strategic Co-operation

The Bank's strategic investor, Temasek Holdings (Private) Limited, has shared its experience with the Bank in relation to SMEs' business operation, human resource management, money market trading and other areas. The Bank has cooperated with Bank of America Corporation, in a number of areas including personal banking business, risk management, corporate governance, information technology and human resources.

Environmental Protection

The Bank actively promoted green development initiatives. Firstly, the Bank proactively participated in cooperation on green finance. The Bank has led the Special Committee for Green Credit of China Banking Association since 2018, helping the domestic banking industry to promote the development of green credit business. It was among the first to join the "Green Investment Principles for the Belt and Road Initiative". Secondly, the Bank strove to promote the development of green finance, and made active contributions to reducing greenhouse gas emissions. The Bank increased its green credit, continued to promote business development in its traditional areas of strength including green transportation and green energy, and actively expanded new green areas. It proactively expanded its energy efficiency credit business, and sped up the promotion of green credit products such as "energy conservation loan", "carbon finance", "construction loans for sponge cities" and "construction loans for comprehensive utility tunnels".

Experienced Management Team, Vocational Education Model and Remuneration Policy

The Bank's Chairman, Mr. Tian Guoli, and the Bank's vice chairman and president, Mr. Wang Jiang and other senior management team members, have extensive management experience in the banking and financial sector in China. Under their leadership, the Bank's operations have further strengthened in recent years. For the years ended 31 December 2018, 2019 and 2020, and for the six months ended 30 June 2020 and 2021, the Group's return on average assets[8] were 1.13 per cent., 1.11 per cent., 1.02 per cent., 1.05 per cent. and 1.06 per cent., respectively. For the years ended 31 December 2018, 2019 and 2020, and for the six months ended 30 June 2020 and 2021, the Group's return on average equity were 14.04 per cent., 13.18 per cent., 12.12 per cent., 12.65 per cent. and 13.10 per cent., respectively.

To enhance financial innovation in vocational education model, the Bank has established the CCB University in 2018. In 2020, the Bank held training sessions in its various campuses covering 781,000 employees. The Bank held live training via the network platform of CCB University, and over 6 million employees participated in the online learning. The Bank also organised job-related examinations, which covered all 37 domestic tier-one branches, involving over 253,000 participants. The Bank makes full use of remuneration allocation to motivate its employees. In order to encourage value creation, it continues to favour sub-branch level, front-line and direct value creation posts in terms of remuneration increase and grants allowance for outlets employee, in order to stimulate the enthusiasm of frontline employees to create greater value and improve the Bank's profitability.

THE BANK'S PRINCIPAL BUSINESS ACTIVITIES

The Bank's principal businesses activities include corporate banking, personal banking, treasury business and others.

The following tables set forth, for the periods indicated, the profit before tax of each of the Bank's major business segments:

	Year ended 31 December 2018		Year ended 31 December 2019		Year ended 31 December 2020		Six months ended 30 June 2020		Six months ended 30 June 2021	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
	(In millions of RMB, except percentages)									
Corporate banking........	74,168	24.07	72,694	22.26	66,615	19.79	32,425	19.21	33,873	18.36
Personal banking........	139,734	45.34	148,642	45.51	206,047	61.21	95,742	56.73	116,685	63.26
Treasury business	84,735	27.50	91,693	28.08	55,915	16.61	40,799	24.17	21,662	11.74
Others.............	9,523	3.09	13,568	4.15	8,039	2.39	(193)	(0.11)	12,243	6.64
Profit before tax	**308,160**	**100.00**	**326,597**	**100.00**	**336,616**	**100.00**	**168,773**	**100.00**	**184,463**	**100.00**

CORPORATE BANKING

Overview

For the years ended 31 December 2018, 2019 and 2020, and for the six months ended 30 June 2020 and 2021, the Group's corporate banking operations represented 24.07 per cent., 22.26 per cent., 19.79 per cent., 19.21 per cent. and 18.36 per cent., respectively, of its profit before tax. The Bank offers a broad range of corporate

[8] Adjusted by dividing net profit by the average of total assets at the beginning and end of the year.

banking products and services for corporations, government agencies and financial institutions. As at 30 June 2021, the Group had RMB9,267,153 million of domestic corporate loans and advances, representing 51.29 per cent. of the Group's gross loans and advances excluding accrued interest, RMB241,305 million of domestic discounted bills outstanding, representing 1.34 per cent. of the Group's gross loans and advances to customers, and RMB10,407,702 million of domestic corporate deposits, representing 46.63 per cent. of the Group's total deposits from customers.

Key Products and Services

Corporate loans products

Corporate loans have historically been the largest component of the Group's loan portfolio. As at 30 June 2021, the balance of domestic corporate loans and advances amounted to RMB9,267,153 million, representing an increase of 10.85 per cent. compared to 31 December 2020. The Group's corporate loan products mainly comprise medium to long-term loans and short-term loans. As at 30 June 2021, the Group's domestic medium to long-term loans and short-term loans amounted to RMB6,512,833 million and RMB2,754,320 million, representing 35.97 per cent. and 15.21 per cent., respectively, of the Group's gross loans and advances to customers.

Infrastructure loans

The Bank provides various infrastructure loan products to meet the funding requirements relating to the construction and expansion of its customers' infrastructure projects. The continuing expansion of the PRC economy has led to an increase in the number of new large-scale infrastructure projects which have resulted in an increased demand for infrastructure loans. As at 30 June 2021, loans to infrastructure sectors amounted to RMB4.83 trillion, representing an increase of RMB497,723 million compared to 31 December 2020.

Working capital loans

The Bank offers working capital loans primarily to provide liquidity for the Bank's customers' regular business production and operational turnover needs and for their temporary funding needs. The Bank's working capital loans are mainly granted to its high-quality customers to supplement their infrastructure loans. The Bank also provides working capital loans to SMEs.

Syndicated loans

The Bank has provided to customers various syndicated loan products including, among others, direct external syndicated loans, internal syndicated loans and transferable syndicated loan products. The Bank has maintained strong growth in its syndicated loan businesses.

Other corporate loan products

The Bank offers various other corporate loan products, including trade finance facilities, supply-chain financing, M&A financing and property development loans. In March 2009, the Bank became one of the first commercial banks in China approved to undertake M&A financing business pursuant to the Guidelines to M&A Loan Risk Management of Commercial Banks issued by the previously-named China Banking Regulatory Commission (now called the CBIRC) and the Bank was one of the first to launch corporate M&A financing products aimed to facilitate the financing needs of the Bank's customers' M&A transactions by providing a comprehensive set of financial resources. As at 30 June 2021, the Group had provided 56,000 enterprises in more than 3,700 industrial chains with a total of RMB380,000 million online supply chain financing support on a cumulative basis. The property development loans were RMB502,075 million, an increase of RMB152,240 million over the end of 2020.

The expansion of loans to SMEs is an important measure of the Bank to realise its strategic transformation of corporate banking business. As at 30 June 2021, the inclusive finance loans amounted to RMB1.71 trillion, an increase of RMB288,382 million as compared to 31 December 2020; the number of inclusive finance loan borrowers reached 1,801,800, an increase of 106,300 as compared to 31 December 2020. The agriculture-related loans increased by RMB224,305 million over 2020 to RMB2.31 trillion, and the number of agriculture-related loans borrowers was 2,184,200 with an average interest rate of agriculture-related loans was 4.69 per cent. As at 30 June 2021, the balance of green loans of the Bank was RMB1,570 billion, representing an increase of RMB223,601 million as compare to 31 December 2020.

Discounted bills

Discounted bills are bank acceptance bills and commercial acceptance bills with a remaining maturity of less than six months purchased by the Bank from its customers at a discount. The Bank provides discounted bills as part of its comprehensive financing solution for its corporate customers. As at 30 June 2021, the Group had outstanding domestic discounted bills of RMB241,305 million, a decrease of RMB17,756 million compared to 31 December 2020.

Corporate deposit products

In accordance with interest rate policies issued by the PBOC, the Bank offers a variety of time and demand deposit products to its corporate and institutional customers. In addition, the Bank also accepts negotiated deposits from customers including insurance companies, the National Social Security Fund and the Postal Savings Bank of China, whereby interest rates and other conditions can be separately negotiated. As at 30 June 2021, the Group's domestic corporate deposits amounted to RMB10,407,702 million, an increase of 7.30 per cent. compared to 31 December 2020.

Commission/fee based products and services

The Bank provides its corporate customers with a broad range of commission/fee-based products and services. The Group's net fee and commission income for the year ended 31 December 2020 was RMB114,582 million, which is an increase of 3.32 per cent. compared to the same period last year. The Group's net fee and commission income for the six months ended 30 June 2021 was RMB69,438 million, which is an increase of 6.82 per cent. compared to the same period last year.

Agency services

The Bank acts as an agent at the request of its clients in providing payment disbursement, collection, settlement, clearance and other agency services to corporations and government agencies. The key products and services the Bank provides include agency treasury settlement, agency premium collection and payment and entrusted loans. The Bank also acts as payroll agent as well as the agent to collect utilities, telecommunication and taxes payment and surcharges. In addition, in terms of the number of budget units it served, the volume of agency disbursement and related fee income, the Bank continued to be the market leader. The Bank is a major correspondent bank for China Development Bank. The Bank also distributes products and services on behalf of insurance companies and securities firms and provides payment and fee collection services to public utility and telecommunications companies. In addition, the Bank provides entrusted lending services to its corporate customers. The Bank charges a fee for providing entrusted lending services and does not take the credit risk with respect to these loans. In addition to generating fee income, the Bank's agency services also help the Bank develop and enhance its relationships with its customers.

Institutional business

The Bank has promoted its updated "Minben Tongda" comprehensive financial services brand, which focuses on providing service to customers in the education, health, culture and environmental protection sectors. The Bank comprehensively deepened its digitalised and platform-based operation, innovatively built and promoted 13 institutional business social service platforms including "CCB Smart Campus Application", "CCB Smart Healthcare Application" and "CCB Rural Collective Assets Management", and built diversified scenarios to assist in solving issues facing governments, society and people's livelihood. For two consecutive years, the Bank was awarded the double first prize in the comprehensive assessment of two agency services, namely, the national treasury centralised payment business and non-tax revenue collection business of the "MOF". The Bank sponsored the China "Internet +" College Students Innovation and Entrepreneurship Competition for six consecutive years, benefiting nearly 10 million college students. The Bank has also explored "Internet Plus" applications and innovations in financial services for schools and hospitals, which culminated in the Bank-Hospital and Bank-School Mobile Internet Financial Cooperation Plan. The Bank is the first among its peers to research on and launch the Comprehensive Financial Service Plan Regarding Pension System Reform of Public Institutions, expanding its social security product offerings. The Bank was the first among its peers to introduce the electronic social security card, exclusively launched the "Smart City Government Services Platform" and pioneered the "Integrated Religious Affairs Management Platform". The Bank exclusively participated in the Ministry of Finance's "House of Officials" pilot, created an ecosystem of civil servants, and participated in the establishment of a national financing guarantee fund aimed at solving financing problems faced by small and micro businesses and in the agriculture sector.

The Bank supported the modernisation of state governance system and governance capacity with its innovative smart government affairs service, to enable the development of digital government, digital society and digital economy. By the end of June 2021, the Bank had established cooperative relationships with 28 provincial governments, and participated in the construction of the national service platform for government affairs, and many other platforms or scenarios related to the CBIRC, the Beijing-Tianjin-Hebei region as well as "Internet + Government Affairs Service" and "Internet + Supervision" in 13 provincial and 10 municipal governments. The total number of registered users of the online platform reached 160 million, and the total number of government affairs handled reached more than 1.7 billion. The Bank actively explored the model for constructing a "cross-provincial" government affairs service platform, and coordinated its 14 thousand outlets to provide government affairs services, where one could handle, make appointments for and inquire about more than 4,600 government affairs items. By innovatively building the designated smart teller machine (STM) service zone for "cross-provincial" government affairs, the Bank built "government service lobbies for the public" at 35 branches, which can provide services related to 436 government affairs items.

The Bank built platforms for the supervision of rural collective assets management, the rural property transactions and the smart village affairs, focused on making smart government affairs services more accessible for rural residents, and supported the implementation of the "Internet + Governance at Community Level" initiative. The Bank used "CCB Smart Campus" platform to provide over ten thousand schools and thousands of teachers and students with digital campus learning and life service scenarios, created an "educational service fund supervision platform" to meet national policies and public needs, and helped government, businesses and communities to empower social development. Centred on the "fully online medical services", the "CCB Smart Healthcare" platform enhanced the medical efficiency and service levels for hundreds of medical and healthcare institutions, making it easier for the public to seek treatment or manage their health. The Bank created scenarios for nucleic acid testing appointment payment and COVID-19 vaccination appointment to help the government to improve its public health care services.

International business

The Bank offers international settlement products and services including import letters of credit, export letters of credit, import collection, export collection, outward remittance, inward remittance and guarantees. The Bank has been approved by the PBOC as the Hong Kong dollar settlement bank and approved by the China Foreign Exchange Trade System as the U.S. dollar agency settlement bank in the interbank foreign currency markets. The Bank was one of the first PRC banks to provide cross-border trade RMB settlement services and this pioneer status has allowed it to be one of the market leaders of this service.

In 2015, the Bank successfully issued RMB1 billion offshore RMB bonds in London, which was the first RMB bond product listed on the London Stock Exchange. In 2016, the Bank further expanded its RMB clearing network, as the Bank became the RMB clearing bank in Switzerland and Chile after becoming the RMB clearing bank in London. These cross-border RMB operations performed well, with the Bank's three RMB clearing branches in London, Switzerland and Chile showing steady development. RMB Qualified Foreign Institutional Investors ("**RQFII**"), RMB Qualified Domestic Institutional Investors and Mainland-Hong Kong mutual recognition of funds operations continued to grow. The Bank took the lead in establishing a blockchain trade finance platform in the industry and the Bank's AI-assisted documents review project became the first successful application of its kind in the industry. It also innovated "cross-border e-payment", an online payment tool and met e-commerce customers' needs for cross-border payment through virtual bank cards.

The Bank provides growing support for foreign trade customers and actively assists in the establishment of a new development pattern of dual circulation where domestic and foreign markets can boost each other. In recent years, the Group deepened cooperation with China Export & Credit Insurance Corporation, and the amount of insurance policy financing in the first half of 2021 increased by 111.28 per cent. from the same period last year. The cumulative transaction amount of forfaiting exceeded RMB370 billion, while more than RMB15 billion loans were granted through the "Cross-border Quick Loan" series to nearly 10,000 customers. As the first batch of banks directly linked to China International Trade "Single Window", the Group launched over 10 online financial service functions, maintaining a leading position among peers. It made overall use of products and services such as international syndicate, cross-border merger and acquisition and export credit, and provided all-round financial support and financing facilities for the Belt and Road construction with solutions that combined financing with intelligence.

In 2021, the Bank accelerated the innovation and development of key green finance products, clarified the recognition criteria for green letters of credit, and took the green industry as a key area to develop the trade finance business such as international factoring. Trade finance business meeting the PBC's recognition criteria for green credit amounted to RMB20,331 million. The Bank focused on green topics and used the "CCB Match Plus" platform to hold several cross-border connection activities such as "Promote ESG, Embrace Green Finance" of Sino-UK New Energy-Webinar.

The Bank vigorously develops cross-border RMB business to promote the RMB internationalisation strategy. In the first half of 2021, the Bank's cross-border RMB settlement volume reached RMB1.28 trillion. It supported the development of offshore RMB market, and its three RMB clearing banks in the UK, Switzerland and Chile operated steadily. Specifically, CCB London Branch continued to be the largest RMB clearing bank outside Asia, with a cumulative clearing amount of over RMB57 trillion.

Asset Custody service

The Bank's offering of asset custodial services is among the most comprehensive in China, including securities investment funds, Qualified Domestic Institutional Investors, Qualified Foreign Institutional Investors, RQFII, social security funds, corporate annuity funds, trust properties, insurance assets, entrusted investment assets of securities companies, basic pension insurance personal account funds, industrial investment funds and banking wealth management products. In 2013, the Bank obtained the qualification to provide custodial service to the first bond index exchange-traded funds ("**ETF**") and cross-border ETF for U.S. stocks in the PRC. The Bank also became one of the first Chinese-funded custodial banks of RQFII from Singapore. The Bank became one of the first batches of banks to conduct agency business for Mainland-Hong Kong mutual recognition of funds operations and was the first to offer "bond transaction plus custodian" services to overseas institutions for direct entry into the interbank bond market.

The Bank actively leveraged its strengths in custody service to support national strategy, promoted business innovation, strengthened risk control, and achieved high-quality development of asset custody business. The

Bank provided custody service to the Belt and Road Initiative construction projects of the state-owned asset management platform, actively engaged in the ETF project for reform of Sichuan state-owned enterprises, and facilitated insurance funds investment in the construction of important national infrastructure such as highways and bridges. The number of funds in the Science and Technology Innovation Board ("**STAR Market**") under custody of the Bank and the winning rate of its bidding for enterprise annuity custody service for central government-owned enterprises were both higher than those of its peers. It was also one of the first banks to provide custody services to cross-border conversion brokers of the global depository receipt and to funds under the China-Japan ETF Connectivity scheme.

In addition, the Bank cultivated the brand of "CCB SMART Custody" to promote high-quality custody service, and successfully became custodian for the National Green Development Funds and the Industrial Investment Funds for Beijing-Tianjin-Hebei Coordinated Development.

As at 30 June 2021, the Bank's assets under custody amounted to RMB16.79 trillion, increased by RMB1.54 trillion from 31 December 2020. For the year ended 31 December 2020, the Bank's fee income from custody service was RMB5,533 million, increased by RMB841 million compared to the year ended 31 December 2019. For the six months ended 30 June 2021, the Bank's fee income from custody service was RMB3,848 million, increased by RMB757 million compared to the same period last year.

Settlement and cash management business

The Bank was one of the first domestic commercial banks to provide cash management services for its corporate clients. In recent years, the Bank's cash management services expanded rapidly as the Bank introduced various new cash management products, providing services including account settlement services, fees receipt and payment services, liquidity management services, investment and financing management services, information and reporting services, industry-focused solutions and online banking services. The Bank has a range of cash management products and tailor-made industry specific cash management solutions for multinational corporations, large and medium sized enterprises, government agencies and financial institutions. The Bank's settlement and cash management business continued to grow steadily. The Bank launched its innovative "Huishibao – comprehensive service platform for high-end corporate settlement" and built "Jianguanyi", a multi-level fund supervision model, to meet treasury management needs of customers in specialised markets, fund supervision and other areas. In addition, through its internet and other electronic channels, as well as its customer-oriented branch network, the Bank has been able to provide comprehensive cash management services to its customers. The Bank's electronic bill business has also developed rapidly, and the electronic tax payment service brought more convenience to customers.

In 2019, as the PBOC's approval is no longer required for the opening of corporate bank accounts, the Bank created "Zhangyixing" brand to improve the convenience and efficiency of account opening service, and the number of corporate RMB accounts grew rapidly. The Bank also enhanced its management over corporate settlement accounts as well as payment and settlement, and carefully prevented new types of cybercrimes. It accelerated the mobile deployment in services such as "Yudaotongda", collection and payment of bills, and iteratively upgraded its global cash management product system, continuously improving the contribution of cash management to the Bank.

The Bank practiced the concept of "payment for the people" and strived to improve the quality and efficiency of corporate settlement account services. It promoted the scenario-based application of key products, innovated the first "Professional Employment Platform" among domestic peers, strived to build the "Fund Supervision Plus" service ecosystem, upgraded the C-community consumption scenario services of "Huishibao", and comprehensively enhanced its capability to serve the national strategy and the real economy as well as to improve people's livelihood. The Bank actively pressed ahead with pilot projects of integrating RMB and foreign currency account systems, upgraded the global cash management service system and launched SWIFT-

AMH (Alliance Message Hub) services for several large and medium-sized multinational enterprise groups, continuously enhancing the integrated operation capacity of domestic and foreign currencies and further advanced the digitalised operation of services to long-tail corporate customers. It also took advantage of new opportunities in digital economy and vigorously expanded e-CNY agency business. The Bank was among the first to participate in the trial of digital currencies research and development, and according to the overall arrangement of the PBOC, steadily promoted the research and development and pilot projects of e-CNY. The Bank develops the CCB e-CNY system and e-CNY wallet system, including Personal Wallet, Corporate Wallet, Soft Wallet, Hard Wallet, Parent Wallet, Subsidiary Wallet, etc., and supports the provision of exchange and circulation services of e-CNY. The Bank also actively participated in the e-CNY pilot tests in Shenzhen, Suzhou, Xiongan New Area and other places, and created various scenarios for the use of e-CNY, such as one-click payment of salary, tax payment, medical payment, ticket payment, etc. The Bank explored innovation of application mode, cooperated with e-commerce platforms such as Jingdong and E.ccb.com as well as investment and financial institutions such as Tiantian Fund to realize e-CNY online payment and investment scenarios. The Bank expanded the application of offline scenarios to realize e-CNY payment by NFC (Near Field Communication) and Hardware wallet in a network free environment. By the end of June 2021, the bank's digital currencies pilot scenarios covered living expenses, catering services, transportation, shopping consumption, education fees, government services and other fields. As at 30 June 2021, more than 7.23 million Personal Wallets and more than 1.19 million Corporate Wallets were opened, with a cumulative number of 28.45 million transactions and a transaction value of about RMB18.9 billion.

At the end of June 2021, the Bank had 11,863,600 corporate RMB settlement accounts, an increase of 404,800 over the end of 2020, while its active cash management customers increased by 171,700 to 1,847,800 from the same period of 2020.

Customer Base

As a leading provider of capital for some of the key industries in China such as infrastructure, energy, transportation and telecommunication, the Bank has maintained close relationships with leading corporations in industries that are strategically important to China's economy and with major government agencies and financial institutions.

The Bank has focused and will continue to focus on customers in industries strategically important to China's economy. Most of these large companies in China's strategic industries are state-owned enterprises or state-controlled joint stock companies. As at 30 June 2021, loans to strategic emerging industries were RMB767,760 million, an increase of 24.73 per cent. compared to 31 December 2020.

Private enterprises have become important customers to the Bank, as in recent years, they have experienced significant growth in China and have become a major sector in China's economy. As at 30 June 2021, loans to private enterprises were RMB3.22 trillion, an increase of 11.52 per cent. compared to 31 December 2020. The Bank also focuses on expanding its range of high-quality SME customers.

Marketing

Based on its customer-focused philosophy, the Bank employs both industry-wide and localised marketing strategies tailored to specific regions, customers and products. The Head Office formulates its overall corporate business development based on industry, geographical region, customer and product considerations. The Bank's tier-one branches then develop detailed marketing plans according to these guidelines tailored to local market needs.

The Bank's corporate banking marketing channel primarily involves corporate and institutional customer managers, branch outlets and electronic banking channels which include online banking and phone-banking. The Bank's corporate and institutional customer managers are its key marketing channel for its corporate banking business. They are responsible for exploring new market opportunities, promoting the Bank's banking products, coordinating and accessing the Bank's bank-wide resources to provide a package of personalised and comprehensive financial services to the Bank's corporate and institutional customers. The Bank's branch outlets offer the physical venue for the Bank to provide services to corporate and institutional customers. Through the Bank's branch outlets, the Bank promotes and sells its products, mainly providing payment and settlement services and SME corporate customer services, and developing the Bank's corporate liabilities business and commission/fee based business.

With the aim to improve customer experience, the Bank also provides its customers with e-banking channels such as the Bank's cash management service system, corporate online banking, customer hotline service centre and mobile phone banking platform, thereby providing greater access for the Bank's customers. The Bank's e-commerce finance platform, which provides corporate clients with financing products such as order financing, guaranteed joint loans and collateralised loans, continued to deepen its involvement in causes relating to "agriculture, farmers and rural areas", promoted the use of credit card bonus points for direct shopping and air ticket booking for business travel, thus realising a rapid development.

As at 30 June 2021, the number of personal online banking users increased to 383 million, representing an increase of 3.03 per cent. from 31 December 2020, and the Group's corporate online banking customers reached 10.80 million, representing an increase of 5.00 per cent. compared to 31 December 2020.

The Bank further strengthened innovation for its mobile banking, developed online sales, diversified online functions and delivered smarter and smoother experience. It launched the "ETC Intelligent Mobility" service to facilitate ETC user's application, sign up, activation and query online. Account information could be automatically recognised once the user scanned the bank card, simplifying the transfer processes for customers. The Bank introduced government services, such as social security and provident housing fund services, to provide more convenience. As at 30 June 2021, the number of personal mobile banking users rose to 403 million, an increase of 14.91 million or 3.84 per cent. compared to 31 December 2020. WeChat banking became a key platform for the Bank's business processing, consulting and marketing. As at 30 June 2021, the number of WeChat banking users who followed the Bank's WeChat account increased by 8.27 million or 6.92 per cent. to 128 million compared to 31 December 2020. As at 30 June 2021, the number of SMS financial service users reached 503 million, an increase of 90 million or 1.89 per cent. compared to 31 December 2020.

The Bank seeks to provide differentiated products and services to the Bank's important customers to meet their specific banking needs. The Head Office generally coordinates client coverage and marketing efforts for the Bank's largest corporate customers to ensure consistency and quality of service. The Bank's senior management at the headquarters and branch level are often directly involved in and lead in these marketing efforts. The Bank's branches in major cities provide differentiated, high quality, professional and integrated products and services to meet the Bank's customers' specific banking needs. By providing integrated financial solutions to the Bank's customers and improving the Bank's cross-selling synergies among the Bank's products and services, the Bank aims to further increase overall customer satisfaction and optimise value for the Bank's customers.

For SMEs, the Bank has established a specialised and standard marketing system that allows the Bank to further integrate the Bank's resources of products, distribution channels and brands to provide more efficient services with controlled risks.

PERSONAL BANKING

Overview

As at 30 June 2021, the Group's domestic personal deposits rose to RMB11,173,783 million, an increase of 9.71 per cent. compared to 31 December 2020. The Group's profit before tax derived from personal banking for the years ended 31 December 2018, 2019 and 2020, and for the six months ended 30 June 2020 and 2021 amounted to RMB139,734 million, RMB148,642 million, RMB206,047 million, RMB95,742 million and RMB116,685 million, respectively, representing 45.34 per cent., 45.51 per cent., 61.21 per cent., 56.73 per cent. and 63.26 per cent. of the Group's total profit before tax for the same periods.

Key Products and Services

The Bank provides a broad range of products and services including personal deposits, personal loans and other related financial services for its personal banking customers based on their needs. The Bank also provides bank card services and private banking for its personal banking customers. The Bank is committed to providing comprehensive banking services to its personal banking customers and is focused on creating and improving its personal banking product chain and value chain. The Bank sets out below its key personal banking products and services.

Personal deposits

The Bank provides its personal banking customers with a broad range of demand and time deposit services denominated in Renminbi and other foreign currencies. Personal demand deposit products include demand savings deposits and demand pledged deposits.

Personal time deposit products include time savings deposits, education savings deposits and personal notification deposits. Personal deposits provide the Bank with a stable funding source. The Bank enhanced its capability to attract deposits through highly effective products and services, maintaining the steady growth of personal deposits. As at 30 June 2021, domestic personal deposits of the Bank were RMB11,173,783 million, an increase of 9.71 per cent. from 31 December 2020.

Personal loans

The Bank's personal loans are designed to meet the credit requirements of its personal customers. The Bank's personal loan products include residential mortgages, credit card loans, personal consumer loans, personal business loans and other loans. As at 30 June 2021, the total domestic personal loans and advances of the Bank amounted to RMB7,529,011 million, representing an increase of 4.08 per cent. from 31 December 2020. As at 30 June 2021, the NPL ratio for domestic personal loans and advances was 0.39 per cent., a decrease of 0.02 per cent. from 31 December 2020.

Residential mortgage loans

The Bank provides residential mortgages to individuals to finance the purchase and construction of their residential properties. Residential mortgages include new home residential mortgages, residential refinancing mortgages, home equity loans to refinance residential property and fixed-rate residential mortgages. As at 30 June 2021, the Group's personal residential mortgages rose by 4.72 per cent. from 31 December 2020 to RMB6,105,839 million.

The Bank appraises the value of the residential property regularly and clearly stipulates that the loan cannot be used for securities trading purpose.

Home savings services

In February 2004, the Bank formed Sino-German Bausparkasse Co., Ltd. ("**Sino-German Bausparkasse**") with Bausparkasse Schwaebisch Hall, a German home savings bank. As at 30 June 2021, the Bank held a 75.10 per cent. equity interest in Sino-German Bausparkasse. The Bank's home savings bank products allow the Bank's customers to make scheduled deposits for the purpose of obtaining residential mortgage loans in the future. Sino-German Bausparkasse has improved the Bank's ability to develop more personal housing financing products. Sino-German Bausparkasse achieved steady business development, and the sales of housing savings products reached RMB32,179 million for the year ended 31 December 2020 and RMB10,128 million for the six months ended 30 June 2021. As at 30 June 2021, total assets of Sino-German Bausparkasse were RMB28,380 million, and shareholders' equity was RMB3,054 million. Net profit for the year ended 31 December 2020 was RMB62 million and net profit for the six months ended 30 June 2021 was RMB44 million.

Personal consumer loans

The Bank's personal consumer loans primarily consist of personal credit lines and automobile loans which usually have a maturity of up to five years. Personal credit lines are granted for general purposes based on the borrowers' credit history and the value of collateral provided. The Bank's automobile loans are primarily secured by the purchased automobile and residential properties. As at 30 June 2021, the Bank had domestic personal consumer loans of RMB227,838 million, representing 1.26 per cent. of the Group's gross loans and advances to customers.

Other personal loans

The Bank's other personal loan products primarily consist of credit card loans and personal business loans for private business owners involved in various specialised markets, personal agriculture-related loans to farmers on a trial basis in line with the PRC government's policy of supporting economic development of rural areas and other loans including educational loans. The Bank has also continued its offering of personal loan products, including the "Easy Education Loan" for personal education, the "Fortune Loan" for personal banking customers, differentiated credit, personal business loans, the "Hexing loans" for core enterprises upstream and downstream private owner business assistance loans, the "Refurbishment Loan" for home renovations and the "ShanRong loans" personal micro-credit revolving loans for consumption financing needs. The Bank also promoted business development with its self-service personal loans "Quick Loan" online channel. The balance of self-service loans via "Quick Loans", was RMB246,427 million, an increase of RMB73,281 million, or 42.32 per cent. over the end of 2019, serving tens of millions of customers.

Bank card business

The Bank offers a variety of bank card products comprising credit card and debit card to its customers under the registered "Long Card" ("龍卡") brand. As at 30 June 2021, the Bank had issued approximately 146 million credit cards and the number of debit cards in use was 1,226 million. For the year ended 31 December 2020, the Group's fee and commission income from bank card fees decreased to RMB21,374 million from RMB24,025 million for the year ended 31 December 2019, representing a decrease of 11.03 per cent. For the six months ended 30 June 2021, the Group's fee and commission income from bank card fees decreased to RMB10,443 million from RMB10,483 million for the same period in 2020, representing a decrease of 0.38 per cent.

Since the Bank is a member of China Unionpay, its customers can complete transactions through ATMs and point-of-sale terminals connected to the China Unionpay network. China Unionpay is responsible for establishing and operating a nationwide, interbank bank card information exchange and transaction network for its members. The Bank is one of the founding members of China Unionpay. The Bank joined the MasterCard network in 1990 and the Visa network in 1991. The Bank's dual-currency debit cards and dual-currency credit cards are also accepted outside of China through its association with the MasterCard and Visa networks. In August 2009, the Bank further joined the JCB international credit card network.

Credit cards

Through the credit card centre in Shanghai established in December 2002, which centrally manages the Bank's credit card business, the Bank seeks to enhance its operational efficiency, improve its risk management and maintain a consistent level of customer service quality. The Bank has also established credit card departments in most of its tier-one branches to manage its operations locally. As approved by the previously-named China Banking Regulatory Commission (now called the CBIRC) and accepted by the Shanghai Banking Regulatory Bureau in 2008, the Bank's credit card centre was upgraded to a branch-level sales institution and obtained its business license in 2009. As at 30 June 2021, the Bank had issued approximately 144 million credit cards. The volume at credit card transactions totalled RMB3.05 trillion for the year ended 31 December 2020 and the volume at credit card transactions totalled RMB1.50 trillion for the six months ended 30 June 2021. As at 30 June 2021, the Bank's credit card loan balance reached RMB839,412 million.

The Bank's credit cards are accepted through its own network and through the China Unionpay network which are located in the PRC and various other countries and are also accepted overseas through the Bank's association with the Visa and MasterCard networks. The Bank continues to improve its credit card business structure and steadily enhance its service capabilities. It actively expands its young customer base and high-quality customers, make every effort to develop customers for agency salary payment services, and offered a number of new products, such as JOY Card, Bonus Card, MUSE Card and Long Card Credit (Daiba) virtual card, further improving the quality and activeness of customers. The Bank also issues diamond cards, which target high-end customers and issued specialised car-owner credit cards to car owners. The Bank has also launched consumer products including e-Pay Long Card, Tencent e-Pay Long Card, and Family Love Card, credit products such as "Fenqitong", and mobile payment services based on the Internet including Apple Pay, HCE Cloud Pay, and Samsung Pay. The Bank has increased its use of new electronic channels such as mobile phone, WeChat and QR codes to promote the use of its credit card products. The Bank has introduced the Long Card electronic payment wallet and "one-click payment" for cross-border internet purchases. The Bank has also introduced the "Mobile Long Card" mobile app allowing payments to be made with authorised merchants.

In 2019, the credit card business achieved rapid and sound development as the Bank implemented differentiated operating models for each region. The Bank actively promoted the innovation of its products for targeted customer bases such as young people, car owners and consumers shopping overseas. It introduced a range of products, such as QQ Music Card, Feichi Changxing Long Card, and Joy Card and issued more than 2.2 million virtual credit card "Long Card Credit (Daiba)", which can be applied and issued online instantly. It actively promoted marketing for ETC, with more than 20 million credit card customers contracting for ETC service. It strengthened credit card-based mobile payment and payment innovation, and accelerated scenario-based deployment with merchants by launching more than one hundred innovative industry applications at the intelligent POS platform. It comprehensively improved its risk control and compliance management capability, optimised its risk strategies and differentiated credit approval system, strictly implemented regulatory requirements and strengthened the control of the use of funds.

The Bank focused on target customers, enhanced the model automation operation capability, strengthened the building of online and offline scenarios, and comprehensively enhanced its digitalised operation capability. The Bank further built the scenario ecology, accelerated the building of three types of business areas, namely airports and high-speed rail stations, urban commercial complexes, and gas stations, by offering favourable interest rates, explored consumption scenarios welcomed by consumers, cooperated with leading companies such as Alipay, TikTok, Baidu, JD and Meituan on joint promotion, card payment and bonus points conversion to help expand domestic demand and promote consumption upgrade. The Bank strived to improve the living standards of the public, increased the support in auto consumption, and provided services to nearly 800,000 car owners in 2020. The Bank launched the "CCB Home Improvement Festival" as a one-stop application platform, and granted loan installment for housing decoration to 420,000 families in 2020. The Bank continued to improve the anti-fraud models and strategies, enhanced merchant risk monitoring and continuously improved its risk control and compliance management capability.

In the first half of 2021, the Bank innovatively used ideas and methods of digitalised operation to strengthen the refined management of credit card business. It launched the "Leader" credit card in its Transformers series, and fully upgraded the benefits and services for bilibili credit card, "My love" Family Card and other "Long" cards, creating competitive popular products. It cooperated with more than 30 leading merchants to build the "Long Credit Card Discounts 666" marketing brand. It stepped up instalment loans innovation, and promoted instalment loans for new energy vehicles. The Bank also pressed ahead with the building of business circles. It applied online authentication tools such as facial recognition, optical character recognition, online identity verification to enhance its anti-fraud capability online, and strengthened the active detection of suspected inflows of credit card funds into real estate, investment, production and operation sectors and cash out activities, to improve proactive intelligent risk management.

Debit cards

The Bank continuously improved the functions and services of debit card products to promote the activity of debit card transactions, continuously pressed ahead with the PBOC's mobile payment demonstration project to provide convenience service, and upgraded the "Long Pay" products and user management. As at 30 June 2021, the number of debit cards in use was 1,226 million, including 680 million financial IC debit cards. The transaction volume of debit cards in the first half of 2021 was RMB12.85 trillion. The cumulative number of users of the "Long Pay" products was 173 million.

Private Banking

The Bank provides a broad range private banking products and services and integrated solutions and to its high value customers, including family trust financial advisory services, asset allocation consultancy services, investment immigration, marital property preservation and family wealth inheritance. The Bank has developed its family trust business by coordinating efforts between the parent company and subsidiaries, and continuously improved the "Golden Housekeeper" comprehensive cash management business. The Bank has diversified its value-added services in three major areas, namely asset management, alternative financing and non-financial value-adding services. Drawing on Fintech, the Bank led the market in creating its mobile private bank and launching a mobile version of its private banking services "CCB e-private banking", promoting the building of benchmark private banking centres. Also, the Bank built a product system designed to "help customers structure their assets", and vigorously promoted its wealth advisory services. Additionally, the Bank launched the innovative service of Family Office.

The Bank focused on meeting the needs of high-net-worth customers for their wealth management, assets allocation and quality services by constantly improving professional capabilities, and maintained a good development momentum. Adhering to the perspective of customers and focusing on wealth management, the Bank improved the professional service system of wealth planning, assets allocation, and legal and tax consulting, and innovated and customised family wealth management services such as fully entrusted asset management and family funds, and consolidated its leading position in family trust advisory business among peers, with assets under management reaching RMB41,812 million. The Bank published professional reports on topics such as macro strategy analysis and legal and tax affairs, and held high-level salons such as family wealth forum. The Bank provided customers with customised services, enhanced customer trust, improved the integrated online and offline operation, optimised the layout of the private banking centres, and built a digital application system for private banking, all of which helping to improve customer experience. As at 30 June 2021, private banking customers' assets under management reached RMB1.93 trillion, representing an increase of 8.45 per cent. as compared to 31 December 2020 and the number of private banking customers amounted to 175,610, representing an increase of 14,816 or 9.21 per cent. as compared to 31 December 2020.

Entrusted housing financing services

The Bank acts as an agent to national housing fund management departments to collect housing provident funds and housing maintenance funds and provide individual housing provident funds mortgages. The Bank is one of the earliest banks and the largest in China approved to engage in the housing provident fund management business. The Bank maintains sound business co-operation with local administrative centres of housing provident funds across China from which it takes deposits as a steady funding source. By implementing national policies on supporting the construction of homes and providing financing to mid-and low-income households, the Bank is able to capture such specialised market opportunities. The Bank has proactively improved its IT system and strengthened electronic channel expansion and product innovation in provident housing funds, in order to provide comprehensive and high-quality housing reform financial services. The Bank applied the "technology + internet" strategy to actively improve the service of the technology system of its entrusted housing finance business. Through innovative financial services, the Bank has launched new products and services including small amount cross-bank payments for housing provident funds, housing provident fund e-channel, housing provident fund co-named card and entrusted housing provident fund withdrawal for repayment of loans, while steadily developing its indemnificatory housing loans business and supporting low-and middle-income residents' housing needs for their own residential purposes.

The Bank improved financial service support by relying on FinTech to help the country use national housing funds for the prevention and control of COVID-19 and people's livelihood. In line with the reforms to streamline administration, delegate powers, and improve regulation and services, the Bank pressed ahead with data sharing of the national housing and construction system, continuously optimised business processes, and improved customer service capabilities. As at 30 June 2021, the balance of housing fund deposits was RMB1.01 trillion, and the balance of personal provident housing fund loans was RMB2.69 trillion. The Bank had cumulatively provided RMB117,283 million personal indemnificatory housing loans to nearly 600,000 low- and middle-income households as at 30 June 2021.

Marketing

The Head Office generally formulates marketing initiatives and sets marketing guidelines for the Bank's bank-wide personal banking products. The Bank's tier-one branches develop detailed marketing plans to implement these initiatives based on the economic and market conditions of their respective geographical regions. The Bank conducts its marketing activities mainly through its branch network, which the Bank supplements with specialised sales centres for specific products such as personal wealth management centres and residential mortgage loan centres. It also conducts personal banking product marketing through e-banking channels, such as online banking, telephone banking and mobile phone banking.

The Bank offers different products and services and adopts different marketing strategies to cater for different customer groups' needs. For high value customers, the Bank focuses on building a one-to-one customer manager marketing relationship to develop a more focused marketing strategy for promoting its products. For mass market customers, the Bank adopts a mass marketing strategy focusing on its outlets, taking initiatives in product and service marketing through introduction by its lobby managers, on-site promotion of its products and media advertising campaigns. The Bank also adopts an interactive marketing strategy for its personal banking business, whereby its personal loan department and corporate banking department cooperate to take a proactive approach in exploring business opportunities in residential mortgages while granting real estate development loans. In addition, the Bank focuses on cross-selling its personal banking products such as promoting its credit cards and wealth management cards to its residential mortgages customers. The Bank also sells various loan products to the holders of its wealth management cards and credit cards.

Electronic Channels

In 2019 and 2020, the Bank strengthened its Fintech innovation and application, shifted from channel-based services to customer-focused operations, and built a brand new "online banking". In this regard, the channels' value contribution was comprehensively improved and the capability of customer services was greatly enhanced. In the first half of 2019, the Bank sought to build a digital bank with the feature of "available to everyone, open and sharing, full functions, all businesses, diverse scenarios, and easy access", steadily improving the contribution of its e-channels to value creation.

As at 30 June 2021, the Bank's personal online banking service had 383 million individual customers, representing an increase of 3.03 per cent. compared to 31 December 2020 and the number of corporate online banking users increased to 10.80 million, an increase of 5.00 per cent. compared to 31 December 2020. For the year ended 31 December 2020, the electronic banking service fees earned by the Bank was RMB29,007 million compared to RMB25,666 million for the year ended 31 December 2019, representing an increase of 13.02 per cent. For the six months ended 30 June 2021, the electronic banking service fees earned by the Bank was RMB14,429 million compared to RMB14,308 million for the same period in 2020, representing an increase of 0.85 per cent.

TREASURY BUSINESS

The Bank's treasury business primarily consists of its money market activities, the management of its investment portfolio, treasury transactions on behalf of its customers, bond underwriting and development of treasury products. The Group's treasury business recorded a profit before tax of RMB55,915 million for the year ended 31 December 2020, accounting for 16.61 per cent. of its total profit before tax. The Group's treasury business recorded a profit before tax of RMB21,662 million for the six months ended 30 June 2021, accounting for 11.74 per cent. of its total profit before tax.

Key products and services

Money market activities

The Bank's money market activities primarily consist of (i) repurchase and reverse repurchase with the PBOC; (ii) borrowings from and loans to other domestic and foreign banks and non-bank financial institutions, often referred to as the interbank money market activities; (iii) purchase of securities under resale agreements, often referred to as repurchase and reverse repurchase transactions via the interbank market, bond repurchase pledge or buy-out, sell-out of RMB-denominated treasury bonds, policy bank bonds and central bank bonds; and (iv) money market transactions with major international banks such as foreign currency fund lending, foreign currency denominated bond repurchase, foreign exchange swap and debt-for-equity swaps on the international financial markets.

The Bank is an active participant in the interbank money market, one of the first market-makers in the interbank market and one of the sixteen Shanghai Interbank Offered Rate quotation banks approved by the PBOC. The Bank has actively responded to market fluctuations, taken initiatives to broaden the financing and investment channels, and managed its RMB and foreign currency positions in a centralised manner to safeguard the Bank's liquidity. The Bank actively participated in the reform of InterBank Offered Rates (IBOR) and was among the best in the interbank Foreign Currency Lending (FCL) Quoting Banks. With regard to its foreign currency money market business, the Bank tracked the monetary policies of US Federal Reserve and market trends to improve the yields of its foreign currency funds and its market influence; it actively innovated domestic third-party foreign currency repurchase business, and successfully issued the Bank's first foreign currency interbank certificates of deposits in the domestic market.

As at 30 June 2021, the Group's deposits and placements with banks and non-bank financial institutions amounted to RMB799,641 million, representing 2.68 per cent. of the Group's total assets. As at the same date, the deposits and placements from banks and non-bank financial institutions with the Group amounted to RMB2,145,210 million, representing 7.84 per cent. of the Group's total liabilities.

As at 30 June 2021, the total contractual amount in terms of framework agreements of debt-for-equity swaps of the Group is RMB913,596 million, maintaining a leading position in the industry.

Investment portfolio management

The Bank's investment portfolio mainly targets bond investment. The Bank classifies its portfolio as: (i) financial assets measured at fair value through profit or loss, (ii) financial assets measured at amortised cost and (iii) financial assets measured at fair value through other comprehensive income. The Bank achieved a reasonable balance between liquidity, security and returns on debt securities investments. With regard to investment in RMB debt securities, the Bank adheres to the principle of value-driven investment, actively serving the real economy, managing a reasonable pace of investment, continuously improving the portfolio structure, and strengthening the business collaboration between the Head Office and branches, in order to maximise returns for the whole bank. With regard to investment in foreign-currency debt securities, the Bank adjusted the portfolio structure with close attention to trends in the global financial markets, and increased the portfolio returns under the premise of ensuring the liquidity of foreign-currency portfolios. As at 30 June 2021, financial assets measured at fair value through profit or loss, financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income represented 7.96 per cent., 64.98 per cent. and 27.06 per cent. of the Group's financial investment portfolio, respectively.

Proprietary trading

The Bank conducts short-term proprietary trading in order to gain short-term spread income and avoid market risk. Proprietary trading mainly includes treasury bonds, central bank notes, policy bank bonds, short-term debentures issued by large-scale prime enterprises, mid-term notes, foreign exchange trading and precious metal trading. Additionally, the Bank hedges its investment risk through financial derivative trading, which mainly includes interest rate swap contracts and foreign exchange spot, forward, swap and option contracts. Apart from hedging of its risks, the Bank generally does not hold financial derivatives for short-term gain.

Proprietary investment

The Bank manages its investment portfolio to maximise its investment return. The Bank determines the average investment term of its investment portfolio, duration and investment return objective based on its judgment on risk factors such as interest rates, exchange rates and credit risks. The Bank's RMB-denominated securities investments primarily include government bonds, central bank notes, policy financial bonds, commercial bank bonds, short-term debentures, corporate bonds and asset-backed securities. The Bank's foreign currency denominated securities investments are primarily in sovereign bonds, financial institution bonds, corporate bonds and investment grade asset-backed securities.

Treasury transactions on behalf of customers

The Bank's treasury transactions on behalf of its customers mainly include agency foreign exchange derivatives trading, agency precious metal business, bond settlement agency business, agency sale and purchase of foreign exchange and foreign exchange trading. Foreign exchange purchases and sales and foreign exchange trading grew steadily. The Bank improved its service capability of foreign exchange settlement and sales through electronic banking channel, and launched its foreign exchange purchasing project. The Bank also optimised its corporate online banking foreign exchange settlement module for the convenience of its corporate customers.

The Bank steadily promoted the high-quality development of its customer-based trading business. It consolidated its customer base, actively expanded its overseas institutional investors base, with a steadily increasing number of customers. The Bank fully seized the development opportunity of RMB interest rate liberalisation, actively pressed ahead with the product innovation of interest rate derivative business in order to meet the diversified needs of customers. The Bank successfully launched the "Blue Core Exchange Rate Portfolio Management Platform", taking the lead among its peers in terms of system autonomy and comprehensive function.

In the first half of 2021, the Bank steadily carried forward the high-quality development of its customer-based trading business, and further strengthened its IT system construction. It promoted the concept of risk neutrality, consolidated customer base, implemented tiered customer services, actively met the trading needs of foreign institutional investors, and strengthened management and control of the business risk. It successfully introduced the "Quick Transaction for Micro and Small Enterprises" transaction function as well as other modules. In the first half of 2021, the customer-based trading volume amounted to US$297.5 billion, the volume of foreign exchange interbank market-making transactions reached US$2.49 trillion, and the Bank remained a top market maker.

Precious metals and commodities

The Bank realised sound development of the precious metals and commodities business in compliance with regulations. It introduced gold fixed accumulation plan and new trading categories such as apple, naphtha and PX, and increased commodity hedging categories to 35. It actively supported the demand of medical and safety supplies manufacturers for hedging the price of raw materials by reducing their hedging costs, and helped enterprises to resume work and production. It strengthened digitalised operation and improved customer experience. It closely followed market changes and strengthened the protection of consumers' rights and interests. For the year ended 31 December 2020, the total trading volume of precious metals of the Bank reached 118,000 tonnes. For the six months ended 30 June 2021, the total trading volume of precious metals of the Bank reached 40,300 tonnes.

Innovation and development of treasury products

The Group carried out platform-based operation, and continuously explored new, intelligent and ecological modes for inclusive finance to comprehensively improve the coverage, availability and satisfaction of inclusive finance services. It diversified the digital product system, realised the rapid customisation of new products on demand, and launched a series of products with new pattern, such as "Quick Loan for Small and Micro Businesses", "Yunong Quick Loan", "Quick Loan for Transactions" and "Quick Loan for Personal Business". As at 30 June 2021, loans granted by the Group had exceeded RMB4.7 trillion, benefiting more than 2.10 million customers. It continued promoted "Huidongni", "Huizhuni", and "Huidiantong" service platforms and the "three-in-one" inclusive finance operation and management platform. It also promoted digitalised precision marketing, and implemented digitalised and end-to-end refined risk control, to safeguard the high-quality development of inclusive finance business. The Bank pressed ahead with poverty alleviation through e-commerce based on e.ccb.com and established various poverty alleviation pavilions in cooperation with local governments and state-owned enterprises. As at 30 June 2021, the poverty alleviation transaction volume on "e.ccb.com" amounted to RMB6,911 million, covering poverty alleviation merchants in poverty-stricken counties nationwide.

In order to effectively address financing difficulties for customers engaged in international trade, the Bank continuously improves it product offerings, including conversion of overseas loans to debt securities, export credit, cross-border e+ and cross-border financing, and global financing for financial leasing, incorporating a host of innovation in business processes and risk mitigations. The Bank also continuously improves its service offerings, such as "Bond Connect", direct top-up for IC cards and Subways Go Easy, and simplified the financial service processes and enhanced customer experience by means of technology development and interconnectivity.

Asset management

The Bank has designed and launched various wealth management products according to customer needs to provide wealth management services to customers. The Bank has widened its wealth management product distribution channels and increased its distribution of high yield debt and equity wealth management products. These wealth management products play an important role in securing the Bank's customers, particularly high-end customers. NAMeS, the Bank's new asset management system, went live to form an integrated end-to-end automated framework. The Bank also launched its innovative "Qianyuan" wealth management product and launched its robo-advisor services.

In 2019, the Bank set up the Assets Management Business Committee to coordinate the high-quality development of Group-level assets management business. The first phase of "Mega Assets Manager" system was launched smoothly. CCB Wealth Management became the first wealth management subsidiary of commercial banks in China. In recent years, the Bank continued to promote the building of a new system for asset management at the group level, strengthened key activities such as assets allocation, channel sales, investment research and investment operation, FinTech, and risk management. It accelerated asset management business model transformation and innovation and strove to build the Bank's third pillar of business development.

For the years ended 31 December 2018, 2019 and 2020, and for the six months ended 30 June 2020 and 2021, the Bank issued various wealth management products with a total amount of RMB7,519,123 million, RMB7,771,813 million, RMB7,132,244 million, RMB3,545,729 million and RMB2,579,222 million, respectively. As at 30 June 2021, the Bank's outstanding balance from wealth management products was RMB999,560 million compared to RMB1,637,264 million as at 31 December 2020.

INVESTMENT BANKING BUSINESS

The Bank conducts investment banking business through the investment banking department at the Head Office and branch levels as well as its subsidiary, CCB International Capital Limited, providing customers with financial service packages such as short-term debentures, international bonds, trust benefit vouchers, asset securitisation, project financing, outbound initial public offerings ("**IPOs**") and refinancing, equity investment, financial advisory and wealth management services. The Bank's substantial customer base, extensive marketing network, strong funding capability and research and development strength lay a foundation for the development of its investment banking business.

Key products and services

Financial advisory service

The Bank's financial advisory business refers to its provision of consultation, analysis and solution design services to customers in respect of investment and financing, capital operation, asset management, debt management and corporate diagnosis based on the customers' requirements with an aim to assist them in reducing financing cost, increasing funding utilisation efficiency and optimising financial management. Furthermore, the Bank focused on providing its customers with product portfolios consisting of both investment banking and commercial banking products. In 2009, the Bank took the industry lead in launching FITS (Financial Total Solutions), a comprehensive financial solution also known as "Feichi". Depending on different situations and financial needs, FITS combines products and vehicles such as traditional commercial banking, new investment banking, various funds and bank wealth management programmes in order to provide comprehensive and diversified financial services plans. In 2020, the Bank completed the improvement and upgrade of the ecosystem of "FITS® 6+1" smart investment banking, pressed ahead with inclusive finance by providing free access to intelligent financial advisory service system named "FITS® e Intelligent" for 19,000 small- and micro-sized enterprises.

Equity financing service

Through CCB International and the Bank's overseas branches and subsidiaries, the Bank provides enterprises with equity financing services such as listing sponsorship and underwriting services for their overseas capital markets IPOs and refinancing services and strategic investor introduction services in Hong Kong and Singapore. The Bank also cooperates with the Bank's business partners, including domestic and overseas securities companies to provide equity financing related services, such as domestic and overseas listing guidance, sponsorship, underwriting and financial advisory services.

Bond financing service

The Bank provides composite bond financing services for clients including short-term debentures, and mid-term notes. The Bank is an active underwriter in the domestic bond market and it is also a Class A underwriter in the MOF treasury bond underwriting syndicate. For the year ended 31 December 2020, the Bank accumulatively underwrote 851 issuance of debt financing instruments with the underwriting volume of debt securities of the Bank for enterprises of the real economy with a total amount of RMB532,200 million. For the six months ended 30 June 2021, the Bank accumulatively underwrote 396 issuance of debt financing instruments with the underwriting volume of debt securities of the Bank for enterprises of the real economy with a total amount of RMB260,700 million. As part of its continuous efforts in promoting green economy, the Bank also developed green asset-backed notes and green asset securitisation, becoming the first underwriter in the green finance reform zone. The Bank also promoted the issuance of the first green building panda bond, doubling as green "Bond Connect" bond, in the inter-bank market, and it issued RMB10.8 billion green bonds and sustainability bonds for enterprises in the first half of 2021.

Asset securitisation

The Bank was among the first commercial banks approved to undertake asset securitisation business. In 2005, the Bank issued the first residential mortgage-backed securities in China with a size of RMB3.0 billion. The Bank has developed a specialised information system for its securitisation products and the Bank has extensive experience in the development of securitisation products and the execution of such transactions. In 2018, the Bank actively cooperated with the National Development and Reform Commission to jointly promote and establish the National Development Fund for Strategic Industries.

For the year ended 31 December 2020, the Bank's underwriting volume of asset-backed notes reached RMB57,154 million, ranking first in the market. It completed the issuance of RMB71.4 billion of corporate credit asset-backed securities, issued the first RMB50 billion inclusive finance products of online quick loan asset-backed securities in the market, and issued RMB9,342 million asset-backed notes relating to reverse factoring supply chain, thereby collectively providing funds for 5,360 upstream small-and micro-sized customers. The Bank raised a total of RMB24,345 million for the strategic emerging industry fund, participated in the establishment of the National Green Development Fund by investing RMB8 billion and underwrote RMB4.4 billion green credit asset-backed securities.

In the first half of 2021, the size of asset securitisation business was RMB18,710 million. It issued six batches of trust beneficial right transfer products of corporate loans credit assets, amounting to RMB26,871 million. In the first half of 2021, the Bank's income from investment banking reached RMB5,562 million. It had a total number of over 60,000 customers, of which exceeding 57,000 were inclusive customers. It provided over RMB400 billion direct financing for enterprises.

Customer base

The Bank's prime corporate and personal customers from its commercial banking business have formed a solid customer base for developing its investment banking business through the years. Most domestic PRC conglomerates and top-quality corporates have established extensive and close business relationships with the Bank. The Bank believes that there remains potential for its investment banking business in the areas of bond financing, equity financing, asset securitisation, financial advisory, wealth management and trust services. The Bank also proactively strives to provide equity financing and equity investment services to SMEs that present promising growth. The Bank's personal banking customers, especially its high net worth and high-end clients, will also help the Bank expand its wealth management business and ensure the successful offering of its wealth management products.

Marketing

The Bank's major marketing model for the investment banking business involves cooperation between the Head Office, domestic and overseas offices and different business lines. A key strategy of the Bank's bank-wide marketing efforts is to combine the marketing efforts of the investment banking business and commercial banking business.

OVERSEAS BUSINESS

As at 30 June 2021, the Bank had 19 major subsidiaries with a total of 592 entities, including 425 domestic ones and 167 overseas ones, covering 30 countries and regions including Hong Kong, Singapore, Germany, South Africa, Japan, South Korea, the U.S., the U.K., Vietnam, Australia, Russia, the United Arab Emirates, Taiwan, Luxembourg, Macau, New Zealand, Canada, France, Netherlands, Spain, Italy, Switzerland, Brazil, Cayman Islands, Ireland, Chile, Indonesia, Malaysia, Poland and Kazakhstan and maintained wholly-owned operating subsidiaries including CCB Asia, CCB London, CCB Russia, CCB Europe, CCB New Zealand, CCB Brasil and CCB Malaysia and held 60 per cent. of the total share capital of CCB Indonesia.

As at 30 June 2021, the total assets of the Group's overseas entities were RMB1,602,453 million, representing approximately 4.10 per cent. of the Group's total assets. In May 2015, Chile Branch became the first RMB clearing bank in South America, and the branch officially opened in 2016. In June 2015, Paris Branch, Amsterdam Branch, Barcelona Branch and Milan Branch under CCB Europe were successively opened. Cape Town Branch (under Johannesburg Branch) commenced business in September 2015. London Branch commenced business in October 2015. Zurich Branch was established and designated as the RMB clearing bank in November 2015, and it officially opened in 2016 and Dubai International Financial Centre Branch received its official banking licence and commenced business in November 2015 and Warsaw Branch received its official banking licence in December 2016. CCB Malaysia obtained a commercial banking licence in October 2016. The Bank completed its acquisition of PT Bank Windu Kentjana International Tbk in September 2016, and renamed the entity to PT Bank China Construction Bank Indonesia Tbk. PT Bank China Construction Bank Indonesia Tbk was officially inaugurated in February 2017 and the Warsaw Branch of CCB Europe, CCB Malaysia and CCB Australia Perth Branch officially commenced operations in 2017. In February 2018, the Bank's New Zealand Branch officially opened for business. In March 2019, the Bank's Astana Branch was granted a licence and in June 2019, the Bank's Labuan Branch was granted a licence. In June 2020, Hungary Branch under CCB Europe received its banking license and completed the local registration.

MAJOR SUBSIDIARIES

In 2009, the Bank established the equity investment and strategy cooperation department to coordinate and manage its subsidiaries. According to the 2021 First Half Financial Statements, major subsidiaries of the Bank as at 30 June 2021 are set out below:

Name of subsidiary	Principal activities
China Construction Bank (London) Limited	Commercial banking
China Construction Bank (Europe) S.A	Commercial banking
PT Bank China Construction Bank Indonesia, Tbk	Commercial Banking
China Construction Bank (Malaysia) Berhad	Commercial Banking
China Construction Bank (New Zealand) Limited	Commercial banking
China Construction Bank (Asia) Corporation Limited	Commercial banking
China Construction Bank (Brasil) Banco Múltiplo S/A	Commercial banking

Name of subsidiary	Principal activities
China Construction Bank (Russia) Limited	Commercial banking
CCB Financial Leasing Co., Ltd.	Financial leasing
CCB Life Insurance Co., Ltd.	Insurance
Sino-German Bausparkasse Co., Ltd.	House savings bank
CCB Trust Co., Ltd.	Trust business
CCB Pension Management Co., Ltd.	Pension Management
CCB Principal Asset Management Co., Ltd.	Fund management services
CCB International (Holdings) Limited	Investment
CCB Futures Co., Ltd.	Futures
CCB Property & Casualty Insurance Co., Ltd.	Insurance
CCB Financial Asset Investment Co., Ltd.	Investment
CCB Wealth Management Co., Ltd.	Wealth management

Integrated Operation Subsidiaries

The Group's integrated operation strategy is to accelerate the development of insurance, wealth management, trust, investment banking, mutual funds, leasing, securities and other non-banking businesses, while developing banking as its core business. The Group endeavours to build an operating framework that covers interconnected markets and complementary businesses, with diversified income and decentralised and controllable risk, and realise customer-oriented functions selection, to provide customers with integrated and diversified financial services.

As at 30 June 2021, the Group owned several domestic and offshore subsidiaries in the non-banking financial sector, including CCB Wealth Management Co., Ltd. ("**CCB Wealth Management**"), CCB Principal Asset Management Co., Ltd. ("**CCB Principal Asset Management**"), CCB Financial Leasing Co., Ltd. ("**CCB Financial Leasing**"), CCB Trust Co., Ltd. ("**CCB Trust**"), CCB Life Insurance Co., Ltd. ("**CCB Life**"), Sino-German Bausparkasse Co., Ltd. ("**Sino-German Bausparkasse**"), CCB Futures Co., Ltd. ("**CCB Futures**"), CCB Pension Management Co., Ltd. ("**CCB Pension**") CCB Property & Casualty Insurance Co., Ltd ("**CCB Property & Casualty**"), CCB Financial Asset Investment Co., Ltd. ("**CCB Investment**") and CCB International (Holdings) Limited ("**CCB International**").

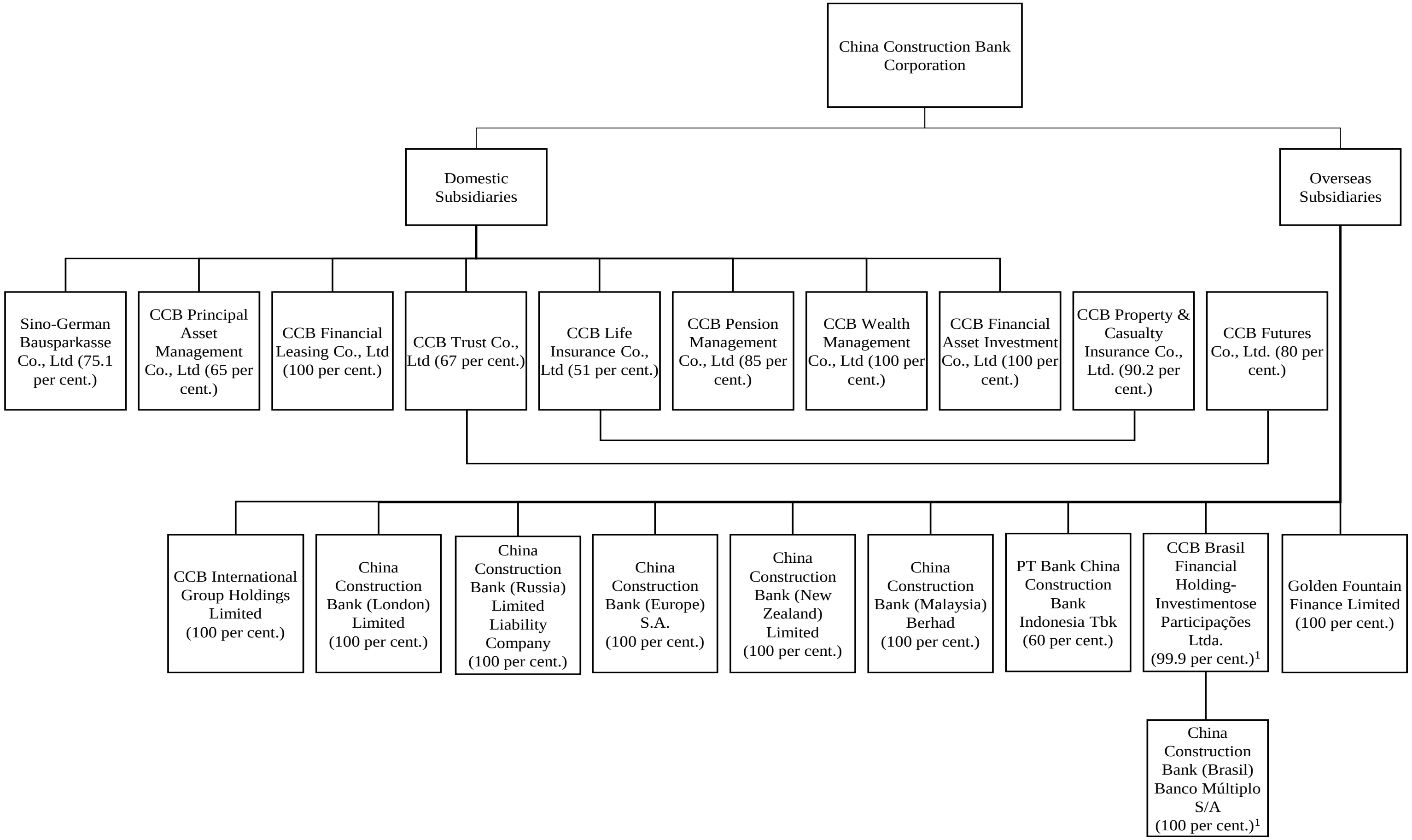
The Group set up several banking entities providing professional and differentiated services in specific industries and regions. In 2013, Sino-German Bausparkasse developed its housing credit business and achieved significant results in selling housing savings products. As at 30 June 2021, total assets of Sino-German Bausparkasse were RMB28,380 million.

CCB Pension has a registered capital of RMB2.3 billion, of which the Bank and National Council for Social Security Fund hold 85 per cent. and 15 per cent. of its shares, respectively. CCB Pension is mainly engaged in businesses including investment and management of national social security funds, businesses related to management of enterprise annuity funds, entrusted management of pension funds, pension advisory for above businesses and other businesses as approved by banking regulators under the State Council. As at 30 June 2021, the total assets of CCB Pension were RMB3,506 million and the net profit for the six months ended 30 June 2021 was RMB70 million.

As at 30 June 2021, the total assets of the integrated operation subsidiaries were RMB753,054 million, an increase of 7.77 per cent. from 31 December 2020. For these purposes, integrated operation subsidiaries include the following subsidiaries as set out in the 2021 First Half Financial Statements: CCB Wealth Management, CCB Principal Asset Management, CCB Financial Leasing, CCB Trust, CCB Life, Sino-German Bausparkasse, CCB Futures, CCB Pension, CCB Property & Casualty, CCB Investment and CCB International. CCB Principal Asset Management made full efforts to promote the development of various businesses, maintained safe and steady operation, and achieved good business performance; as at 30 June 2021, total assets managed by CCB Principal Asset Management were RMB1.24 trillion. CCB Trust stepped up efforts in improving compliance in its operations, actively engaged in innovation-driven development, and delivered strong operating results; as at 30 June 2021, assets under management by CCB Trust amounted to RMB541,242 million. Net profit of the integrated operation subsidiaries for the six months ended 30 June 2021 was RMB6,659 million, an increase of 80.02 per cent. from the same period of the previous year.

Organisational Structure

The following chart shows the Bank's simplified group structure as at 30 June 2021:



(1) As at 30 June 2021, the Bank held 100 per cent. of the total share capital of China Construction Bank (Brasil) Banco Múltiplo S/A, and held 100 per cent. of its total issued voting share.

Recent Developments

Impact of COVID-19 pandemic and the Group's main countermeasures

In 2020, the spread of COVID-19 has had a severe impact on the global economy. China has achieved significant strategic results through coordinated efforts in the prevention and control of COVID-19 and in economic and social development, and the domestic economy has resumed to normal. However, the international economic and financial environment remained complex and challenging, and there still exists many uncertainties in the developments of COVID-19 in China and the rest of the world. The Group actively shouldered responsibilities as a large bank, fully supported the prevention and control of COVID-19 and the resumption of work and production, vigorously promoted digitalised operations and services, and strove to achieve high-quality development of its businesses. Please refer to "*Risk Factors – Risks Relating to the Bank's Business – Uncertainties and instability in the global market conditions could adversely affect the Bank's business, financial condition and results of operations*" and "*Risk Factors – Risks Relating to the Bank's Business – Any force majeure events, including occurrence of natural disasters or outbreaks of contagious diseases (such as COVID-19) may have an adverse effect on the Bank's business operations, financial condition and results of operations*".

The Group's main *countermeasures* in response to COVID-19 are as follows:

Implementing regular COVID-19 prevention and control to ensure the smooth operation of business

The Group set up a leading team for COVID-19 prevention and control, strengthened its organisational structure, optimised response mechanisms and improved emergency response plans. It enhanced its prediction of risks including credit risk and liquidity risk and strengthened the unified credit risk control at the group level. It also enhanced business continuity management and improved internal control measures such as rules, regulations and IT systems. The Group strengthened the care and safety protection of its associates and ensured the provision of various prevention supplies. It quickly enabled remote working of the uniform staff platform, deployed more robotic process automation (RPA) applications, and implemented flexible working arrangements such as working from home, rotating shifts and staggered shifts.

Introducing multiple strategies to fully support the prevention and control of COVID-19 and the resumption of work and production

The Group took coordinated efforts to support the prevention and control of COVID-19 and the economic and social development, for example it successively introduced "10 Measures" of financial services to support the prevention and control of COVID-19. The Group also increased credit supply, mainly to address the credit demands of sectors and industries related to the prevention and control of COVID-19 and the resumption of work and production, as well as inclusive finance business, and the manufacturing sector. A total of RMB125,680 million loans were granted to 12,166 key enterprises engaging in the prevention and control of COVID-19. The Group further reduced service fees, provided favourable loan interest rates to key enterprises engaging in the prevention and control of COVID-19, and adopted relief measures such as deferred principal repayment and interest payment, loan extension and renewal to help customers affected by *COVID*-19. The Group provided fund support to key customers and financial institutions in key regions, and successfully issued special bonds for enterprises engaging in the prevention and control of COVID-19 and special interbank certificates of deposit for the prevention and control of COVID-19. The Group co-built "Oxygen Tank for Enterprises" with governments to support enterprises for the resumption of work and production, signed a total of 31 cooperation agreements with different levels of governments and departments of provinces and cities, and granted nearly RMB180 billion loans for over 20,000 enterprises. By the end of 2020, donations from the Group and its associates had reached RMB317 million, which included 11.50 million pieces of epidemic prevention materials.

Promoting forward-looking active risk mitigation to consolidate asset quality foundation

Adhering to the principle of prudence, and fully considering the impact of COVID-19 and government relief measures on the macro-economy, the Group increased provisions, and improved the disposal of risk assets based on the actual risk profile of customers, to enhance its risk mitigation capability. The Group carried out forward-looking special stress tests on the impact of COVID-19, continued to improve post-lending monitoring and management, and took measures to mitigate risks in advance to ensure the steady development of businesses. The assumptions underlying the expected credit losses calculation, such as how the maturity profile of probability of defaults and how the collateral values change, were monitored and reviewed on a quarterly basis. There were no significant changes in estimation techniques and such *assumptions* made for the year ended 31 December 2020. At the end of 2020, the NPL ratio of the Group was 1.56 per cent., and the proportion of special mention loans was 2.95 per cent. The allowances to total loans was 3.33 per cent. and allowances to NPLs was 213.59 per cent., maintaining at a high level.

Issuance of multi-currency ESG-themed bonds which listed on several exchanges

The Bank issued multi-currency ESG-themed bonds offshore on 15 April 2021, including three-year and five-year dual series sustainability-linked bonds in the aggregate principal amount of U.S.$1.15 billion, a series of three-year green bond in the aggregate principal amount of EUR800 million, and a series of two-year offshore transition bond in the aggregate principal amount of RMB2 billion. The US dollar denominated bonds, which were dual-listed in Hong Kong and Dubai, were the first sustainability-linked US dollar denominated bonds issued by a financial institution. The Euro denominated bonds, which were triple-listed in Hong Kong, Luxembourg and London, were the first offshore "water protection" themed green bond issued by a Chinese financial institution; the offshore RMB bonds, which was dual-listed in Hong Kong and Singapore exchanges, were the largest offshore RMB transition bond.

Issuance of a three-year special financial bond for small and micro business loans

With the approvals from CBIRC and the PBOC, the Bank issued in the domestic market a series of three-year special financial bond for small and micro business loans with a fixed interest rate of 3.30 per cent. and a total face value of RMB20.00 billion in January 2021. *The* funds raised were specifically used to grant small and micro business loans.

RISK MANAGEMENT AND INTERNAL CONTROL

OVERVIEW

In 2020, the Group strengthened research on the macroeconomic situation, increased the frequency of stress testing, carried out major risks assessment, and adhered to the principle that business development should be bound by its risk management and control capabilities. *The* Group effectively promoted the building of the comprehensive, proactive and intelligent risk management system, enhanced the unified view of risks for the Group, and pushed forward standardised control and systematic prevention of all types of risks for all assets at every group member.

RISK MANAGEMENT FRAMEWORK

The board of directors of the Bank (the "**Board**") performs risk management responsibilities pursuant to the Bank's Articles of Association and regulatory requirements. The Risk Management Committee under the Board is responsible for developing risk management strategies, supervising the implementation, and assessing the overall risk profile on a regular basis. The Board reviews the statements of risk appetite regularly and transmits risk appetite through policies. The Board of Supervisors supervises the construction of the comprehensive risk management system, as well as the performance of the Board and senior management in delivering comprehensive risk management responsibilities. Senior management is responsible for implementing risk strategies developed by the Board and organising the comprehensive risk management work across the Group.

Chief Risk Officer of the Bank assists the President with risk management work within designated responsibilities. Risk Management Department is the leading management department responsible for the Group's comprehensive risk management, and its subordinate department, Market Risk Management Department takes the lead in market risk management. Credit Management *Department* is the leading management department responsible for the overall credit risk management and country risk management. Asset & Liability Management Department is the leading management department responsible for the management of liquidity risk and interest rate risk of banking book. Internal Control & Compliance Department is the leading management department responsible for operational risk and information technology risk management. Public Relations & Corporate Culture Department is in charge of reputational risk management. Strategy and Policy Coordination Department is the leading management department responsible for strategic risk management. Other specialised departments are responsible for other risks.

The Bank attached great importance to the risk management of subsidiaries, implemented management requirements of the parent bank through the corporate governance mechanism, continuously improved the quality and efficiency of the performance of the Board of Directors *of* the subsidiaries, and required the subsidiaries to focus on their main businesses, operate steadily, and establish a sound risk control system. It further highlighted the transmission of risk appetite at the Group level within the group risk management framework, and implemented refined and differentiated management of different types of subsidiaries. It strengthened the Group's consolidation and credit management to avoid lending beyond credit limits. It continued to promote the establishment of risk views of subsidiaries, and effectively improved the digital level of risk early warning and risk monitoring of subsidiaries. It strengthened overall planning and coordination and improved the long-term mechanism for risk management of the asset management business at the subsidiaries.

CREDIT RISK MANAGEMENT

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its obligations or commitment to the Group. In 2020, COVID-19 seriously affected the global economic development, and brought unprecedented impact on domestic economic growth. Against the backdrop of extremely complex and challenging external environment, the Group *actively* implemented various national policies, increased credit supply, and focused on supporting key areas in the real economy to assist in economic recovery. It made great efforts in risk prevention and control so as to achieve sound risk control together with stable growth.

Reinforcing proactive and forward-looking credit management

The Group continued to carry out proactive and forward-looking credit management. It continuously optimised credit structure, consolidated strength in infrastructure sector, improved the proportion of inclusive finance, promoted the steady development of green finance and strategic emerging industries, and supported the upgrading of manufacturing sector. It improved the credit process and mechanism, and promoted the refined management of the process. It adhered to substantive risk judgment to identify risks effectively and accurately, and enhanced unified credit risk monitoring of the Group. It strictly followed the principle of prudence to enhance its ability to withstand risks, and accurately reflected risk pressures and operating results.

Strengthening risk control over credit approval

The Group strengthened risk control over credit approval. The Group strictly implemented credit approval strategy, and strengthened risk control in key areas to optimise credit structure. It centralised all information resources, strengthened information mining, analysis and application based on monitoring data, and promoted the development of a decision-making support system to assist in credit approval decision-making. It optimised the approval mechanism and process at domestic and foreign institutions, and *shortened* the business chain. It promoted intensive management and pressed ahead with the pilot programme of "Cloud-based Approval". It also promoted the development of an intelligent compliance review system and a credit approval document library, and achieved mobile credit approval for the whole process.

Enhancing risk measurement capabilities

The Group enhanced its risk measurement capabilities. It expanded the application scope of its online business risk scanning and detection system and optimised the screening rules. It strengthened the development and application of the risk model decision system, which supported branches to *diagnose* and analyse issues in daily risk management. It deepened the refined management of economic capital, and strengthened its internal growth drivers. It developed intelligent rating tools for corporate customers, and launched the function to help verify the authenticity of financial statements. Its credit limit control strengthened the management of concentration risk and the risk from borrowers who had loans from multiple sources.

Strengthening the operation and value management of non-performing assets

The Group adjusted its structure, clarified the strategies for non-performing assets operation and carried forward innovation in NPLs disposal channels. It set the ultimate goal of maximising the recovery value with classified and categorised operational targets. The Group improved the closing rates and recovery rate of batch transfers in the process of pushing forward refined *management*, leading to a remarkable rise in the cash recovery from written-off assets. In particular, it adjusted its operation and disposal strategy for non-performing assets in responding to the adverse impact of COVID-19, took multiple measures to increase NPL disposals, and steadily enhanced its operating and disposal capacity for non-performing assets.

Concentration of Credit Risks

In line with regulatory requirements, the Group proactively adopted a series of measures to prevent large exposure concentration risk, including further tightening lending criteria, adjusting business structure, controlling the credit granting pace, revitalising existing credit assets and innovating products etc.

At the end of June 2021, the Group's gross loans to the largest single borrower accounted for 3.81 per cent. of its total capital after regulatory adjustments, while those to the top ten customers accounted for 12.42 per cent. of its total capital after regulatory adjustments.

Concentration of loans

	As at 31 December			As at 30 June
	2018	2019	2020	2021
		(%)		
Proportion of loans to the largest single customer..........	2.95	2.65	3.55	3.81
Proportion of loans to the top ten customers	13.05	10.82	11.84	12.42

Concentration of Borrowers

The Group's top ten single borrowers and their loans as at the date indicated are as follows:

		As at 30 June 2021	
		Amount	% of gross loans and advances excluding accrued interest
		(In millions of RMB, except percentages)	
	Industry		
Customer A	Transportation, storage and postal services	111,605	0.62
Customer B	Leasing and commercial services	39,381	0.22
Customer C	Transportation, storage and postal services	34,423	0.19
Customer D	Transportation, storage and postal services	30,702	0.17
Customer E.....	Transportation, storage and postal services	29,150	0.16
Customer F.....	Production and supply of electric power, heat, gas and water	27,910	0.15
Customer G	Transportation, storage and postal services	26,303	0.15
Customer H	Production and supply of electric power, heat, gas and water	23,697	0.13
Customer I......	Transportation, storage and postal services	20,354	0.11
Customer J	Transportation, storage and postal services	19,807	0.11
Total		**363,332**	**2.01**

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that occurs when a commercial bank cannot obtain sufficient funds in time and at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet the other funding needs in regular business development.

The Board assumes the ultimate responsibility for liquidity risk management, and authorises its special committees to discharge relevant duties, and reviews and approves the liquidity risk strategy and risk appetite. The senior management carries out the liquidity risk strategy set by the Board, and organises the implementation of the liquidity risk management activities. The board of supervisors supervises and evaluates the performance of the Board and the senior management in the liquidity risk management. The Asset and Liability Management Department leads in the Bank's daily liquidity risk management, and forms an executive system together with the business management departments and branches to perform various duties in liquidity risk management. The subsidiaries assume primary responsibility for their own liquidity risk management.

The Group's objective for liquidity risk management is to ensure the security of its payment and settlement, and the overall strategy features prudence, decentralisation, coordination and diversification. Liquidity risk arises from such major factors and events as significant drop in liquidation of current assets, massive outflow of wholesale or retail deposits, decreasing access to wholesale and retail financing, shorter financing periods, increasing financing costs, significant adverse changes in market liquidity and breakdown of the Bank's payment and settlement system. In light of the regulatory requirements, external macro environment and the Bank's business development, the Head Office formulates approaches for liquidity risk identification, measurement and monitoring, sets out risk limit management criteria, carries out intra-day liquidity management, conducts stress testing at the group level regularly, and reviews and assesses contingency plans.

The Group conducts quarterly stress testing on its liquidity risk in order to gauge its risk tolerance in unlikely extreme scenarios and other adverse scenarios. It improved its liquidity risk stress testing methods in accordance with regulatory and internal management requirements. The results of stress testing show that under different stress scenarios, the Group's liquidity risk is under control.

In 2020, the Group continued to adhere to the principle of robustness and prudence in liquidity risk management. By fully considering changes in internal and external liquidity situation, it controlled the size and progress of asset growth as appropriate, and reasonably adjusted the term structure of assets and liabilities. It actively cooperated with the PBOC to carry out monetary policies, and provided liquidity timely at reasonable prices to maintain the stable operation of money market in the special period of COVID-19 prevention and control. It continued to improve the refined management of liquidity, and predicted liquidity risk with sensitivity analysis to ensure the safety of payment and settlement of the Group and keep the stability and compliance of various indicators.

In the first half of 2021, the PBOC's monetary policy remained prudent and neutral, flexible and precise, and reasonable and moderate. The liquidity risk management of the Group adheres to the prudent and prudent principle, continuously strengthens the expected management of liquidity, prudently arranges the use of the Group's capital sources, ensures the coordinated development of assets and liabilities business, and ensures that all indicators continuously reach the standard. The Group strengthened the liquidity management overall planning, comprehensively improved the level of refinement of liquidity risk management, continuously enhance the forward-looking and accurate capital control, and ensure the security of payment and settlement of the Bank.

Indicators of liquidity risk management

The following table sets forth the liquidity ratios and loan-to-deposit ratio of the Group as at the dates indicated.

	As at 31 December				As at 30 June
	Regulatory standard	**2018**	**2019**	**2020**	**2021**
		(per cent.)			
Liquidity ratio[1] **RMB**	>25	47.69	51.87	55.66	55.13
Liquidity ratio[1] Foreign currency	>25	84.88	68.29	58.64	66.32
Loan-to-deposit ratio[2] **RMB**		73.71	77.68	78.49	77.83

(1) Calculated by dividing current assets by current liabilities in accordance with the requirements of the CBIRC.
(2) Calculated on the basis of domestic legal person in accordance with the requirements of the CBIRC.

The following table sets forth the Group's liquidity coverage indicators for the second quarter of 2021:

		Total Unweighted Value	**Total Weighted Value**
		(RMB million yuan, except for percentage)	
No.	**High-quality liquid assets**		
1	Total High-Quality Liquid Assets (HQLA)		4,696,566
	Cash outflow		
2	Retail deposits and deposits from small business customers, of which:	10,453,585	923,993
3	Stable deposits	2,426,411	121,276
4	Less stable deposits	8,027,174	802,717
5	Unsecured wholesale funding, of which:	10,434,475	3,422,185
6	Operational deposits (excluding those generated from correspondent banking activates)	6,778,144	1,683,457
7	Non-operational deposits (all counterparties)	3,531,442	1,613,839
8	Unsecured debt	124,889	124,889
9	Secured funding		760
10	Additional requirements, of which:	1,818,786	226,569
11	Outflows related to derivative exposures and other collateral requirements	59,103	59,103
12	Outflows related to loss of funding on secured debt products	4,390	4,390
13	Credit and liquidity facilities	1,755,293	163,076

		Total Unweighted Value	Total Weighted Value
		(RMB million yuan, except for percentage)	
14.........	Other contractual funding obligations	79	–
15.........	Other contingent funding obligations	3,693,680	474,094
16.........	**Total Cash Outflows**		**5,047,601**
	Cash inflow		
17.........	Secured lending (including reverse repos and securities borrowing)	441,372	439,929
18.........	Inflow from fully performing exposures	1,691,824	1,043,180
19.........	Other cash inflows	63,704	61,719
20.........	**Total Cash Inflows**	**2,196,900**	**1,544,828**
21.........	**Total HQLA**		**4,696,566**
22.........	**Total Net Cash Outflows**		**3,502,773**
23.........	**Liquidity coverage ratio (%)**[(1)]		**134.20**

(1) The above quarterly daily means represent simple arithmetic means of the values for 92 calendar days in the latest quarter, calculated in accordance with the current applicable regulatory requirements, definitions and accounting standards.

The Group regularly monitors the gaps between its assets and liabilities in different time brackets in order to assess its liquidity risk for different time periods. As at 30 June 2021, the cumulative maturity gap of the Group was RMB2,462,341 million, an increase of RMB72,988 million over the end of 2020. The negative gap for repayment on demand was RMB11,940,841 million, an increase of RMB378,218 million over the end of 2020, mainly due to the Group's large demand deposits from its expansive customer base. Considering the low turnover rate of the Group's demand deposits and steady growth of deposits, the Group expects to have stable sources of funding and maintain a stable liquidity position in the future.

MARKET RISK MANAGEMENT

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses.

The Group continues to improve market risk management system. The Market Risk Management Department is responsible for leading the establishment of market risk management policies and rules, developing the market risk measurement tools, monitoring and reporting the trading market risk and related daily work. The Asset and Liability Management Department (the "**ALM**") is responsible for managing non-trading interest rate risk, exchange rate risk and the size and structure of the assets and liabilities in response to structural market risk. The Financial Market Department manage the Bank's RMB and foreign currency investment portfolios, conducts proprietary and customer-driven transactions, as well as implementing market risk management policies and rules. The Audit Department is responsible for regularly performing independent audits of the reliability and effectiveness of the processes constituting the risk management system.

In 2020, the Group acted proactively in response to the volatility of financial markets, set up an inter-departmental joint emergency response team on major market risks, established a regular emergency meeting system, and formulated a targeted emergency plan for business continuity amid market risks to ensure the smooth operation of investment and trading businesses. It accelerated the building of the intelligent control platform for investment and trading businesses, completed the independent research, development and replacement of the purchased core management systems, and improved the digital level of market risk control. It promoted the rectification of legacy asset management business as scheduled, set up the risk control system of asset management business, and incorporated the interbank business into the new product risk management process of the investment and trading businesses. It continuously implemented see-through management, and strictly carried out risk classification and impairment provision accrual of underlying assets. It incorporated the information of derivative business and customer risk of subsidiaries into a unified risk view and established a whole-process control mechanism of "pre-lending eligibility management, monitoring during lending and post-lending evaluation" to achieve unified risk controls over cooperative institutions at the group level.

In the first half of 2021, the Group continued to strengthen the construction of risk management system for investment trading business, and effectively responded to fluctuations in bond, foreign exchange, stock and commodity markets. The Group formulated the annual investment trading business risk policy quota plan, strengthened the financial market trading business risk investigation, improved the derivatives business risk management system control function. The Group carried out special stress tests on bond business and optimize the management process of post-investment credit bonds. The Group revised the management system for financial institutions' counterparties and improve the list-based management mechanism. The Group advanced the rectification of the transitional period of the asset management business and the resolution and disposal of risks. Relying on the investment and trading business risk control platform project, the Group pushed forward the new market risk standard law, the new internal model law and other regulatory standards to meet the standards.

Value at Risk Analysis

The Bank divides its on- and off-balance sheet assets and liabilities into trading book and banking book. The Bank performs value at risk ("**VaR**") analysis on its trading portfolio to measure and monitor the potential losses that could occur on risk positions taken, due to movements in market interest rates, foreign exchange rates and other market prices. The Bank calculates the VaRs of its RMB and foreign currency trading portfolios on a daily basis (at a confidence level of 99 per cent. and with a holding period of one trading day). The VaR analysis on the Bank's trading book as at the balance sheet date and during the respective periods is as follows:

	For the year ended 30 June							
	2020				2021			
	As at 30 June	Average	Maximum	Minimum	As at 30 June	Average	Maximum	Minimum
	(In millions of RMB)							
Risk valuation of trading portfolio..	271	251	317	207	147	163	195	127
– Interest rate risk ...	145	75	182	46	63	64	89	41
– Exchange risk	257	254	298	214	134	163	195	110
– Commodity risk ...	6	8	39	3	11	12	45	–

INTEREST RATE RISK MANAGEMENT

Interest rate risk refers to the risk where the market interest rates, term structure and other factors may experience unfavourable fluctuations which impact the overall profitability and fair value resulting in losses to a bank. The key determinants of the Group's interest rate risk arise from the mismatch between the maturity periods of the assets and liabilities, and inconsistent pricing basis, resulting in re-pricing risk and basis risk.

The Group established interest rate risk management framework and system in light of its own condition, and implemented robust and prudent interest rate risk management strategy and policy. The Group employed a range of methods to measure and analyse the interest rate risk on banking book, including repricing gap analysis, sensitivity analysis of net interest income and economic value, duration analysis, stress testing, and economic capital analysis. The interest rate risk policy is in line with the Group's development strategy, risk appetite and risk management capability, and seeks to achieve a balance between interest rate risk and profitability, minimise the adverse impact from interest rate changes on net interest income and value, and ensure stable profit growth and capital structure.

In 2020, the Group paid close attention to changes in market rates, and reinforced dynamic risk monitoring and prediction. It continued to optimise the product portfolio and term structure and maintained the solid and coordinated growth of assets and liabilities. It flexibly adjusted internal and external price policies and strengthened its review of interest rate risk associated with innovative products. In addition, the Group actively implemented the requirements of the PBOC on the reform of interest rate liberalisation, and effectively promoted the conversion of benchmark interest rates. It strengthened the management of overseas entities and subsidiaries and optimised the relevant interest rate risk limits. It improved the interest rate risk management system, strengthened the backtesting of the measurement model, and consolidated the foundation of interest rate risk management. The results of the stress testing indicated that all indicators are kept within the limits, and the interest rate risk on banking book of the Group was under control.

In the first half of 2021, the Group paid close attention to market interest rate changes, strengthened dynamic monitoring and risk prediction, continued to optimise products and term structure, and maintained steady and coordinated growth of assets and liabilities. The Group adjusted internal and external price policies flexibly, strengthened interest rate risk control of innovative products, coordinated maturity adjustment strategies of deposit and loan products, and improved coordination with changes in the interest rate environment. The Group continued to optimize limits on interest rate risks for overseas institutions to support the steady development of overseas businesses. During the six months ended 30 June 2021, the results of the stress test show that all interest rate risk indicators of the Group are controlled within the limits, and the interest rate risk of the bank books is generally controllable.

In a speech in July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "**FCA**") committed the FCA to begin planning a transition away from LIBOR to alternative reference rates that are based on actual transactions, such as the Sterling Over Night Index Average. The announcement indicated that the continuation of LIBOR in its current form is not guaranteed after 2021. Subsequent speeches by the Chief Executive of the FCA and other FCA officials emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. On 5 March 2021, the FCA announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023, (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the "**IBA**") to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023). The Bank actively addressed the impact of adopting alternative or replacement reference rates, completed quantitative analysis on related areas, and identified overall standard and principles. Since the proportion of the Bank's foreign currency business based on LIBOR in the overall business is relatively low, the risk related to the transition to alternative or replacement reference rates is very limited. In future, the Bank will closely follow the progress of the establishment of new benchmark interest rates in various countries, facilitate an orderly transition from LIBOR, and effectively control related risks under China's financial supervision framework.

The Group attaches great importance to the reform of LIBOR international benchmark interest rate. According to the supervision guidelines of the PBOC and the research results of the base interest rate conversion management institutions in the countries where the currency is in, the Group steadily promoted the research on the base interest rate conversion scheme, the revision of product contract text, the transformation of IT system, and customer communication. By the end of June 2021, relevant matters were carried out in an orderly manner as planned. Among Chinese banks, the reform of overseas institutions was implemented first, and products such as SOFR certificates of deposit linked to US dollars were issued in a "first trial" manner. It is expected that the Group will be fully capable of handling business with the new benchmark interest rate by the end of 2021. As of the end of June 2021, the Group's Libor-linked business scale was small, the conversion cost was controllable, and the material impact on operations was small.

Interest rate sensitivity gap analysis

The analysis of interest rate sensitivity gaps as at the specified dates by the next expected repricing dates or maturity dates (whichever are earlier) is set out below:

	Non-interest-bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years	Total
			(In millions of RMB)			
Interest rate sensitivity gap as at 31 December 2020	108,331	(2,864,124)	3,641,112	(1,502,646)	3,006,680	2,389,353
Accumulated interest rate sensitivity gap as at 31 December 2020		(2,864,124)	776,988	(725,658)	2,281,022	
Interest rate sensitivity gap as at 30 June 2021	285,235	(7,959,720)	8,299,033	(1,583,844)	3,421,637	2,462,341
Accumulated interest rate sensitivity gap as at 30 June 2021		(7,959,720)	339,313	(1,244,531)	2,177,106	

Net interest income sensitivity analysis

The net interest income sensitivity analysis is based on two scenarios. The first assumes all yield curves to rise or fall by 100 basis points in a parallel way, while the interest rates for deposits at the PBOC remain the same; the second assumes the yield curves to rise or fall by 100 basis points in a parallel way, while the interest rates for deposits at the PBOC and the demand deposits remain the same.

The interest rate sensitivity of the Group's net interest income as at 31 December 2020 and 30 June 2021 is set out below:

	Change in net interest income			
	Rise by 100 basis points (interest rates for deposits at the PBOC being constant)	Fall by 100 basis points (interest rates for deposits at the PBOC being constant)	Rise by 100 basis points (interest rates for deposits at the PBOC and demand deposit rates being constant)	Fall by 100 basis points (interest rates for deposits at the PBOC and demand deposit rates being constant
		(In millions of RMB)		
As at 31 December 2020	(45,546)	45,546	80,344	(80,344)
As at 30 June 2021	(73,054)	73,054	56,718	(56,718)

EXCHANGE RATE RISK MANAGEMENT

Exchange rate risk is the risk of impact of adverse movements in foreign exchange rates on a bank's financial position. The Group is exposed to exchange rate risk primarily because of the currency mismatch of the assets and liabilities it holds in currencies other than RMB and the positions it takes as a market maker in the financial markets. The Group measures and analyses its exchange rate risk by using a combination of methods such as exchange rate risk exposure and stress testing, controls and mitigates its risk by matching its assets and liabilities, setting limits, and hedging.

In 2020, the Group adhered to a prudent and sound exchange rate risk management strategy, continued to improve the rules of exchange rate risk management and paid close attention to changes in global economic and financial situation in the wake of COVID-19, and the impact on exchange rate trend and exchange rate risk level of the Group. It strengthened research on exchange rates of currencies for major economies and emerging markets, and improved its exchange rate risk prediction capability for multiple currencies. It continued to enhance the building of its exchange rate risk management system, updated and improved internal management rules. The Group's overall exchange rate risk exposure was small, and continued to satisfy regulatory requirements of the CBIRC. The stress testing results of exchange rate risk showed that the overall risk was under control.

In the first half of 2021, the Group adhered to prudent and prudent exchange risk management strategies, paid close attention to changes in the global economic and financial situation under the COVID-19 pandemic, strengthened exchange rate research on currencies of major countries and emerging markets, and dynamically monitored and analysed changes in the group's exchange rate risk exposure. Affected by the dividend purchase of foreign exchange, the Group's exchange rate risk exposure rose slightly at the end of June 2021, which is expected to fall after dividend distribution. The exchange rate risk stress test results show that the overall risk is controllable and continues to meet the regulatory requirements of the CBIRC.

Currency concentrations

The Group's currency concentrations as at 30 June 2021 and 31 December 2020 are set out below:

	As at 31 December 2020				As at 30 June 2021			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
				(In millions of RMB)				
Spot assets..........	945,417	352,098	376,645	1,674,160	1,090,518	331,080	384,169	1,805,767
Spot liabilities	(1,000,213)	(330,942)	(290,448)	(1,621,603)	(1,119,001)	(349,831)	(281,342)	(1,750,174)
Forward purchases........	1,826,299	75,051	137,233	2,038,583	1,776,408	146,346	106,669	2,029,423
Forward sales	(1,758,605)	(60,684)	(203,639)	(2,022,928)	(1,765,394)	(87,199)	(188,631)	(2,041,224)
Net options position	(16,261)	(29)	(4)	(16,294)	14,778	-	(1,163)	13,615
Net (short)/long position	(3,362)	35,494	19,787	51,919	(2,691)	40,396	19,702	57,407

As at 30 June 2021, the net exposure of foreign exchange rate risk of the Group was RMB57,407 million, an increase of RMB5,488 million as compared to 31 December 2020, mainly due to the progress of dividend purchase of foreign exchange, the Group's exchange rate risk exposure has increased in stages, which will be eliminated after dividend distribution.

Operational Risk Management

Operational risk is the risks that resulted from flawed or erroneous internal processes, people and systems, or external events.

In 2020, the Group constantly optimised the operational risk management system, and improved the business continuity management system. It proactively responded to COVID-19 to ensure continuous business operation.

The Group carried out the operational risk self-assessment in key areas, improved rules, processes and systems, carried out new product operational risk assessment, and strengthened management in advance. It enhanced the statistics, analysis and reporting of non-compliance losses. It formulated challenge policies in business operation, and rechecked the catalogue of important positions and manual on incompatible positions to ensure timely and effective counterbalance of different positions. It formulated work instructions, standardised and guided overseas institutions to respond to COVID-19 to ensure the sustained and steady operation of business. It improved emergency plans, and carried out targeted emergency drills to enhance the ability of emergency response. It further optimised the long-term mechanism of business continuity management, and continuously improved the ability of emergency prevention, response and recovery.

In the first half of 2021, the Group continued to strengthen operational risk management, revise operational risk management policy, improve governance structure, enrich management tools and clarify control measures. The Group improved the mechanism for managing financial services in response to emergencies in accordance with regulatory requirements.

ANTI-MONEY LAUNDERING

The Group adheres to the concept of assuming social responsibility, fulfilling legal obligations, conducting active and compliant operation, and preventing financial crime, and is always following the risk-based management principle. It strictly implements anti-money laundering ("**AML**") and counter terrorist financing ("**CTF**") regulatory requirements, continuously identifies money laundering and terrorist financing risk, and performs prudent assessment, effective control and whole-process management, in order to earnestly protect customers' legitimate rights and interests and maintain the order of financial market.

In 2020, the Group paid attention to the improvement of AML ability. It improved AML governance framework, rules and systems, and basic guarantees, effectively performed core obligations, deepened risk assessment and control, refined compliance management of financial sanction, upgraded the overall technology support ability in AML, and significantly improved the compliance and effectiveness of money laundering risk management.

In the first half of 2021, the Group strictly implemented regulatory requirements and continued to push forward anti-money laundering, anti-terrorist financing and anti-tax evasion in accordance with the "risk-based" principle. The governance structure of the Group was constantly improved, the institutional system was more sound, obligations were performed more proactively, risk management was active and effective, and the scientific and technological level was significantly improved. The Group has made great progress in intelligent money laundering risk assessment, differentiation of high-risk customer control, standardization of anti-money laundering data, integration of group system construction and sanctions and anti-sanctions compliance, which strongly supports the strategic business development of the Bank and ensures compliance operation.

REPUTATIONAL RISK MANAGEMENT

Reputation risk is the risk of potential or actual negative impact on or damage to a bank's overall image, reputation and brand value, when certain aspects of the commercial bank's operational, managerial or other behaviours or events attract media attention or coverage.

In 2020, the Group adhered to comprehensive, proactive and effective reputational risk management and further improved its reputational risk management system and emergency coordination and disposal mechanism. It improved the public opinion emergency plan for COVID-19, and standardised the reporting and handling procedures of branches on public opinion emergencies. It focused on identifying and issuing early warning for potential reputational risk factors, strengthened daily public opinions monitoring and further improved the capability in implementing mitigation measures. It proactively accepted media's supervision, improved its products, processes and services, enhanced internal management and continuously improved its services. For the year ended 31 December 2020, the Group steadily improved its reputational risk management practices and effectively safeguarded its good corporate image and reputation.

In the first half of 2021, the Group earnestly implemented the reputational risk supervision requirements, continuously improved the reputational risk management system and mechanism, and strengthened the simultaneous management of reputational risk. The Group adhered to the forward-looking, comprehensive, proactive and effective management principles, paid attention to the investigation and early warning of potential reputation risk factors, strengthened daily public opinion monitoring, continued to carry out reputation risk and public opinion response training, strengthened the reputation risk awareness of all staff, constantly improved public opinion response ability, and built a solid reputation risk defense.

COUNTRY RISK MANAGEMENT

Country risk is the risk of losses in the physical outlets, equipment, facilities or other losses to the Group in a country or a region or other losses the Group suffers as a result of insolvency or refusal of borrowers or debtors in a country or a region to repay their debts to the Group, due to the economic, political, social changes and events in such country or region.

In the context of increasingly complex international political and economic situation, the Group continued to strengthen country risk management. It adopted a range of tools to manage the country risk, including evaluation and rating, risk limit, exposure measurement, provisioning, stress testing, monitoring and early warning, and emergency responses. It revised country risk management policies, carried out country risk monitoring, early warning and emergency response, and re-examined the ratings and risk limits of certain countries and regions. It optimised country risk management system and focused on improving proactive management capabilities. The Group's country risk exposure was mainly concentrated in countries or regions with "low" or "relatively low" country risk, and the overall country risk was maintained at a reasonable level.

In 2020, the Group continued to strengthen its country risk management in the face of the continuous spread of COVID-19 overseas and the complex and volatile global political and economic environment. It closely monitored changes in the country risk exposure, rechecked country risk ratings and limits, conducted stress testing, and issued country risk assessment reports. It promoted the upgrading of country risk management system, enhanced the management of identification, measurement, monitoring, control and reporting processes, and reinforced the unified management of the country risk at the group level.

In the first half of 2021, in the face of the increasingly complex international political and economic situation, the Group continued to strengthen unified country risk management at the group level. The Group closely monitored changes in country-specific risk exposures, dynamically reviewed country-specific risk ratings and limits, and carried out country-specific risk monitoring and early warning. The Group improved the country-specific risk management system and strengthened the management of identification, measurement, monitoring, control and reporting. Country risk exposure is mainly concentrated in countries (regions) with low or low country risk, and the overall risk is controlled at a reasonable level.

CONSOLIDATED MANAGEMENT

Consolidated management is the Bank's on-going comprehensive management and control over the corporate governance, capital and finance of the Group and the subsidiaries, which enables the Bank to effectively identify, measure, monitor and control the overall risk profile of the Group.

In 2020, the Bank proactively implemented the latest regulatory requirements on consolidated management, improved the Group's consolidated management system, and enhanced the planning and coordination, in order to prevent cross-border and cross-industry business risks for the Group and strengthen its consolidated management.

The Group improved corporate governance and consolidated management system. It continued to streamline the Group's equity hierarchy and pressed ahead with seeing-through management of subsidiaries. It optimised the top-level design of parent-subsidiary coordination, strengthened the strategic management of subsidiaries, and improved the level of comprehensive financial services at the group level. It highlighted the central role of the board of directors of subsidiaries in corporate governance and continuously improved the effectiveness of corporate governance at subsidiaries. The Group deepened the risk appetite coordination, strengthened the risk limit management, and improved the rules and systems for large exposure management. Furthermore, it strengthened the front-office management and control of consolidated credit business at subsidiaries to reinforce the unified credit management within the Group.

It optimised the building of IT systems for consolidated management, built the core fundamental platform and three central system frameworks of consolidated management, promoted the intelligent management of subsidiary information, improved the automation level of consolidated management, and helped to improve the Group's refined management capability.

In the first half of 2021, the Bank continued to strengthen the consolidated management and improved the management level of the Group's business coordination, corporate governance, risk management, capital management and other consolidated statement elements. The Group strengthened the strategic management of subsidiaries and deepened the construction of the parent-subsidiary coordination system. The Group optimized the corporate governance mechanism of subsidiaries and consolidated the risk management responsibility of the board of directors of subsidiaries. The Group continuously optimized the management system and improve the automation level of the management.

INTERNAL AUDIT

The Bank's internal audit department serves the purpose of promoting a sound and effective risk management mechanism, the internal control system and corporate governance procedures. It evaluates the effectiveness of the internal control system and risk management mechanism, the effects of corporate governance procedures, the profitability of business operations, and the economic responsibilities of relevant individuals, and puts forward related suggestions for improvement. The internal audit system of the Bank is vertically managed, and relatively independent. The internal auditors are responsible to and report to the Board and the audit committee, and also report to the board of supervisors and senior management. In addition to the audit department at the Head Office, the Bank also has 29 audit offices at some tier-1 branches and an overseas audit centre in Hong Kong.

In 2020, the audit department highlighted risk prevention and control in key areas based on the progress in the prevention and control of COVID-19 and regulatory requirements, performed 22 categories of systematic audit projects on areas such as the credit policy management and execution, agency business, online lending business, AML, related party transactions, etc. It strengthened its efforts in audit follow-ups of key internal control deficiencies and significant risk events, performed in-depth analysis on the underlying causes of identified issues, required relevant departments and branches to improve management mechanisms, business processes and internal management, and promoted the stable and healthy development of the Bank.

In the first half of 2021, audit activities of the Bank covered large and medium-sized customer credit business, asset preservation, small business credit, key liability products and services, private banking, foreign exchange, credit cards, key canal transportation and operational risk management, key financial matters management, important compliance management and other business areas. The Group promoted relevant departments and branches to constantly improve the management mechanism, business process and internal management, and effectively promoted the steady development of the Bank's operation and management.

INTERNAL CONTROL

The objectives of the internal control of the Bank are to reasonably ensure its operation and management in compliance with laws and regulations, assets safety, the accuracy and integrity of financial reports and relevant information, to improve operation efficiency and effects, and to facilitate the Bank to achieve its development strategies. According to the requirements regarding the standard system of enterprises internal control, the Board establishes sound and effective internal control, evaluates its effectiveness and supervises the effectiveness of the internal control system. The board of supervisors supervises the establishment and implementation of internal control of the Board. The senior management is responsible for organising and leading the daily operation of internal control.

In 2020, the Bank actively explored the establishment and digitisation of the internal control evaluation system, and implemented a normal evaluation work mechanism throughout the Bank, which achieved certain results. Based on the Bank's internal control evaluation work practice and development model, and with reference to the industry's advanced experience, the Bank's independently developed internal control evaluation system was successfully launched, achieving the refined management targets and requirements of internal control evaluation. Based on the typical characteristics of violations, corresponding data analysis and verification methods were designed to form a data analysis model, which improved the relevance and effectiveness of internal control evaluation. There was an in-depth evaluation of the Bank's business processes, and the Bank urged institutions at all levels to carry out normalised self-evaluations and self-inspections to timely identify and improve internal control deficiencies.

The Board and the audit committee assess the effectiveness of the internal control and examine the report of internal control annually. As at 31 December 2020, there was no material deficiency in the internal control of financial reporting of the Bank, and no material deficiency was detected in the internal control of non-financial report. The Board held that the Bank conducted effective internal control of financial reporting covering all the major aspects, in compliance with the requirements regarding the standard system of enterprise internal control and other relevant regulations.

Ernst & Young Hua Ming LLP audited the internal control of the Bank for the year ended 31 December 2020 in accordance with relevant requirements of Enterprise Internal Control Audit Guidelines, and the audit opinion of internal control issued by it was in line with the Bank's assessment of conclusion on the effectiveness of internal control of the financial report. The disclosure of material deficiencies of internal control of the non-financial report in the audit report of internal control was also in line with the disclosure of the assessment report of internal control of the Bank.

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DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

GENERAL

As of the date of this Offering Circular, the Bank's Board is comprised of 13 members. There are five independent non-executive directors, six non-executive directors and two executive directors. The Bank's directors are elected at shareholder general meetings for a term of three years, which is renewable upon re-election. The chairman and the vice chairman of the Board are elected by simple majority of the Board. Mr. Tian Guoli is the Bank's chairman and is responsible for business strategy and overall development. Mr. Wang Jiang is the Bank's vice chairman and president and is responsible for overseeing the day-to-day management of the Bank's business and operations. The president is appointed by the Board, is responsible for the Board, and performs duties pursuant to the Bank's articles of association and the Board's authorisation.

Each of the Bank's directors, supervisors and senior management has disclosed to the Bank at the time of appointment, and in a timely manner for any change in, the number and nature of offices held in public companies or organisations and other significant commitments, the identity of the public companies or organisations and an indication of the time involved. As at 30 June 2021, some of the directors, supervisors and senior management of the Bank indirectly held H-shares of the Bank via the employee stock incentive plan before they assumed their current positions. Mr. Wang Jiang held 15,417 H-shares, Mr. Yang Fenglai held 16,789 H-shares, Mr. Lu Kegui held 18,989 H-shares, Mr. Wang Yi held 13,023 H-shares, Mr. Wang Hao held 12,108 H-shares, Ms. Zhang Min held 9,120 H-shares, Mr. Hu Changmiao held 17,709 H-shares, Mr. Cheng Yuanguo held 15,863 H-shares and Mr. Zhang Yi held 9,848 H-shares. Mr. Wu Jianhang, the resigned shareholder representative supervisor, held 20,966 shares and Mr. Jin Yanmin, the resigned chief risk officer, held 15,739 H-shares. Save as disclosed above, as at 30 June 2021, none of the directors and supervisors of the Bank had any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")).

The following tables set forth information regarding the Bank's directors, supervisors and senior management. The Bank's directors, supervisors and members of senior management all meet the qualification requirements for their respective positions. Their qualifications have been reviewed and approved by the PRC banking regulatory authorities. Non-executive directors holding positions in the corporate shareholders do not receive compensation directly from the Bank.

Directors

The following table sets forth certain information concerning the Bank's directors as at the date of this Offering Circular.

Name	Position
Tian Guoli	Chairman, executive director
Wang Jiang	Vice chairman, executive director, president
Xu Jiandong	Non-executive director
Zhang Qi	Non-executive director
Tian Bo	Non-executive director
Xia Yang	Non-executive director
Shao Min	Non-executive director
Liu Fang	Non-executive director

Name	Position
Malcolm Christopher McCarthy	Independent non-executive director
Kenneth Patrick Chung	Independent non-executive director
Graeme Wheeler	Independent non-executive director
Michel Madelain	Independent non-executive director
William Coen	Independent non-executive director

Notwithstanding the disclosures mentioned in "*Directors, Supervisors and Senior Management – General*" section, no potential conflicts of interest exist between the obligations of the directors named above towards the Bank and their own interests or other obligations. The business address of each of the directors named above is No. 25, Financial Street, Xicheng District, Beijing, China 100033.

Tian Guoli

Chairman, executive director

Mr. Tian has served as chairman and executive director since October 2017, concurrently as chairman of Sino-German Bausparkasse since March 2018. Mr. Tian currently also serves as chairman of China Banking Association, a member of the Expert Committee for the 14th Five-Year Plan for Economic and Social Development of China, a member of the Monetary Policy Committee of the People's Bank of China and chairman of Asian Financial Cooperation Association and a member of International Advisory Panel of Monetary Authority of Singapore. Mr. Tian joined Bank of China in April 2013 and served as chairman of Bank of China from May 2013 to August 2017. During this period, he also served as chairman and non-executive director of Bank of China Hong Kong (Holdings) Limited. From December 2010 to April 2013, Mr. Tian served as vice chairman and general manager of China CITIC Group. During this period, he also served as chairman and non-executive director of China CITIC Bank. From April 1999 to December 2010, Mr. Tian served consecutively as vice president and president of China Cinda Asset Management Company, and chairman of China Cinda Asset Management Co., Ltd. From July 1983 to April 1999, Mr. Tian held various positions in the Bank, including sub-branch general manager, branch deputy manager, department general manager of the Head Office, and assistant president of the Bank. Mr. Tian is a senior economist. He received a bachelor's degree in economics from Hubei Institute of Finance and Economics in 1983.

Wang Jiang

Vice chairman, executive director, president

Mr. Wang has served as vice chairman and executive director since March 2021 and president of the Bank since February 2021. From January 2020 to February 2021, Mr. Wang served as vice chairman and executive director of Bank of China. From December 2019 to February 2021, Mr. Wang served as president of Bank of China. From March 2020 to February 2021, Mr. Wang concurrently served as vice chairman and non-executive director of BOC Hong Kong (Holdings) Limited. From July 2017 to November 2019, Mr. Wang served as vice-governor of Jiangsu Province. From August 2015 to July 2017, Mr. Wang served as executive vice president of Bank of Communications. From October 2002 to March 2015, Mr. Wang successively served as deputy general manager of Shandong Branch of the Bank, general manager of Hubei Branch of the Bank, general manager of Shanghai Branch of the Bank. Mr. Wang served as general manager of Dezhou Branch in Shandong Province of the Bank from September 2000 to October 2002 and deputy director of Credit Risk Management Division of Shandong Branch of the Bank from June 1999 to September 2000. Mr. Wang graduated from Xiamen University in 1999 with a doctoral degree in economics and Shandong Economics College in 1984 with a bachelor's degree in finance.

Xu Jiandong

Non-executive director

Mr. Xu has served as a non-executive director since June 2020. Mr. Xu has served as non-executive director of Agricultural Bank of China Limited from February 2015 to June 2020. Mr. Xu worked at the State Administration of Foreign Exchange from July 1986 to April 2015, during which, he served as deputy counsel of the Management and Inspection Department from June 2012 to April 2015, deputy director of the Financial Affairs Office of Jilin Province from April 2011 to June 2012, deputy counsel of the Balance of Payment Department from March 2004 to April 2011, division-chief of the Banking Management Division of the Balance of Payment Department from September 2000 to March 2004 and deputy division-chief of the Foreign Exchange Market Management Division of the Balance of Payment Department from September 1994 to September 2000. Mr. Xu Jiandong graduated from Central University of Finance and Economics with a bachelor's degree in finance in 1986. Mr. Xu is currently an employee of Huijin, the Bank's substantial shareholder.

Zhang Qi

Non-executive director

Mr. Zhang has served as a non-executive director since July 2017. Mr. Zhang has served as a non-executive director of Bank of China Limited from July 2011 to June 2017. Mr. Zhang served successively in the Central Expenditure Division One and Comprehensive Division of the Budget Department and Ministers' Office of the General Administration Department of the Ministry of Finance as well as the Operation Department of China Investment Corporation, serving as deputy division-chief, division-chief and senior manager from 2001 to 2011. Mr. Zhang studied in the Investment Department and Finance Department of Dongbei University of Finance & Economics from 1991 to 2001 and obtained his bachelor's degree, master's degree and Ph.D. degree in economics in 1995, 1998 and 2001 respectively. Mr. Zhang is currently a part-time doctoral supervisor at China Northeast University of Finance and Economics. Mr. Zhang is currently an employee of Huijin, the Bank's substantial shareholder.

Tian Bo

Non-executive director

Mr. Tian has served as a non-executive director since August 2019. Mr. Tian served as Deputy General Manager of Global Transaction Banking Department of Bank of China from January to August 2019. From March 2006 to January 2019, Mr. Tian was Division Head of Banking Business Department, Division Head and Assistant General Manager of Corporate Banking Department and Deputy General Manager of Global Trade Services Department of Bank of China. Concurrently, Mr. Tian also served as Member of the Standing Committee of the CPC Municipal Party Committee and Vice Mayor of Fangchenggang City of Guangxi Zhuang Autonomous Region from February 2016 to February 2018. Mr. Tian obtained a bachelor's degree in Economics from the Major of Finance of Beijing College of Finance and Trade in 1994 and a master's degree in Management from the Major of Accounting from Capital University of Economics and Business in 2004. Mr. Tian is currently an employee of Huijin, the Bank's substantial shareholder.

Xia Yang

Non-executive director

Mr. Xia has served as a non-executive director since August 2019. Mr. Xia served as general manager of the asset custody services department of Hua Xia Bank from January 2018 to September 2019. Since August 1997, Mr. Xia has been working in Hua Xia Bank, consecutively serving various positions including president of Jinan Branch, president of Hefei Branch etc. Mr. Xia is a senior economist and a senior accountant. Mr. Xia received a bachelor's degree in science from the biology department of Nanjing University in 1988, specialised in human and animal physiology; he graduated from Nanjing University with a doctoral degree in management sciences and engineering in 2018. Mr. Xia is currently an employee of Huijin, the Bank's substantial shareholder.

Shao Min

Non-executive director

Ms. Shao has served as a non-executive director since January 2021. Ms. Shao has served as senior counsel of the Supervision and Evaluation Bureau of Ministry of Finance from June 2019 to February 2021. From April 2019 to June 2019, Ms. Shao was counsel of the Supervision and Evaluation Bureau of Ministry of Finance. From September 2015 to April 2019, Ms. Shao was deputy director-general of the Accounting Department of Ministry of Finance. From June 2000 to September 2015, Ms. Shao consecutively served as deputy director, director and deputy director-general of the Supervision and Inspection Bureau of Ministry of Finance. From July 1998 to June 2000, Ms. Shao consecutively served as assistant consultant and deputy director of the Fiscal Supervision Department of Ministry of Finance. From August 1987 to July 1998, Ms. Shao consecutively served as cadre, officer, deputy chief officer, chief officer and assistant consultant of the Industrial Transportation Finance Department of Ministry of Finance. Ms. Shao Min graduated from school of accounting of Dongbei University of Finance and Economics with a bachelor's degree in economics in 1987. Ms. Shao is currently an employee of Huijin, the Bank's substantial shareholder.

Liu Fang

Non-executive director

Ms. Liu has served as a non-executive director since January 2021. Ms. Liu has served as deputy director-general of the General Affairs Department (Policy and Regulation Department) and counsel of State Administration of Foreign Exchange ("**SAFE**") from July 2019 to February 2021. From March 2015 to June 2019, Ms. Liu was deputy director-general of the General Affairs Department (Policy and Regulation Department) of SAFE. From July 2010 to February 2015, Ms. Liu consecutively served as deputy director and director of the General Affairs Department (Policy and Regulation Department) of SAFE. From March 2009 to July 2010, Ms. Liu was deputy director of the General Affairs Department of SAFE. From July 1999 to March 2009, Ms. Liu consecutively served as cadre, deputy chief officer, chief officer and deputy director of the International Balance of Payments Department of SAFE. Ms. Liu Fang graduated from Renmin University of China with a master's degree in economics in 1999, majoring in world economics of school of international economics. Ms. Liu is currently an employee of Huijin, the Bank's substantial shareholder.

Malcolm Christopher McCarthy

Independent non-executive director

Sir McCarthy has served as a director of the Bank since August 2017. Sir McCarthy served as independent non-executive director of Industrial and Commercial Bank of China Limited from December 2009 to October 2016. Sir McCarthy worked first as an economist for ICI before joining the UK Department of Trade and Industry where he held various posts from economic adviser to undersecretary. Sir McCarthy subsequently worked as a senior executive of Barclays Bank in London, Japan and then North America. Sir McCarthy served as chairman and chief executive of the Office of Gas and Electricity Markets (Ofgem), chairman of the Financial Services Authority, non-executive director of Her Majesty's Treasury, Chairman of the board of directors of J.C. Flowers & Co. UK Ltd, a non-executive director of NIBC Holding N.V., NIBC Bank N.V., OneSavings Bank plc, Castle Trust Capital plc and Intercontinental Exchange ("**ICE**"), and Trustee of the Said Business School of Oxford University. Sir McCarthy is an Honorary Fellow of Merton College, an Honorary Doctorate of the University of Stirling and the Cass Business School, and a Freeman of the City of London. Sir McCarthy has a Master of

Arts in History at Merton College of Oxford University, a PhD in Economics of Stirling University, and a Master's degree at the Stanford Graduate School of Business.

Kenneth Patrick Chung

Independent non-executive director

Mr. Chung has served as a director since November 2018. He served as independent non-executive director of Industrial and Commercial Bank of China Limited from December 2009 to March 2017. He joined Deloitte Haskins and Sells London Office in 1980, became a partner of PricewaterhouseCoopers in 1992, and was a financial service specialist of PricewaterhouseCoopers (Hong Kong and China) since 1996. Previously, he was the human resources partner of PricewaterhouseCoopers (Hong Kong), the responsible partner of the audit department of PricewaterhouseCoopers (Hong Kong and China), the global lead partner of the audit engagement team for Bank of China Limited, the honorary treasurer of the Community Chest of Hong Kong and was a member of the Ethics Committee, Limitation of Professional Liability Committee, Communications Committee, and the Investigation Panel of the Hong Kong Society of Accountants. Mr. Chung has also served as the audit head for the restructurings and initial public offerings of Bank of China Limited, Bank of China (Hong Kong) Limited and Bank of Communications, chairman of the audit committee of the Harvest Real Estate Investments (Cayman) Limited and independent non-executive director of Prudential Corporation Asia. Currently, Mr. Chung serves as independent non-executive director of Sands China Ltd., Prudential Hong Kong Limited and Prudential General Insurance Hong Kong Limited and is a trustee of Fu Tak Iam Foundation Limited. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Macau Society of Certified Practising Accountants. Mr. Chung received a bachelor's degree in economics from the University of Durham.

Graeme Wheeler

Independent non-executive director

Mr. Graeme Wheeler has served as director since October 2019. Mr. Wheeler has served as non-executive Director of Thyssen-Bornemisza Group since 2017. He served as Governor of the Reserve Bank of New Zealand from 2012 to 2017, non-executive director of Thyssen-Bornemisza Group and co-founder of Privatisation Analysis and Consulting Ltd from 2010 to 2012, managing director responsible for operations of World Bank from 2006 to 2010, vice president and treasurer of the World Bank from 2001 to 2006, director of Financial Products and Services Department of World Bank from 1997 to 2001, treasurer of New Zealand Debt management Office and deputy secretary to the New Zealand Treasury from 1993 to 1997, director of Macroeconomic Policy of New Zealand Treasury from 1990 to 1993, Economic and Financial Counsellor of New Zealand Delegation to the OECD, Paris, from 1984 to 1990 and an advisor in the New Zealand Treasury from 1973 to 1984. Mr. Graeme Wheeler obtained his master of commerce in economics from University of Auckland in 1972. Mr. Graeme Wheeler was awarded Companion of the New Zealand Order of Merit in 2018.

Michel Madelain

Independent non-executive director

Mr. Michel Madelain has served as director since January 2020. Mr. Madelain has been trustee of the IFRS Foundation since January 2018 and a member of the Supervisory Board of La Banque Postale in France since April 2018. From June 2016 to December 2018, he was vice chairman of Moody's Investors Service ("**MIS**"). Concurrently, he chaired the European Board of Moody's Corporation and was a member of MIS US Board. From May 2008 to June 2016, he was president and chief operating officer of MIS, having previously assumed a number of positions in Europe and the USA with MIS from 1994 to May 2008. From May 1980 to May 1994, he worked in Ernst & Young in Belgium and France and was promoted to the partnership in 1989. Mr. Madelain is a qualified Chartered Accountant of France. He obtained a master's degree in Management from Kellogg

Graduate School of Management of Northwestern University (USA) and a bachelor's degree in Business Administration from the Ecole Supérieure de Commerce de Rouen, France.

William Coen

Independent non-executive director

Mr. William Coen has served as director since June 2021. Mr. Coen has been Chairman of the IFRS Advisory Council from February 2020, a member of the Board of Directors of the Toronto Leadership Centre since November 2019 and technical advisor of the International Monetary Fund since July 2019. Mr. Coen was affiliated with the Basel Committee on Banking Supervision ("**BCBS**") from 1999 to 2019. During this period of time, he was a member of the BCBS's Secretariat from 1999 to 2002 and was the content manager for the BIS Financial Stability Institute's web-based resource and learning tool from 2003 to 2006. He served as deputy secretary general of BCBS from 2007 to 2014 and was secretary general of BCBS from 2014 to June 2019, responsible for defining and implementing the BCBS's strategy and for overseeing progress of the BCBS's work, including the activities of its 30 working groups. Concurrently, he also chaired the BCBS's Policy Development Group, Task Force on Corporate Governance and the Coherence and Calibration Task Force. Prior to joining the BCBS Secretariat in 1999, he consecutively worked with the US Office of Comptroller of the Currency and held a number of roles related to banking policy, supervision and licensing at the US Board of Governors of the Federal Reserve System. Mr. Coen began his career in 1985 as a credit officer of a New York City-based bank, serving as an Assistant Vice President responsible for consumer credit and retail mortgage lending. Mr. Coen is currently a member of the Bretton Woods Committee, and a member of advisory board of Baton Systems, Inc., the lead regulatory consultant at Suade Labs and a vice chairman at Reference Point. He was a member of the Financial Stability Board and several of its standing committees. He obtained a bachelor's degree in Science from Manhattan College and a master's degree in Business Administration from Fordham University.

Supervisors

The following table sets forth certain information concerning the Bank's supervisors as at the date of this Offering Circular.

Name	Position
Wang Yongqing	Chairman of the Board of Supervisors, Shareholder representative supervisor
Yang Fenglai	Shareholder representative supervisor
Lu Kegui	Employee representative supervisor
Wang Yi	Employee representative supervisor
Zhao Xijun	External supervisor
Liu Huan	External supervisor
Ben Shenglin	External supervisor

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Wang Yongqing

Chairman of the Board of Supervisors, Shareholder representative supervisor

Mr. Wang has served as chairman of the board of supervisors of the Bank since October 2019. Mr. Wang has served as vice chairman of the China Federation of Industry and Commerce from December 2016 to July 2019. Mr. Wang has served consecutively as the deputy director (director-general level) and director of the fifth bureau, the director of the sixth bureau of the United Front Work Department of the Central Committee from December 2003 to November 2016. He served consecutively as deputy director of the general office, assistant to the general manager and director of the general office, chief accountant of China International Engineering Consulting Corporation from December 1998 to December 2003. He joined China Development Bank in July 1994. He joined and started to work in Financial Department of the Ministry of Railway in July 1985. Mr. Wang is a senior accountant. He graduated from Hubei Institute of Finance and Economics, he obtained a master's degree in economics from Renmin University of China and a PhD degree in economics from Beijing Jiaotong University.

Yang Fenglai

Shareholder representative supervisor

Mr. Yang has served as supervisor since June 2020. Mr. Yang has served as the general manager of Sichuan Branch of the Bank since June 2014. From July 2011 to April 2014, he served as the person in charge of the operation and management department of the Bank; from January 2005 to July 2011, he was the deputy general manager of Sichuan Branch of the Bank; from October 2003 to January 2005, he served as assistant general manager (deputy general manager level) of the Sichuan Branch of the Bank; from March 2003 to October 2003, he served as full-time credit approver (deputy general manager level) of credit approval department of the Bank; from April 2002 to March 2003, he served as full-time credit approver (deputy general manager level) of the credit approval office of the risk and internal control management committee of the Bank; from November 1994 to April 2002, he worked consecutively as the deputy chief of the credit division of Sichuan Branch of the Bank, deputy chief and chief of the credit management department of the head office, chief of credit risk management division, chief of credit operation division, general manager of the corporate business department of Sichuan Branch of the Bank. Mr. Yang is a senior economist. He graduated from University of Chengdu with a bachelor's degree in enterprise management in 1983 and obtained a master's degree in economics from Southwestern University of Finance and Economics in 2004.

Lu Kegui

Employee representative supervisor

Mr. Lu has served as supervisor since May 2018. Mr. Lu has served as dean of the training centre for asset management and investment banking of China Construction Bank University since October 2019. Mr. Lu served as dean of the training centre for the wealth management of asset management business of China Construction Bank University from December 2018 to October 2019 and concurrently as general manager of the special assets resolution centre of the Bank from April 2017 to April 2019. From September 2013 to April 2017, Mr. Lu served as the director of the Tianjin audit department of the Bank. From April 2011 to September 2013, Mr. Lu served as president of Heilongjiang Branch of the Bank. From February 2011 to April 2011, Mr. Lu served as the head of Heilongjiang Branch of the Bank. From July 2008 to February 2011, Mr. Lu served as general manager of the fund settlement department of the Bank. From August 2000 to July 2008, Mr. Lu served as general manager of the accounting department of the Bank. From January 1998 to August 2000, Mr. Lu served as deputy general manager of the planning and finance department of the Bank and of the finance and accounting department of the Bank from September 1995 to January 1998. From July 1988 to September 1995, Mr. Lu successively served as deputy division-chief and division-chief of the finance and accounting department as well as other positions of the Bank. Mr. Lu is a senior accountant and is a recipient of a special grant awarded by the PRC Government. Mr. Lu graduated from Hubei Institute of Finance and Economics and obtained his bachelor's degree in infrastructure finance and credit in 1982.

Wang Yi

Employee representative supervisor

Mr. Wang has served as supervisor since May 2018. Mr. Wang has served as general manager of the housing finance and personal credit department of the Bank since November 2013. He served concurrently as chairperson of CCB Housing Services Co., Ltd. from December 2018 to November 2019. From November 2009 to November 2013, Mr. Wang served as deputy general manager of the personal savings and investment department of the Bank (equivalent to the department general manager of the Head Office); from December 2008 to November 2009, Mr. Wang served as deputy general manager of the personal savings and investment department of the Bank; from June 2005 to December 2008, Mr. Wang served as the deputy general manager of the personal finance department of the Bank. From July 2001 to June 2005, Mr. Wang served as the assistant general manager of the personal banking department of the Bank. From January 1992 to July 2001, Mr. Wang worked in the Qingdao Branch of the Bank, serving successively as deputy division-chief of the computer management division, deputy division-chief of the retail business division and division-chief of the electronic banking department as well as other positions. Mr. Wang is a senior engineer, and graduated from Shandong University with a bachelor's degree in computer mathematics in 1984. Mr. Wang also obtained a master's degree of business administration for senior management in 2010.

Zhao Xijun

External supervisor

Mr. Zhao has served as external supervisor of the Bank since June 2019. He has been Deputy Dean of the School of Finance of Renmin University of China since 2005. Mr. Zhao was Director of International Office of Renmin University of China from 2001 to 2005, Department Head of the Finance Department of the School of Finance of Renmin University of China from 1995 to 2001 and a researcher fellow of the International Department of China Securities Regulatory Commission from 1994 to 1995. Mr. Zhao serves as an independent director of each of China National Foreign Trade Financial & Leasing Co., Ltd. and FAW Capital Holdings Co., Ltd. Mr. Zhao served as an independent non-executive director of the Bank from August 2010 to March 2014. Mr. Zhao was a visiting scholar in each of University of Sherbrooke and McGill University, Canada from 1989 to 1990 and Nijenrode University, Netherlands from 1995 to 1996. Mr. Zhao graduated from Wuhan University with a bachelor's degree in Scientific French in 1985, a master's degree in finance from the Finance Department of Renmin University of China in 1987 and a PhD in finance from the School of Finance of Renmin University of China in 1999.

Liu Huan

External supervisor

Mr. Liu has served as external supervisor since June 2020. Mr. Liu serves as Counselor of the State Council and professor at the School of Public Finance and Tax of Central University of Finance and Economics. From 2006 to 2016, he served as deputy dean of the School of Tax of Central University of Finance and Economics; from 1997 to 2006, he served consecutively as the deputy director of the Department of Tax of the Central University of Finance and Economics, and deputy dean of the School of Finance and Public Management; from 2004 to 2005, he worked consecutively on secondment as deputy director of Local Taxation Bureau in Xicheng district of Beijing, assistant director of the Beijing Local Taxation Bureau; he worked in the Central Institute of Finance and Banking (now Central University of Finance and Economics) since 1982, and served as deputy director of the Department of Finance from 1992 to 1997. Mr. Liu is a standing member of Beijing Municipal

Committee of the Chinese People's Political and Consultative Conference and deputy director of the Economic Committee of the Beijing Municipal Committee of the Chinese People's Political and Consultative Conference; he also worked concurrently as visiting professor at the School of Economics and Management of Tsinghua University, visiting professor at the School of Overseas Education of Shanghai Jiao Tong University and master advisor of Tax in University of Chinese Academy of Social Sciences. He also served as independent director of the Liaoning Wellhope Agri-Tech Group Company. Mr. Liu is a certified public accountant and obtained his bachelor's degree in economics from the Central Institute of Finance and Banking in 1982.

Ben Shenglin

External supervisor

Mr. Ben has served as external supervisor since June 2020. Mr. Ben has served as professor and doctoral advisor of Zhejiang University since May 2014, the executive director of the International Monetary Institute of Renmin University of China since January 2014, and the co-director of the International Monetary Institute since July 2018; He served as dean of Academy of Internet Finance of Zhejiang University since April 2015; dean of the International Business School of Zhejiang University since October 2018. From April 2010 to April 2014, he served as the chief executive officer and a member of the global leadership team at global corporate bank of J.P. Morgan Chase Bank (China); from February 2005 to March 2010, he served as the head of financial institutions department and head of industrial commercial banking department and other positions of HSBC in China; from September 1994 to January 2005, he served as general manager of liquidity business of Dutch Bank in China. Mr. Ben currently serves as an independent director of China International Capital Corporation Limited, Wuchan Zhongda Group Co., Ltd. and Home Credit B.V., and an independent director of Industrial Bank Co., Ltd since August 2021. Mr. Ben is a standing member of Zhejiang Provincial Committee of the Chinese People's Political and Consultative Conference and holds social positions such as the co-chairman of the Zhejiang Internet Finance Association. Mr. Ben graduated from Tsinghua University in 1987 with a bachelor's degree in engineering. He obtained a master's degree in enterprise management from Renmin University of China in 1990 and a PhD degree in economics from Purdue University in 1994.

Senior Management

The following table sets forth certain information concerning the Bank's senior management as at the date of this Offering Circular.

Name	Position
Wang Jiang	President
Zhang Min	Executive vice president
Wang Hao	Executive vice president
Ji Zhihong	Executive vice president
Jin Panshi	Chief information officer
Cheng Yuanguo	Chief risk officer
Hu Changmiao	Secretary to the board

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Wang Jiang

Vice chairman, executive director, president
See "Directors".

Zhang Min

Executive vice president
Ms. Zhang has served as an executive vice president of the Bank since December 2020. Ms. Zhang was general manager of Tianjin Branch of the Bank and dean of North China Campus of CCB University from December 2018 to November 2020. She was general manager of Tianjin Branch of the Bank from July to December 2018, general manager of Ningxia Branch of the Bank from March 2017 to July 2018, deputy general manager of Hubei Branch of the Bank from November 2015 to December 2016, deputy general manager of Shaanxi Branch of the Bank from July 2013 to November 2015 and was assistant general manager of Shaanxi Branch of the Bank, general manager of Accounting and Settlement Department, general manager of Accounting Department, director of the Treasury Management Centre, and general manager of Xi'an Xingqinglu Sub-branch, etc. Ms. Zhang Min is a senior accountant. She took undergraduate study in accounting in East China Institute of Engineering from September 1988 to July 1992. She obtained a Master's degree in economics from Shaanxi Institute of Finance and Economics in July 1996, majoring in Accounting. She obtained a Ph.D. degree in economics from Xi'an Jiaotong University in July 2013, majoring in applied economics.

Wang Hao

Executive vice president
Mr. Wang has served as an executive vice president of the Bank since October 2020. Mr. Wang was general manager of Hubei Branch of the Bank and dean of Central China Campus of CCB University from December 2018 to July 2020 and general manager of Hubei Branch of the Bank from June to December 2018. He was general manager of Guizhou Branch of the Bank from August 2016 to June 2018, deputy general manager of Qinghai Branch of the Bank from August 2014 to June 2016, deputy general manager of Sichuan Branch of the Bank from October 2008 to August 2014, assistant general manager of Sichuan Branch of the Bank from October 2005 to October 2008, general manager of Mianyang Branch in Sichuan Province of the Bank from July 2004 to October 2005, general manager of Personal Banking Department and Credit Card Center of Sichuan Branch of the Bank from April 2004 to July 2004, general manager of Personal Banking Department of Sichuan Branch of the Bank from December 2001 to April 2004, deputy division-chief in charge of work of Personal Banking Department of Sichuan Branch of the Bank from November 2000 to December 2001 and successively served as assistant general manager and deputy general manager of the Sub-branch under direct administration of Sichuan Branch of the Bank from December 1996 to November 2000. He started working in the Sub-branch under direct administration of Sichuan Branch of the Bank in July 1993. Mr. Wang is an economist. He graduated and obtained his bachelor's degree in Marketing from Southwestern University of Finance and Economics in July 1993.

Ji Zhihong

Executive vice president
Mr. Ji has served as an executive vice president of the Bank since August 2019. Mr. Ji was Director-general of the Financial Market Department of the PBOC from August 2013 to May 2019, during which Mr. Ji was concurrently Director of the Financial Market Management Department of the PBOC Shanghai Head Office from August 2013 to May 2016. From September 2012 to August 2013, Mr. Ji was Director-general of the Research Bureau of the PBOC. From April 2010 to September 2012, Mr. Ji was Deputy Director-general of the Monetary Policy Department of the PBOC. From February 2008 to April 2010, Mr. Ji was Deputy Director

(Deputy Director-general Level) of the Open Market Operations Department of the PBOC Shanghai Head Office. Mr. Ji Zhihong is a Researcher. He graduated from the PBOC School of Finance, Tsinghua University (formerly known as the Graduate School of the PBOC Head Office) with a master's degree in International Finance in 1995 and obtained a PhD degree in National Economics from the Chinese Academy of Social Sciences in 2005.

Jin Panshi

Chief information officer

Mr. Jin has served as the chief information officer since March 2021. Mr. Jin has served as information controller of the Bank since February 2018. He served as general manager of the information technology management department of the Bank from January 2010 to February 2018, general manager of the audit department of the Bank from December 2007 to January 2010, deputy director of the Board of Supervisors Office from November 2004 to December 2007, supervisor of the Bank from October 2004 to November 2016, and deputy general manager of the audit department of the Bank from June 2001 to October 2004. Mr. Jin is a senior engineer and a Certified Information Systems Auditor. He graduated from Jilin University of Technology with a bachelor's degree and a master's degree in computer application in 1986 and 1989 respectively, and obtained an EMBA degree from Tsinghua University in 2010.

Cheng Yuanguo

Chief risk officer

Mr. Cheng has served as chief risk officer of the Bank since April 2021. Mr. Cheng has served as general manager of the corporate business department of the Bank since February 2017. He served as employee representative supervisor of the Bank from May 2018 to March 2021. He concurrently served as chairman of CCB Trust from August 2017 to July 2018. He served as general manager of Hebei Branch of the Bank from August 2014 to February 2017, general manager of the group clients department (the banking business department) of the Bank from March 2011 to July 2014. He concurrently served as director of CCB International from September 2010 to October 2015. He served as deputy general manager of the group clients department (the banking business department) of the Bank from May 2005 to March 2011 and deputy general manager of the banking business department of the Bank from September 2001 to May 2005. Mr. Cheng is a senior accountant with special grants by the PRC government. Mr. Cheng graduated from Dongbei University of Finance and Economics with a bachelor's degree in infrastructure finance and credit in 1986.

Hu Changmiao

Secretary to the board

Mr. Hu has served as the secretary to the board since May 2019. Mr. Hu has served as general manager of the Board Office of the Bank since December 2018. He served as the chairman of CCB Financial Leasing Co., Ltd. from August 2016 to December 2018, general manager of Guangxi Branch of the Bank from February 2012 to August 2016, general manager of Public Relations & Corporate Culture Department of the Bank from March 2006 to February 2012, and deputy general manager in charge of the overall management of the Board Office of the Bank from June 2005 to March 2006. He served as deputy general manager of the Executive Office of the Bank from December 2004 to June 2005, deputy general manager of Credit Card Centre of the Bank from March 2003 to December 2004, and deputy general manager of Retail Banking Department of the Bank from July 2001 to March 2003. Mr. Hu is a senior economist. He graduated from the Peking University with a master of science in economic geography in 1986.

Company Secretary

Ma Chan-Chi

Company secretary

Mr. Ma is a Hong Kong resident and was appointed as the company secretary of the Bank on 29 August 2014. He obtained his Master Degree in Business Administration from the University of Strathclyde in 1995 and the qualifications of the Hong Kong Institute of Certified Public Accountants. He joined CCB Asia in 2010 and currently serves as its Deputy Chief Executive and Chief Financial Officer. He has more than 30 years of corporate financial and legal affairs experience. Prior to joining CCB Asia, he was the Chief Financial Officer & Secretary to the Board of Hang Seng Bank (China) Limited and the Chief Financial Officer of Nanyang Commercial Bank (China) Limited.

Board Committees

The Board delegates certain responsibilities to various committees. The Board has established a strategy development committee, audit committee, risk management committee, nomination and remuneration committee, and social responsibilities and related party transactions committee. These committees are constituted by certain directors and report to the Board. Each committee meets at least four times a year.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the Bank had a total of 378,681 ordinary shareholders, of which 40,321 were holders of H-shares and 338,360 were holders of A-shares.

HUIJIN

Central Huijin Investment Ltd. ("**Huijin**") is the controlling shareholder of the Bank. Huijin is a wholly state-owned investment company established in accordance with the "Company Law of the PRC" on 16 December 2003 with the approval of the State Council. Its Chairman is Mr. Peng Chun. Huijin makes equity investments in key state-owned financial institutions as authorised by the State Council, and exercises the contributor's rights and obligations in the Bank up to its contribution on behalf of the state to achieve preservation and appreciation of state-owned financial assets.

Huijin does not engage in any other commercial activities, nor does it interfere with the daily operations of the key state-owned financial institutions in which it holds controlling shares. Systems and controls are in place to manage any conflict of interest that might arise between the interests of Huijin and the interests of the Bank and to ensure that its control is not abused.

As at 30 June 2021, Huijin held approximately 57.11 per cent. of the shares of the Bank, and indirectly held 0.20 per cent. of the shares of the Bank through its subsidiary, Central Huijin Asset Management Co., Ltd.

As at 30 June 2021, there were no other corporate shareholders holding 10 per cent. or more of the shares of the Bank (excluding HKSCC Nominees Limited, which acts as the common nominee for the shares held through the Central Clearing and Settlement System). All transactions and relationships between the Bank and its substantial shareholders are conducted on an arm's length basis and on normal contractual terms. The Bank can operate its business independently of its substantial shareholders.

REGULATION AND SUPERVISION IN THE PRC

The banking industry is heavily regulated in the PRC, with CBIRC and PBOC acting as the principal regulatory authorities. CBIRC is primarily responsible for supervising and regulating banking and insurance institutions, and PBOC, as the central bank of the PRC, is primarily responsible for formulating and implementing monetary policies. The applicable laws and regulations governing activities in the PRC's banking industry consist principally of the PRC PBOC Law, the PRC Commercial Banking Law, the Law of PRC on Supervision and Administration of Banking Sector, and the rules and regulations promulgated thereunder.

PRINCIPAL REGULATORS

Prior to April 2003, PBOC acted as both the PRC's central bank and the principal supervisor and regulator of the banking industry in the PRC. In April 2003, CBRC was established to serve as the primary banking industry regulator and it assumed the majority of bank regulatory functions from PBOC. PBOC retained its role as the central bank but now has a smaller role in the regulation of banking institutions. In April 2018, CBRC and China Insurance Regulatory Commission were merged as China Banking and Insurance Regulatory Commission ("**CBIRC**"), covering the regulation of banking and insurance sectors in the PRC. In this Offering Circular, we still use the term of "CBRC" in the context of regulations, rules and actions issued or taken by CBRC before April 2018.

CBIRC

Functions and Powers

CBIRC is the primary supervisory authority responsible for the regulation of banking institutions operating in the PRC, including branches and representative offices established by foreign financial institutions in the banking sector in the PRC.

According to the Law of PRC on Supervision and Administration of Banking Sector, the main responsibilities of CBIRC in relation to banking regulation include:

(1) formulating and promulgating rules and regulations governing banking institutions and their business activities;

(2) reviewing and approving the establishment, change, dissolution and business scope of banking institutions, as well as granting banking licences for commercial banks, their branches and subsidiaries, branches and representative offices of foreign banks in the PRC;

(3) regulating the business activities of banking institutions, including the products and services they offer;

(4) setting qualification requirements for, and approving or overseeing the nomination of, directors and senior management personnel of banking institutions;

(5) setting guidelines and standards for internal controls, risk exposure and corporate governance of, and disclosure requirements for, banking institutions;

(6) conducting on-site inspection and off-site surveillance of the business activities and risk exposure status of banking institutions;

(7) monitoring the financial condition of banking institutions, including establishing standards or requirements for capital adequacy, asset quality and other financial metrics;

(8) imposing corrective and punitive measures for violations of applicable banking regulations;

(9) formulating prudential regulation principles of banking sector in accordance with laws and administrative regulations;

(10) working with authorities (including the PBOC and the MOF);

(11) to establish emergency disposal mechanisms and to deal with any emergencies in the banking sector;

(12) guiding and conducting surveillance on the activities of banking self-disciplinary organisations; and

(13) carrying out international communication and cooperation activities related to supervisions of the banking sector.

Examination and Supervision

CBIRC, through its head office in Beijing and offices in each province, provincial-level municipality and autonomous region, monitors the operations of commercial banks and their branches through on-site inspections and off-site surveillance. On-site inspections generally include visiting the banks' premises, interviewing bank employees, senior management and directors, as well as reviewing documents and materials maintained by the banks. CBIRC also conducts off-site surveillance by reviewing financial and other reports regularly submitted by the banks. Off-site surveillance generally includes the surveillance of banks' business activities and risk exposure status to evaluate and analyse the operational risk of the banks. If a banking institution is not in compliance with a regulation, CBIRC has the power to issue corrective and punitive measures, including imposition of fines, suspension of certain business activities, restrictions on distributions of dividends and other income and asset transfers, closure of the institution and other penalties.

PBOC

As the central bank of the PRC, PBOC is responsible for formulating and implementing monetary policies and maintaining the stability of the financial markets. According to the PRC PBOC Law, PBOC is empowered to:

(1) Drafting and enforcing relevant laws, rules and regulations that are related to fulfilling its functions;

(2) Formulating and implementing monetary policy in accordance with law;

(3) Issuing the Renminbi and administering its circulation;

(4) Regulating the inter-bank lending market and the inter-bank bond market;

(5) Implementing foreign exchange management, supervising inter-bank foreign exchange market;

(6) Supervising and regulating gold market;

(7) Holding and managing the state foreign exchange and gold reserves;

(8) Managing the State treasury as fiscal agent;

(9) Making payment and settlement rules in collaboration with relevant departments and ensuring normal operation of the payment and settlement systems;

(10) Providing guidance to anti-money laundering work in the financial sector and monitoring money-laundering related suspicious fund movement;

(11) Developing statistics system for the financial industry and responsible for the consolidation of financial statistics as well as the conduct of economic analysis and forecast; and

(12) Participating in international financial activities at the capacity of the central bank.

Other Regulatory Authorities

In addition to CBIRC and PBOC, commercial banks in the PRC are also subject to the supervision and regulation by other regulatory authorities including, among others, SAFE, CSRC and CIRC. For example, in conducting foreign exchange business, banks are subject to the regulation of SAFE; in dealing with securities-related matters such as distributing securities investment funds or acting as the custodians of investment assets of securities institutional investors, banks are subject to the regulation of CSRC; and in conducting bancassurance business, banks are subject to the regulation of CIRC.

Regulations Regarding Capital Adequacy

Capital Adequacy Guidelines

In June 2012, the CBRC issued the Administrative Measures on the Capital of Commercial Banks (Trial) (the "**2012 Administrative Measures**") regulating capital adequacy ratios ("**CAR**") of PRC commercial banks. The 2012 Administrative Measures, which are intended to reflect the Basel III regulatory capital requirements, set out minimum CAR requirements for commercial banks and provide detailed guidelines on the calculation of "capital" and "risk-weighted assets". The overall CAR requirements are 11.5 per cent. for systematically important commercial banks and 10.5 per cent. for other commercial banks. Commercial banks in the PRC are required to have a CAR of not less than 8 per cent., Tier 1 CAR of not less than 6 per cent. and Core Tier 1 CAR of not less than 5 per cent. The CARs are calculated in accordance with the 2012 Administrative Measures as follows:

$$\text{Capital Adequacy Ratio} = \frac{\text{Total Capital – deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \text{ x 100 per cent.}$$

$$\text{Tier 1 Capital Adequacy Ratio} = \frac{\text{Tier 1 Capital – deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \text{ x 100 per cent.}$$

$$\text{Core Tier 1 Capital Adequacy Ratio} = \frac{\text{Core Tier 1 Capital – deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \text{ x 100 per cent.}$$

In 29 November 2012, the CBRC further released the Guiding Opinion on Commercial Banks' Innovation on Capital Instruments (the "**2012 Guiding Opinions**"), setting out the general principles of the innovation of capital instruments of commercial banks and criteria of qualified capital instruments. In 22 November 2019, the 2012 Guiding Opinions was abolished by CBIRC and was superseded by the Guiding Opinions on Innovation of Capital Instruments of Commercial Banks was issued by CBIRC (Revised)（中國銀行業監督管理委員會關於商業銀行資本工具創新的指導意見（修訂）(the "**2019 Guiding Opinions**").

PRC CURRENCY CONTROLS

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

CURRENT ACCOUNT ITEMS

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai, and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010, 27 July 2011 and February 2012 respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades, the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement and the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods, Circulars with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to these circulars (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities, (iii) the restriction on designated offshore districts has been uplifted, and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the "**Six Authorities**") a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the "**Supervision List**"). On 12 June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

On 5 July 2013, the PBOC promulgated the *Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures* (關於簡化跨境人民幣業務流程和完善有關政策的通知) (銀發[2013]168 號), which, in particular, simplifies the procedures for cross-border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for the PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow the PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

On 23 October 2019, the SAFE promulgated *Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts* (國家外匯管理局關於精簡外匯帳戶的通知，匯發[2019]29 號) which became effective on 1 February 2020. SAFE has decided to review and integrate certain foreign exchange accounts and further reduce the types of accounts in order to further intensify the reform of foreign exchange administration, simplifying the relevant business operating procedures, and facilitate true and compliant foreign exchange transactions by banks, enterprises and other market participants, for example, "Current accounts – foreign currency cash account" and "current accounts – foreign exchange account under current accounts of overseas institutions" are included in "current accounts – foreign exchange settlement account".

The foregoing measures and circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practises in applying these circulars and impose conditions for settlement of current account items.

CAPITAL ACCOUNT ITEMS

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, SAFE promulgated the SAFE Circular, which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the relevant MOFCOM to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the foreign guarantee provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign guarantee regime.

On 12 October 2011, MOFCOM promulgated the Notice on Issues concerning Cross-border Direct Investment in RMB (the "**2011 MOFCOM Notice**"). In accordance with the 2011 MOFCOM Notice, MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, the PBOC promulgated the PBOC FDI Measures as amended in May 2015, pursuant to which, PBOC special approval for RMB FDI and shareholder loans which was required by an earlier circular of PBOC is no longer necessary. The PBOC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBOC within ten working days after obtaining the business licenses for the purpose of Renminbi settlement, and a foreign investor is allowed to open Renminbi special accounts for designated usage in relation to making equity investment in a PRC enterprise or receiving Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries. The PBOC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

On 19 November 2012, SAFE promulgated the SAFE Circular on DI, which became effective on 17 December 2012 and was later amended on 4 May 2015. According to the SAFE Circular on DI, SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including, but not limited to, the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within the PRC of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts.

On 3 December 2013, the MOFCOM promulgated the MOFCOM Circular, which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the 2011 MOFCOM Notice. Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying "Renminbi Foreign Direct Investment" and the amount of capital contribution is required for each FDI. Compared with the 2011 MOFCOM Notice, the MOFCOM Circular no longer contains the requirements for central level MOFCOM approvals for investments of RMB300 million or above, or in certain industries, such as financial guarantee, financial leasing, microcredit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macroregulation. Unlike the 2011 MOFCOM Notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

On 30 March 2015, SAFE promulgated the *Notices of Reformation on Administration of Settlement of Capital Foreign Exchange of Foreign-invested Enterprises* (關於改革外商投資外匯資本金結匯管理方式的通知 (匯發[2015]19號)), which became effective on 1 June 2015. In order to further deepen the reform of the foreign exchange administration system, better satisfy and facilitate the needs of foreign-invested enterprises for business and capital operation, the SAFE has decided to reform the management approach regarding the settlement of the foreign exchange capital of foreign-invested enterprises nationwide on the basis of summarising the pilot experience of certain regions in the early days. The key points of this notice set out as the following:

- the foreign exchange capital of foreign-invested enterprises shall be subject to the discretional foreign exchange settlement;

- the capital in Renminbi obtained by foreign-invested enterprises from the discretionary settlement of foreign exchange capital shall be managed under the account pending for foreign exchange settlement payment;
- the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises;
- facilitating foreign-invested enterprises in carrying out domestic equity investment with the capital obtained from foreign exchange settlement;
- further standardising the administration of payment by the capital obtained by foreign exchange settlement;
- administration of the settlement and use of the capital in other foreign exchange accounts under direct investment; and
- further strengthening the ex-post regulation as well as investigation on and punishment against violations by the foreign exchange bureaus.

Previously, Renminbi may only be converted for capital account expenses once the prior approval of the SAFE had been obtained. However, according to the *Circular of the SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies of Foreign Direct Investment* (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知(匯發[2015]13 號)) issued on 28 February 2015, the SAFE authorised some qualified local banks in the PRC to carry out foreign exchange procedures in relation to inbound and outbound investment from 1 June 2015.

On 26 January 2017, the SAFE issued the *Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance* (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核政策的通知(匯發[2017]3 號)) to further advance the reform of foreign exchange administration, such as:

- settlement of domestic foreign exchange loans are allowed for export trade in goods. A domestic institution shall repay loans with the foreign exchange funds received from export trade in goods, rather than, in principle, purchased foreign exchange;
- a debtor may directly or indirectly repatriate the funds under guarantee and use them domestically by, among others, granting loans and making equity investment domestically. Where a bank performs its guarantee obligation under overseas loans with domestic guarantee, relevant foreign exchange settlement and sale shall be managed as the bank's own foreign exchange settlement and sale;
- the deposits absorbed by a domestic bank through its principal international foreign exchange account and allowed to be used domestically are no more than 100 per cent. of the average daily deposit balance in the previous six months as opposed to the former 50 per cent.; and the funds used domestically are not included in the bank's outstanding short-term external debt quota;
- allowing foreign exchange settlement in the domestic foreign exchange accounts of overseas institutions within pilot free trade zones: Where funds are repatriated and used domestically after settlement, a domestic bank shall, under the relevant provisions on cross-border transactions, handle such funds by examining the valid commercial documents and vouchers of domestic institutions and domestic individuals; and

- where a domestic institution grants overseas loans, the total of the balance of overseas loans granted in domestic currency and the balance of overseas loans granted in foreign currency shall not exceed 30 per cent. of owner's equity in the audited financial statements of the previous year.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor ("**RQFII**") regime and the China Interbank Bond Market ("**CIBM**"), have been further liberalised for foreign investors. PBOC has relaxed the quota control for RQFII, initiated a bond market mutual access scheme between mainland and Hong Kong to allow eligible investors to invest in CIBM and has also expanded the list of foreign investors eligible to directly invest in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

The interbank foreign exchange market is also opening up. In 2018, CFETS further relaxed qualifications, application materials and the procedures for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

On 23 October 2019, the SAFE promulgated *Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts* (國家外匯管理局關於精簡外匯帳戶的通知，匯發[2019]29 號) which became effective on 1 February 2020, according to which, several measures were taken to intensify, for example, "Capital accounts – special account for domestic reinvestment" is included in "capital accounts – foreign exchange capital account".

On the same day, the SAFE issued *Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment* (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知，匯發[2019]28 號) in order to further promote the reform of "simplification of administrative procedures and decentralization of powers, combination of decentralization and appropriate control, and optimization of services". It cancelled restrictions on the use of funds in domestic asset realization accounts for foreign exchange settlement and restrictions on the number of opened foreign exchange accounts under capital accounts.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

DEALER AGREEMENT

Subject to the terms and on the conditions contained in the dealer agreement dated 16 October 2019 (such Dealer Agreement as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") made between the Issuer, the Guarantor, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The Issuer and the Guarantor have agreed to pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer and the Guarantor have agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant subscription agreement.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may, to the extent permitted by applicable laws and directives, over-allot Notes or effect transactions with a view to supporting the price of the Notes of the Series at a level higher than that which might otherwise prevail for a limited period after the Issue Date of the relevant Tranche of Notes, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the Issuer. However, there is no obligation of such Stabilisation Manager(s) to do this. Any loss or profit sustained as a consequence of any such overallotment or Stabilisation shall be for the account of the relevant Dealers. The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arrangers, the Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Arrangers, the Dealers or any of their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with or for the Issuer, the Guarantor and/or their respective affiliates for which they have received, or will receive, fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of the Issuer's, the Guarantor's or their business.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

In connection with the offering of Notes, the Dealers and/or their affiliates, or affiliates of the Issuer or the Guarantor may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the Notes. Accordingly, references herein to the offering of the Notes should be read as including any offering of the Notes to the Dealers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Notes may be constrained. The Issuer, the Guarantor and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Notes and could adversely affect the trading price and liquidity of the Notes. The Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the Issuer or the Guarantor.

UNITED STATES

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) except in certain transactions exempt from the registration requirements of the Securities Act.

(b) Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Bearer Notes will be issued in accordance with the provisions of U.S. Treasury Regulation or section 1.163 – 5(c)(2)(i)(D), unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with the provision of U.S. Treasury Regulation or section 1.163 – 5(c)(2)(i)(C). The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

(c) In connection with any Notes which are offered or sold outside the United States in reliance on exemption from the registration requirements of the Securities Act provided under Category 1 of Regulation S ("**Category 1 of Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and it will not offer, sell or deliver such Category 1 of Regulation S Notes within the United States or to a United States person, as such term is defined in the U.S. Internal Revenue Code of 1986 and regulations thereunder. Each Dealer has agreed that it will not offer, sell or deliver any Notes within the United States, except as permitted by the Dealer Agreement. In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Each Dealer has represented, and each further Dealer appointed under the Programme will be required to, represent that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

(d) In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Category 2 of Regulation S ("**Category 2 of Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered, sold and delivered, and it will offer, sell or deliver such Category 2 of Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified to the Issuer and each relevant Dealer, by the Fiscal Agent or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Category 2 of Regulation S Notes are a part, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and shall comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Category 2 of Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Category 2 of Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented, and each further Dealer appointed under the Programme will be required to, represent that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

(e) Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

UNITED KINGDOM

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the relevant subscription agreement:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Acts 2000 (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

EUROPEAN ECONOMIC AREA

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

    (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

    (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State other than:

(a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

SINGAPORE

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: *In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "****SFA****") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "****CMP Regulations 2018****"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

HONG KONG

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the SFO other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

PEOPLE'S REPUBLIC OF CHINA

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong Special Administrative Region and Macau Special Administrative Region of the People's Republic of China or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes may not be offered to members of the public in the British Virgin Islands.

BRITISH VIRGIN ISLANDS

No invitation has been or will be made to the public in the British Virgin Islands or a natural person who is a British Virgin Islands resident or citizen to offer to sell the Notes, the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

GENERAL

Each Dealer has agreed and each further Dealers appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor, the Company and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor, the Company and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction that would permit a public offering of any of the Notes, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of the Notes should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

PRC TAXATION

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In considering whether to invest in the Notes, potential purchasers should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Pursuant to the Enterprise Income Tax Law effective on 1 January 2008 and amended on 24 February 2017 and 29 December 2018 and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "de facto management bodies" are within the territory of the PRC shall be PRC tax resident enterprises for the purpose of the New Enterprise Income Tax Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside the PRC. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the Enterprise Income Tax Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside PRC. As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the Enterprise Income Tax Law. On that basis, holders of the Notes will not be subject to withholding tax, income tax or any other taxes or duties (including stamp duty) imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the Enterprise Income Tax Law and related implementation regulations in the future. If the Issuer is treated as a PRC tax resident enterprise, the interest payable by the Issuer may be considered as income sourced inside the PRC. Pursuant to the Enterprise Income Tax Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or its income has no actual connection to its establishment inside the PRC may be subject to enterprise income tax at the rate of 10 per cent. on the passive incomes including interest payable sourced inside the PRC unless a lower tax treaty rate applies. Similarly, pursuant to the PRC Individual Income Tax Law, any non-resident individual Noteholders may be subject to individual income tax at the rate of 20 per cent. on the interest payable, which may be further decreased by an applicable tax treaty. Such income tax shall be withheld at source by the PRC entity making payment, who shall be obliged to withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC enterprise and individual Noteholders. However, notwithstanding the potential withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Conditions.

Non-PRC Noteholders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Notes consummated outside mainland China between non-PRC Noteholders, except however, if the Issuer is treated as a PRC tax resident enterprise under the Enterprise Income Tax Law and related implementation regulations in the future, any gain realized by the non-PRC enterprise Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax unless decreased or exempted by an applicable tax treaty. Further, non-PRC individual Noteholders may be subject to individual income tax at the rate of 20 per cent. on the capital gains, which may be decreased or exempted by an applicable tax treaty.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes by the Bank, provided either:

(a) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable it is payable by the Bank on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

British Virgin Islands

The following is a discussion on certain British Virgin Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under British Virgin Islands law.

Under existing British Virgin Islands laws:

(i) The Issuer and all payments of interest and principal on the Notes and other amounts made by the Issuer to persons who are not persons resident in the British Virgin Islands and any capital gains realised with respect to the disposal of the Notes by persons who are not persons resident in the British Virgin Islands are exempt from all provisions of the Income Tax Act in the British Virgin Islands.

(ii) No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to any shares, debt obligation or other securities of the Issuer.

(iii) All instruments relating to transfers of property to or by the Issuer and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Issuer and all instruments relating to other transactions relating to the business of the Issuer are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

(iv) There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer or its shareholders.

United States FATCA Tax Provisions

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the People's Republic of China) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

GENERAL INFORMATION

AUTHORISATION

1. The establishment of, the update of, and the issue of Notes under, the Programme have been duly authorised by the board of directors of the Issuer at a board meeting held on 22 December 2014 and a written resolution of the board of directors of the Issuer dated 7 October 2016. The upsize of the Programme have been duly authorised by the written resolutions of the board of directors of the Issuer at a board meeting held on 6 September 2019.

LISTING

2. Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular. Separate application may be made for the listing of the Notes on the Hong Kong Stock Exchange. The issue price of listed Notes on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted for the listing of the Programme, commence on or about the date of listing of the Programme.

AUTHORISATION

3. Each of the Issuer, the Company and the Guarantor has obtained, or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue of the Notes and the performance of their respective obligations under the Notes and the Guarantee.

NDRC APPROVAL

4. The Notes will be issued in accordance with either (i) the requirements under the NDRC Circular issued by the NDRC on 14 September 2015 or (ii) the then applicable annual foreign debt quota granted by the NDRC to the Bank for any issuance of the Notes pursuant to the NDRC Circular.

5. In the case of (i), the Issuer will make or procure to be made a pre-issuance registration with the NDRC, followed by a post-issuance filing with the NDRC within the prescribed time following issuance of the Notes. In the case of (ii), the Issuer is able to rely on the annual foreign debt quota granted to the Bank by the NDRC and is not required to make any pre-issuance registration for issuance of the Notes within the annual foreign debt quota with the NDRC. However, the Issuer will be required to make or procure to be made a post-issuance filing with the NDRC within the prescribed time following issuance of the Notes.

CLEARING SYSTEMS

6. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The Issuer may also to have Bearer Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. If the Notes are to clear

through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

NO SIGNIFICANT CHANGE

7. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer, the Company, the Guarantor, the Bank or of the Group since 30 June 2021 and there has been no material adverse change in the financial position or prospects of the Issuer, the Company, the Guarantor or of the Group since 31 December 2020.

LITIGATION

8. Save as disclosed in this Offering Circular, neither the Issuer, the Company, the Guarantor nor any member of the Group is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer, the Company or the Guarantor is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Issuer, the Company, the Guarantor or the Group.

AUDITORS

9. The independent auditor of the Bank for the year ended 31 December 2018 was PricewaterhouseCoopers. The current independent auditor of the Bank is EY. PricewaterhouseCoopers and EY are Certified Public Accountants under The Hong Kong Institute of Certified Public Accountants.

10. The audited consolidated financial statements of the Bank as at and for the year ended 31 December 2018, which are incorporated by reference in this Offering Circular, have been audited by PricewaterhouseCoopers, independent auditor of the Bank in 2018, as stated in their report incorporated by reference herein.

11. The audited consolidated financial statements of the Bank as at and for the years ended 31 December 2019 and 2020, which are incorporated by reference in this Offering Circular, have been audited by EY, current independent auditor of the Bank, as stated in their report incorporated by reference herein.

12. The unaudited consolidated interim financial statements of the Bank as at and for the six months ended 30 June 2021, which are incorporated by reference in this Offering Circular, have been reviewed by EY, independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, as stated in their report incorporated by reference herein, but have not been audited by them.

DOCUMENTS

13. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the specified office of the Issuer at 12/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong and (for items (b) to (g) only) upon prior written request and satisfactory proof of holding from the specified office of the Fiscal Agent for the time being at One Canada Square, London E14 5AL, United Kingdom:

    (a) the constitutional documents of the Issuer and the Guarantor;

(b) the audited consolidated financial statements of the Bank in respect of the financial year ended 31 December 2019 and 2020 (together with the audit report in connection therewith). The Bank currently prepares audited consolidated accounts on an annual basis;

(c) the unaudited consolidated interim financial statements of the Bank in respect of the six months ended 30 June 2021;

(d) the most recent annual audited consolidated financial statements of the Issuer (if any) and the Bank and the most recently published unaudited consolidated interim financial statements of the Issuer (if any) and the Bank;

(e) the Fiscal Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(f) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein; and

(g) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer, the Guarantor and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

ISSUER

State Elite Global Limited 邦傑環球有限公司
P.O. Box 957, Offshore
Incorporations Centre, Road Town
Tortola, British Virgin Islands

GUARANTOR

China Construction Bank Corporation, Hong Kong Branch
28/F CCB Tower
3 Connaught Road Central
Central, Hong Kong

COMPANY

CCB International (Holdings) Limited
12/F CCB Tower
3 Connaught Road Central
Central, Hong Kong

FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

CMU LODGING AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT IN RESPECT OF CMU NOTES

The Bank of New York Mellon, Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong

REGISTRAR AND TRANSFER AGENT IN RESPECT OF NOTES OTHER THAN CMU NOTES

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg

LEGAL ADVISERS

To the Issuer and the Guarantor as to English law

Freshfields Bruckhaus Deringer
55th Floor, One Island East
Taikoo Place, Quarry Bay
Hong Kong

To the Arrangers and Dealers as to PRC law

Global Law Office
15/F, Tower 1, China Central Place
No. 81 Jianguo Road
Beijing 100025, China

To the Issuer and Guarantor as to British Virgin Islands law

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

To the Arrangers and Dealers as to English law

Linklaters
11th Floor, Alexandra House
Chater Road
Central, Hong Kong

INDEPENDENT AUDITORS

For the year ended 31 December 2018

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

From 1 January 2019 onwards

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

APPENDIX 2

PRICING SUPPLEMENT RELATING TO THE NOTES DATED 23 SEPTEMBER 2021

Pricing Supplement

Pricing Supplement dated 23 September 2021

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Professional Investors**") only.

The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor, the Company, the Bank or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, 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 document.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor, the Company, the Bank, the Group, the Notes and the Guarantee. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

State Elite Global Limited 邦傑環球有限公司

Issue of US$700,000,000 1.50 per cent. Fixed Rate Notes due 2026 under the US$2,700,000,000 Medium Term Note Programme Unconditionally and Irrevocably Guaranteed by China Construction Bank Corporation, Hong Kong Branch

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 22 September 2021. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated 22 September 2021. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular and this Pricing Supplement. In particular, investors in the Notes should read the section titled "Risk Factors" contained therein.

1	(i) Issuer:	State Elite Global Limited 邦傑環球有限公司
	(ii) Company:	CCB International (Holdings) Limited
2	Guarantor:	China Construction Bank Corporation, Hong Kong Branch
3	Series Number:	005
4	Specified Currency or Currencies:	United States Dollars ("**US$**")
5	Aggregate Nominal Amount:	US$700,000,000
	Series:	US$700,000,000
6	(i) Issue Price:	99.813 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds	US$698,691,000
7	(i) Specified Denominations:	US$200,000 and integral multiples of US$1,000 in excess thereof
	(ii) Calculation Amount:	US$1,000
8	(i) Issue Date:	29 September 2021
	(ii) Interest Commencement Date:	Issue Date
9	Maturity Date:	29 September 2026
10	Interest Basis:	1.50 per cent. Fixed Rate
11	Redemption/Payment Basis:	Redemption at par
12	Change of Interest or Redemption/Payment Basis:	Not Applicable
13	Put/Call Options:	Not Applicable
14	Listing:	The Stock Exchange of Hong Kong Limited, listing expected to be effective on or about 30 September 2021
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	1.50 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	29 September and 29 March in each year
	(iii) Fixed Coupon Amount:	U.S.$7.5 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5(j)):	30/360
	(vi) Denomination Date(s) (Condition 5(j)):	Not Applicable
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
17	Floating Rate Note Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable
19	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20	Call Option	Not Applicable
21	Put Option	Not Applicable
22	Final Redemption Amount of each Note	US$1,000 per Calculation Amount
23	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c) or, where otherwise specified herein, Condition 6(d) or Condition 6(e)) or an Event of Default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	US$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	**Registered Notes**: Registered Notes may not be exchanged for Bearer Notes. Global Certificate exchangeable for Certificates in the limited circumstances described in the Global Certificate.

25	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
28	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
29	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
30	Other terms or special conditions:	Not Applicable

DISTRIBUTION

31 (i) If syndicated, names of Managers:

CCB International Capital Limited
China Construction Bank (Asia) Corporation Limited
Agricultural Bank of China Limited Hong Kong Branch
Australia and New Zealand Banking Group Limited
Bank of China Limited
Bank of Communications Co., Ltd. Hong Kong Branch
BOCOM International Securities Limited
China CITIC Bank International Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China International Capital Corporation Hong Kong Securities Limited
China Minsheng Banking Corp., Ltd., Hong Kong Branch
China Securities (International) Corporate Finance Company Limited
China Zheshang Bank Co., Ltd. (Hong Kong Branch)
CMBC Securities Company Limited
CMB Wing Lung Bank Limited
Guotai Junan Securities (Hong Kong) Limited
Huatai Financial Holdings (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
ICBC International Securities Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial Bank Co., Ltd, Hong Kong Branch

		Nanyang Commercial Bank, Limited Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch SPDB International Capital Limited Standard Chartered Bank The Bank of East Asia, Limited (together, the "**Managers**")
	(ii) Date of Subscription Agreement	23 September 2021
	(iii) Stabilisation Manager(s) (if any):	Any of the Managers (except for China CITIC Bank International Limited) appointed and acting in its capacity as stabilisation manager.
32	If non-syndicated, name of the relevant Dealer:	Not Applicable
33	U.S. Selling Restrictions:	Reg. S Category 1 TEFRA not applicable
34	Prohibition of Sales to EEA Retail Investors:	Not Applicable
35	Prohibition of Sales to UK Retail Investors:	Not Applicable
36	Additional selling restrictions:	Not Applicable

YIELD

37	Indication of yield:	1.539

OPERATION INFORMATION

38	Legal Entity Identifier:	254900FRO7K50Y54IW59
39	ISIN Code:	XS2388909181
40	Common Code:	238890918
41	CMU Instrument Number	Not Applicable
42	Any clearing system(s) other than Euroclear/ Clearstream and the CMU and the relevant identification number(s):	Not Applicable
43	Delivery:	Delivery against payment
44	Additional Paying Agent(s) (if any):	Not Applicable
45	Ratings:	The Notes are expected to be assigned a rating of "A1" by Moody's Investors Service Hong Kong Ltd. and a rating of "A" by Standard & Poor's Ratings Services. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

GENERAL

46	The aggregate nominal amount of Notes issued has been translated into U.S. dollars	Not Applicable

	at the rate of, producing a sum of (for Notes not denominated in Hong Kong dollars):	
47	In the case of Registered Notes, specify the location of the office of the Registrar if other than Luxembourg:	Not Applicable
48	In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London:	Not Applicable

USE OF PROCEEDS

The net proceeds from the Notes will be used for refinancing and general corporate purposes.

LISTING

This Pricing Supplement comprises the final terms required to list the issue of the Notes described herein pursuant to the US$2,700,000,000 Medium Term Note Programme of the Issuer.

STABILISATION

In connection with the issue of the Notes, any of the Managers named as Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

MATERIAL ADVERSE CHANGE STATEMENT

There has been no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since 30 June 2021.

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of State Elite Global Limited 邦傑環球有限公司:

By: ....

Duly authorised

Signed on behalf of China Construction Bank Corporation, Hong Kong Branch:

By: ....

Duly authorised