

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading 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: The Offering Circular is being sent to you at your request, and by accepting the e-mail and accessing the attached document, you shall be deemed to represent to China CITIC Bank International Limited 中信銀行（國際）有限公司 (the "**Bank**") or any branch of the Bank as specified in the relevant Pricing Supplement (each a "**Branch Issuer**" and, together with the Bank, the "**Issuers**" and each an "**Issuer**") and China CITIC Bank International Limited 中信銀行（國際）有限公司 (the "**Arranger**") that (1) you and any customers you represent are not U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) and that 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) that you consent to the delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission. To the extent you purchase the securities described in the attached Offering Circular, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Bank, the Branch Issuers, the Arranger, the dealers named herein (the "**Dealers**"), the agents named herein (the "**Agents**") nor their respective affiliates and their respective directors, officers, employees, representatives, agents and each person who controls the Bank, the Branch Issuers, the Arranger, a Dealer, an Agent or their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you on request from the Arranger or Dealers.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER 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 OR (IN THE CASE OF SECURITIES IN BEARER FORM) DELIVERED 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.

Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of the Bank, the Branch Issuers, the Arranger 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 an Arranger or a 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 relevant Issuer in such jurisdiction.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the 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 document, 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 THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE 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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CHINA CITIC BANK INTERNATIONAL LIMITED
中信銀行(國際)有限公司

(A public company limited by shares incorporated under the Companies Ordinance of Hong Kong with Business Registration No. 00620985 and Legal Entity Identifier 54930034UPFJT0NHXT95)

U.S.\$2,000,000,000
Global Securities Programme

Under the U.S.\$2,000,000,000 Global Securities Programme described in this Offering Circular (the "**Programme**"), China CITIC Bank International Limited 中信銀行(國際)有限公司 (the "**Bank**") or any branch of the Bank as specified in the relevant Pricing Supplement (as defined below) (a "**Branch Issuer**" and together with the Bank, the "**Issuers**") and each an "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Bank (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 by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes.

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.

Where applicable for a relevant Tranche (as defined under "*General Conditions of the Notes*") of Notes, the Notes will be issued within the relevant annual foreign debt issuance quota granted to the Bank or its affiliate by the National Development and Reform Commission of the PRC (the "**NDRC**") or registration will be completed by the Bank with the NDRC pursuant to the Administrative Measures for Examination and Registration of Medium- and Long-term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第 56 號)) issued by the NDRC and effective as of 10 February 2023 and any implementation rules, regulations, certificates, circulars or notices in connection therewith as issued by the NDRC from time to time (the "**NDRC Administrative Measures**"). After the issuance of such relevant Tranche of Notes, the Bank intends to provide the requisite information and documents on the issuance of such Notes to the NDRC within the time period as required by the NDRC.

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 of Notes will be set out in a pricing supplement (the "**Pricing Supplement**").

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and 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. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see "*Subscription and Sale*" below.

Each Tranche of Notes of each Series (as defined in "*Form of the Notes*") in bearer form 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**"), together with any Temporary Global Note, the "**Bearer Global Notes**"). Notes in registered form will initially be represented by a global note in registered form (each a "**Global Certificate**" and, together with any Bearer Global Notes, the "**Global Notes**" and each a "**Global Note**"). Global Certificates will be registered in the name of, or in the name of a nominee for, one or more clearing systems. Global Notes may be deposited on the issue date with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Global Notes may also be deposited with a sub-custodian for the Hong Kong Monetary Authority (the "**HKMA**"), as operator of the Central Money Markets Unit Service, operated by the HKMA (the "**CMU**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Form of the Notes*".

The relevant Issuer may agree with any Dealer that the Notes may be issued in a form not contemplated by the general conditions of the Notes set out herein under "*General Conditions of the Notes*" (the "**General Conditions of the Notes**"), in which event (in the case of Notes intended to be listed on the SGX-ST) a supplemental offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes is 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, change or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

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 the 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 the Notes. Investors should be aware that there are various other risks relating to the Notes, the Issuers, the Bank and its subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Notes. See "*Risk Factors*" beginning on page 10 for a discussion of certain factors to be considered in connection with an investment in the Notes.

Arranger and Dealer

China CITIC Bank International

The date of this Offering Circular is 13 February 2025.

IMPORTANT NOTICE

The Bank, having made all reasonable enquiries, confirms that, to the best of its knowledge and belief, that the Offering Circular contains all information with respect to the Bank, its subsidiaries and the Notes, which is material in the context of the issue and offering of the Notes (including all information required by applicable laws of Hong Kong), that the information contained therein is true and accurate in all material respects and is not misleading in any material respect, that the opinions or intentions expressed therein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts the omission of which would, in the context of the issue and offering of the Notes, make the Offering Circular as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect, that all reasonable inquiries have been made by the Bank and (if relevant) the Branch Issuer to verify the accuracy of such information and that the Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

No person is or has been authorised by the Bank or any Branch Issuer to give any information or to make any representations other than those contained in this Offering Circular in connection with the Programme or the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Bank, any Branch Issuer, the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular to the fullest extent permitted by law. None of the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates 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 Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates accepts any responsibility for the contents of this Offering Circular. Each of the Arranger and the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates accordingly disclaims 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. Neither this Offering Circular nor any financial statements included or incorporated herein are intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by any of the Bank, any Branch Issuer, the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates that any recipient of this Offering Circular or any such financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank, any Branch Issuer and the risks involved. The purchase of Notes by investors should be based upon their investigation, as they deem necessary. None of the Arranger nor the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates undertakes to review the financial condition or affairs of the Bank, any Branch Issuer and 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 Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates.

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Bank, any Branch Issuer, any of the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Bank or any Branch Issuer is correct at any time subsequent to the date hereof, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates expressly do not undertake to review the financial condition or affairs of the Bank or any Branch Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently

published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

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 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. 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. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and Bearer Notes 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. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Circular, see "*Subscription and Sale*" and the applicable Pricing Supplement.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" (the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the relevant Issuer, the CMI or the relevant group company. Prospective investors associated with the relevant Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the relevant Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such

prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMI's in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMI's (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

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 Directive 2014/65/EU (as amended, "**MiFID II**") or (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 Directive 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 ("**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 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**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 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.

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 such target market; 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 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 Arranger 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 Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE — The Pricing Supplement in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular or any Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuers, the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates 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 any of the Issuers, the Arranger or the Dealers or any of their respective directors, officers, employees, agents, representatives or affiliates 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 that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor 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. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the European Economic Area, the United Kingdom, Singapore, Japan, Hong Kong, Macau and the People's Republic of China. See "*Subscription and Sale*" and the relevant Pricing Supplement.

Industry and Market Data

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the relevant Issuer believes the information to be reliable, it has not been independently verified by the Bank, any Branch Issuer, the Arranger, the Dealers or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives and none of the Bank, any Branch Issuer, the Arranger, the Dealers or the Agents or their respective affiliates, directors,

officers, employees, agents, advisers or representatives makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Bank, any Branch Issuer, the Group and the terms of the offering and the Notes, including the merits and risks involved. Where information has been sourced from a third party, the relevant Issuer confirms that this information has been accurately reproduced and that, as far as the relevant Issuer is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

All hyperlink references in this Offering Circular to a website or webpage are guidance to sources of other information as is in the public domain only. The contents of such website or webpage (the "**Contents**") do not form part of this Offering Circular or the Programme. Neither the Bank, any Branch Issuer, the Dealers nor any of them accept responsibility for any damages or losses incurred or suffered arising out of or in connection with the use of such hyperlink or such Contents. Such Contents have neither been prepared for the Programme nor for incorporation into this Offering Circular. Such hyperlink or Contents may be limited to persons located or residing in only that particular jurisdiction, and may not be intended for persons located or residing in jurisdictions that restrict the distribution of such hyperlink or Contents.

CERTAIN DEFINITIONS

Unless otherwise specified or the context requires, references herein to the "**Bank**" refer to China CITIC Bank International Limited 中信銀行（國際）有限公司; references to the "**Issuer**" refer to the Bank or any branch of the Bank as specified in the relevant Pricing Supplement as being the issuer of a Series of Notes (each, a "**Branch Issuer**"); references to the "**Group**" refer to the Bank and its subsidiaries taken as a whole; references to "**U.S. dollars**" and "**U.S.\$**" are to the lawful currency of the United States of America (the "**USA**" or the "**U.S.**"); references to "**Hong Kong dollars**", "**HK dollars**" and "**HK\$**" are to the lawful currency of Hong Kong; references to "**Renminbi**" and "**RMB**" are to the lawful currency of the People's Republic of China (the "**PRC**"); references to "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom and references to "**EUR**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In addition, references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the PRC, references to "**Macau**" are to the Macau Special Administrative Region of the PRC, references to "**Mainland China**" are to the PRC excluding Hong Kong and Macau and references to "**Greater China**" are to the PRC including Hong Kong and Macau. Unless otherwise specified or the context requires, references to:

- "**CIFH**" refer to CITIC International Financial Holdings Limited;
- "**CITIC Corporation Limited**" refer to CITIC Corporation Limited (formerly known as CITIC Limited prior to renaming in August 2014);
- "**CITIC**" or "**CITIC Group**" refer to CITIC Group Corporation Limited (formerly known as CITIC Group Corporation prior to restructuring in December 2011);
- "**CITIC Limited**" refer to CITIC Limited (formerly known as CITIC Pacific Limited prior to renaming in August 2014);
- "**CNCB**" refer to China CITIC Bank Corporation Limited;
- "**IT**" refer to information technology;
- "**MOFCOM**" refer to the Ministry of Commerce of the PRC;
- "**NFRA**" refer to National Financial Regulatory Administration or its relevant local counterpart;
- "**PBOC**" refer to the People's Bank of China, the central bank of the PRC; and
- "**SAFE**" refer to the State Administration of Foreign Exchange of the PRC.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. Unless otherwise specified, where financial information has been translated into U.S. dollars, it has been so translated for information purposes only, at the rate of HK\$7.8083 to U.S.\$1.00, which is the exchange rate set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 28 June 2024. No representation is made that the Hong Kong dollar, Renminbi, Euro or U.S. dollar amounts referred to herein could have been or could be converted into Hong Kong dollars, Renminbi, Euro or U.S. dollars, as the case may be, at any particular rate or at all.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purpose only. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

The Bank has included statements in this Offering Circular which contain words or phrases such as "will", "would", "aim", "aimed", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "anticipated", "estimate", "estimating", "intend", "plan", "seeking to", "future", "objective", "should", "can", "could", "may", and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the relevant Issuer's expectations with respect to, but not limited to, its ability to successfully implement its strategy, its ability to integrate recent or future mergers or acquisitions into its operations, future levels of non-performing assets and restructured assets, its growth and expansion, the adequacy of its provision for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings it is or becomes a party to, the future impact of new accounting standards, its ability to pay dividends, its ability to roll over its short-term funding sources, its exposure to operational, market, credit, interest rate and currency risks and the market acceptance of and demand for internet banking services. These forward-looking statements speak only as of the date of this Offering Circular. The Issuers expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024, as set out on pages 4 to 68 of the interim report of the Bank for the six months ended 30 June 2024, which is posted on the website of the Bank at <https://www.cncbinternational.com/document/about-us/interim-and-annual-reports/en/2024/intrep.pdf> and the website of the Hong Kong Monetary Authority at this direct link: https://vpr.hkma.gov.hk/statics/assets/doc/100040/fd_int/fd_int_0624.pdf;
- (b) the audited consolidated financial statements of the Group for the year ended 31 December 2023, as set out on pages 51 to 209 of the annual report of the Bank for the year ended 31 December 2023, which is posted on the website of the Bank at https://www.cncbinternational.com/document/about-us/interim-and-annual-reports/en/2023/annual_report.pdf and the website of the Hong Kong Monetary Authority at this direct link: https://vpr.hkma.gov.hk/statics/assets/doc/100040/ar_23/ar_23.pdf; and
- (c) the audited consolidated financial statements of the Group for the year ended 31 December 2022, as set out on pages 62 to 211 of the annual report of the Bank for the year ended 31 December 2022, which is posted on the website of the Bank at https://www.cncbinternational.com/document/about-us/interim-and-annual-reports/en/2022/annual_report.pdf and the website of the Hong Kong Monetary Authority at this direct link: https://vpr.hkma.gov.hk/statics/assets/doc/100040/ar_22/ar_22.pdf.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the most recently published audited consolidated financial statements of the Group and the most recently published unaudited but reviewed consolidated interim financial statements of the Group, together with any audit or review reports prepared in connection therewith; and
- (b) all supplements or amendments to this Offering Circular circulated by any Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Where consolidated interim financial information is included or incorporated by reference into this Offering Circular, none of such consolidated interim financial information in respect of the six months ended 30 June of each financial year of the Bank has been audited or reviewed by any auditors and such financial information may not provide the same type or quality of information associated with information that has been audited or reviewed. Potential investors must exercise caution when using such data to evaluate the relevant Issuer's financial condition and results of operations, and must not place undue reliance on such financial information.

The relevant Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the relevant Issuer at its office, as set out at the end of this Offering Circular. Pricing Supplements relating to unlisted Notes will only be available for inspection by a holder of such Notes, and such holder must produce evidence satisfactory to the relevant Issuer or the relevant Paying Agent as to its holding of Notes and its identity.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new or supplemental offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuers may from time to time issue Notes denominated in any currency, subject to those matters set out herein. A summary of the general conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the General Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*".

This Offering Circular and any supplement hereto will only be valid for Notes issued under the Programme in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$2,000,000,000 or its equivalent in other currencies.

SUMMARY STATEMENT OF FINANCIAL POSITION DATA

	As at 31 December				As at 30 June	
	2021	2022	2023		2024	
	HK\$ (audited)	HK\$ (audited)	HK\$ (audited)	U.S.\$ (unaudited)	HK\$ (unaudited)	U.S.\$ (unaudited)
<i>(in millions)</i>						
Assets						
Cash and balances with banks and central banks.....	28,828.5	19,028.3	16,931.9	2,168.5	15,135.5	1,938.4
Placements with and advances to banks	21,058.6	33,839.7	55,052.2	7,050.5	42,241.7	5,409.8
Financial assets held under resale agreement.....						
— at fair value through profit or loss.....	-	-	3,101.2	397.2	3,797.1	486.3
— at amortised cost.....	-	2,746.5	4,592.5	588.2	4,500.7	576.4
Derivative financial instrument.....	8,888.8	23,927.6	19,414.2	2,486.3	18,139.8	2,323.1
Financial investments						
— at fair value through profit or loss.....	3,106.3	791.8	2,449.2	313.7	2,511.5	321.6
— at fair value through other comprehensive income..	103,926.4	112,894.4	128,792.7	16,494.3	127,170.1	16,286.5
Loans and advances to customers and other accounts						
— at fair value through profit or loss.....	-	3,768.1	5,435.3	696.1	9,749.3	1,248.6
— at amortised cost.....	-	-	219,657.7	28,131.3	234,056.5	29,975.3
Tax recoverable.....	-	14.8	9.6	1.2	9.3	1.2
Right-of-use assets	559.1	866.8	979.6	125.5	873.5	111.9
Property and equipment						
— Investment properties.....	446.6	399.5	401.3	51.4	401.3	51.4
— Other premises and equipment.....	479.2	418.9	571.3	73.2	578.5	74.1
Intangible assets	539.8	453.9	401.2	51.4	428.7	54.9
Deferred tax assets	168.9	417.6	187.1	24.0	125.8	16.1
Total Assets	417,472.0	451,650.9	470,386.9	60,241.9	459,719.4	58,875.7
Liabilities and Equity						
Liabilities						
Deposits and balances of banks and other financial institutions.....	13,584.4	9,239.5	11,531.4	1,476.8	9,890.4	1,266.6
Deposits from customers.....	327,768.0	340,487.9	340,730.7	43,637.0	334,578.4	42,849.1
Financial liabilities at fair value through profit or loss	768.0	249.0	8.6	1.1	232.1	29.7
Financial assets sold under repurchase agreements						
— at fair value through profit or loss.....	-	-	2,835.2	363.1	3,068.7	393.0
— at amortised cost.....	-	3,318.3	16,300.7	2,087.6	16,699.6	2,138.7
Derivative financial instruments	8,766.4	23,355.9	19,408.3	2,485.6	17,171.2	2,199.1
Certificates of deposit issued	1,481.4	1,169.7	1,561.8	200.0	1,093.1	140.0
Current tax liabilities	120.7	250.5	209.1	26.8	245.5	31.4
Deferred tax liabilities	1.6	1.8	1.2	0.2	1.8	0.2
Other liabilities.....	10,718.5	17,404.4	15,402.0	1,972.5	17,391.9	2,227.4
Lease liabilities	592.6	907.1	1,075.7	137.8	988.5	126.6
Loan capital	3,883.9	3,891.0	7,806.2	999.7	3,895.2	498.9
Total Liabilities	367,685.5	396,956.8	416,870.9	53,388.2	405,256.5	51,900.7
Equity						
Share capital	18,404.0	18,404.0	18,404.0	2,357.0	18,404.0	2,357.0
Reserves	22,827.7	23,047.4	25,776.6	3,301.2	26,723.5	3,422.4
Total shareholders' equity	41,231.7	41,451.4	44,180.6	5,658.2	45,127.5	5,779.4
Other equity instruments.....	8,554.8	13,242.7	9,335.4	1,195.6	9,335.4	1,195.6
Total Equity	49,786.6	54,694.2	53,516.0	6,853.7	54,462.9	6,975.0
Total Equity and Liabilities	417,472.0	451,650.9	470,386.9	60,241.9	459,719.4	58,875.7

	At 31 December 2021	At 31 December 2022	At 31 December 2023	At 30 June 2024
<i>(per cent.)</i>				
OTHER INFORMATION				
Common Equity Tier 1 ("CET1") capital ratio ⁽¹⁾	12.2	12.0	13.4	13.3
Tier 1 capital ratio ⁽¹⁾	14.9	16.2	16.4	16.3
Total capital ratio ⁽¹⁾	17.4	18.6	20.1	18.7
Loans to deposits.....	73.7	72.2	66.1	68.4
Loans to total assets	58.1	54.6	48.1	49.9
ECL Allowance Coverage ⁽²⁾	0.8	0.6	0.5	0.8
Cost to income	47.9	48.4	41.5	36.4
Return on average total assets	0.50	0.51	0.56	-
Return on average shareholders' equity	5.21	5.47	6.00	-

Notes:

- (1) As at 31 December 2021, 2022 and 2023 and as at 30 June 2024, the capital adequacy ratio was computed on a consolidated basis covering the Bank and certain of its subsidiaries as required by the Hong Kong Monetary Authority for its regulatory purposes and was in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority.
- (2) The ratios represented collectively assessed expected credit losses allowances on loans and advances to customers divided by the gross carrying amount of loans and advances to customers.

TIER I AND TIER II CAPITAL BASE — As at 30 June 2024

Capital adequacy ratios ("CARs") are complied with in accordance with the Banking (Capital) Rules issued by the HKMA. The CARs are computed on a consolidated basis covering the Bank and some of its subsidiaries as required by the HKMA. The Bank has adopted the "standardised approach" for calculating the risk-weighted amount for credit risk and market risk and the "basic indicator approach" for calculating operational risk.

	As at 31 December				As at 30 June	
	2021	2022	2023		2024	
	HK\$ (audited)	HK\$ (audited)	HK\$ (audited)	U.S.\$ (unaudited)	HK\$ (unaudited)	U.S.\$ (unaudited)
	<i>(in millions)</i>					
CET1 capital: instruments and reserves						
Directly issued qualifying CET1 capital instruments plus any related share premium	18,052.2	18,058.8	18,058.9	2,312.8	18,058.9	2,312.8
Retained earnings		23,823.1	25,588.7	3,277.1	26,390.8	3,379.8
Disclosed reserves	822.7	(627.2)	194.1	24.9	338.6	43.4
CET1 capital before regulatory deductions	40,994.5	41,254.7	43,841.6	5,614.7	44,788.3	5,736.0
CET1 capital: regulatory deductions						
Deferred tax assets in excess of deferred tax liabilities	168.9	417.7	187.1	24.0	125.8	16.1
Other intangible assets (net of related deferred tax liability)	539.8	453.9	401.2	51.4	428.7	54.9
Cumulative fair value gains arising from the revaluation of land and buildings (own use and investment properties)	340.2	293.1	294.9	37.8	294.9	37.8
Regulatory reserve for general banking risks	2,061.3	2,326.3	2,219.5	284.2	2,582.5	330.7
Valuation adjustments	22.6	38.6	50.4	6.4	21.1	2.7
Debt valuation adjustments in respect of derivative contracts	2.6	5.4	3.5	0.5	3.7	0.5
Total regulatory deductions to CET1 capital	3,135.4	3,535.0	3,156.6	404.3	3,456.8	442.7
CET1 capital	37,859.1	37,719.7	40,685.0	5,210.5	41,331.6	5,293.3
Additional Tier 1 (AT1) capital	8,556.0	13,243.9	9,335.4	1,195.6	9,335.4	1,195.6
Tier 1 capital	46,415.1	50,963.6	50,020.4	6,406.0	50,667.0	6,488.9
Tier 2 capital: instruments and provisions						
Qualifying Tier 2 capital instruments plus any related share Premium	3,898.4	3,899.0	7,809.2	1,000.1	3,904.0	500.0
Reserve attributable to fair value gains on revaluation of holdings of land and buildings	153.1	131.9	132.7	17.0	132.7	17.0
Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	3,472.3	3,523.7	3,287.9	421.1	3,330.1	426.5
Tier 2 capital base before deductions	7,523.8	7,554.6	11,229.9	1,438.2	7,366.8	943.5
Tier 2 capital: regulatory deductions						
Regulatory deductions to Tier 2 capital	-	-	-	-	-	-
Tier 2 capital	7,523.8	7,554.6	11,229.9	1,438.2	7,366.8	943.5
Total capital	53,938.9	58,518.2	61,250.2	7,844.2	58,033.8	7,432.3

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 general conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "General Conditions of the Notes" shall have the same meanings in this summary.

Bank..... China CITIC Bank International Limited 中信銀行（國際）有限公司

The Bank is incorporated and licensed in Hong Kong with business operations and presence spanning across Hong Kong, Macau, Mainland China, the United States and Singapore. It is majority-owned by CITIC International Financial Holdings Limited, a company incorporated in Hong Kong, which in turn is wholly owned by China CITIC Bank Corporation Limited.

Issuer The Bank or any Branch Issuer, or any other member of the Group who accedes to the Programme as an additional issuer from time to time, as specified in the relevant Pricing Supplement as being the Issuer of a Series of Notes

Description..... Global Securities Programme

Arranger..... China CITIC Bank International Limited 中信銀行（國際）有限公司

Dealers China CITIC Bank International Limited 中信銀行（國際）有限公司 and any other Dealer appointed from time to time either by the Bank generally in respect of the Programme or by the relevant Issuer in relation to a particular Series of Notes

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*" and the relevant Pricing Supplement), 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 received 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 of the United Kingdom 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*".

Calculation Agent..... China CITIC Bank International Limited 中信銀行（國際）有限公司

Fiscal Agent China CITIC Bank International Limited 中信銀行（國際）有限公司

Registrar and Transfer Agent..... China CITIC Bank International Limited 中信銀行（國際）有限公司

CMU Lodging and Paying Agent	China CITIC Bank International Limited 中信銀行（國際）有限公司
Principal Paying Agent	China CITIC Bank International Limited 中信銀行（國際）有限公司
Programme Size	Up to U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described under " <i>General Description of the Programme</i> ") outstanding at any time. The Bank may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private or public placement and, in each case, on a syndicated or non-syndicated basis. The Notes may be issued in series (each a " Series ") having one or more issue dates (each tranche within such Series a " Tranche ") and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Pricing Supplement.
Interest	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.
Denominations	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. See " <i>Certain Restrictions</i> " above.
Currencies	Subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Maturities	Such maturities as may be agreed between the relevant 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 relevant 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 par 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 " <i>Form of the Notes</i> ". Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the relevant 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 relevant Issuer and the Dealer.
Floating Rate Notes	The rate of interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with either ISDA Determination or Screen Rate Determination, as specified in the

relevant General Conditions of the Notes in respect of the Floating Rate Notes.

Benchmark discontinuation	See Conditions 5(b)(iv) and 5(b)(v).
Variable Rate Notes	Payments of principal or of interest in respect of Variable Rate Notes will be calculated by reference to a formula or to changes in the prices of reference assets or to such other factors as the relevant Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Variable Rate Notes	Floating Rate Notes and Variable Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Variable Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant 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 relevant 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 relevant 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	<p>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 relevant Issuer following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant 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 relevant Issuer and the relevant Dealer.</p> <p>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.</p>
Taxation	All payments under the Notes will be made by the relevant Issuer net of any applicable tax, duty, withholding or other payment which may be required to be paid, withheld or deducted.
Events of Default	Events of Default for the Notes are set out in Condition 10.
Status of the Notes	The Notes and the Receipts and the Coupons relating to them will constitute direct, unconditional and unsubordinated obligations of the relevant Issuer, ranking <i>pari passu</i> and without any preference among themselves.
Listing	Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes

are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign 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, the Receipts, the Coupons and the Talons will be governed by, and shall be construed in accordance with, Hong Kong 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 (and the Conditions), Receipts, Coupons or Talons, and accordingly any legal action or proceedings arising out of or in connection with any Notes (and the Conditions), Receipts, Coupons or Talons 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, Macau 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*" and the relevant Pricing Supplement.

United States Selling Restrictions..... Regulation S, Category 1. 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 and/or any other clearing system as specified in the applicable Pricing Supplement. See "*Form of the Notes*".

RISK FACTORS

Investors should carefully consider, together with all other information contained in this Offering Circular, the risks and uncertainties described below. The business, financial condition or results of operations of the Bank and the Group may be adversely affected by any of these risks. The risks described below are not the only ones relevant to the Bank or the Notes. The Bank believe the risks described below represent the principal risks inherent when considering an investment in the Notes. Additional risks and uncertainties not presently known to the Bank, or which the Bank currently deems immaterial, may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur, and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.

The Bank does not represent that the statements below regarding the risk factors of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Bank's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Circular.

RISKS RELATING TO THE BANK'S BUSINESS

The Group is subject to significant competition.

The Group is subject to significant competition from many other banks and financial institutions, including competitors which have significantly more financial and other capital resources, higher market share, and stronger brand recognition than the Group. In particular, the banking and financial services industry in Hong Kong is a mature market and, according to statistics published by the HKMA, as at 31 August 2024, there were 31 Hong Kong incorporated licensed banks and 118 licensed banks incorporated outside Hong Kong, competing for a customer population of over 7.5 million people. Therefore, many of the international and local banks and niche players operating in Hong Kong compete for substantially the same customers as the Group. There is a limited market, especially for retail banking products such as investment and insurance products, home mortgage loans, credit cards and personal loans businesses. The strength of competition in the past few years has had an adverse impact on the pricing of certain products. In recent years, competition among banks in Hong Kong for investment and insurance products, home mortgage loans, credit cards and personal loans business has become very aggressive. There can be no assurance that the Group will be able to compete effectively in the face of such competition or that increased competition will not have a material adverse effect on the Group's business, financial condition or results of operations.

As a result of the intensified competition among banks, the Bank has experienced downward pressure on its profit margins in recent years. To counter the effects of increased competition, the Bank has actively pursued a strategy of diversifying its income sources by focusing on increasing its fee-based income, introducing innovative products and, at the same time, improving the cost efficiency of its operations. However, there can be no assurance that the Bank will be able to compete successfully in the mature Hong Kong banking market and sustain its profitability in future.

Following the PRC's accession to the World Trade Organisation, a number of foreign banks have received authorisation from the PRC government to provide RMB-denominated banking and financial services ("**RMB services**") to PRC domestic enterprises and to individuals from five years after its accession. The Closer Economic Partnership Agreement with the PRC (the "**CEPA**"), which allows Hong Kong banks to operate in the PRC, has also increased competition in the Mainland China market. Since April 2007, the PRC government has begun granting approvals for locally incorporated banking licences for a number of foreign banks which allow them to compete with PRC domestic banks on equal footing, thereby effectively removing regulatory restrictions on the geographical presence, customer base and operating licences of foreign banks. Accordingly, the Group is likely to face competition in the Mainland China market from both existing local Chinese banks and foreign bank entrants. There can be no assurance that the Group will maintain its current market position or be able to continue to develop its business successfully in Mainland China if, as expected, competition in the banking sector in Mainland China intensifies as a result of these changes in the regulatory environment in the PRC.

The introduction of CEPA has also enabled Mainland China banks to relocate certain operations, for example, the handling of international securities and bonds, as well as foreign exchange trading centres, to Hong Kong. Under CEPA, Mainland China banks are encouraged to expand their business through mergers and acquisitions ("M&A"). The entry of Mainland China banks into the Hong Kong market via M&A is likely to result in increased competition in the banking sector in Hong Kong and there can be no assurance that the Group's business will not be affected by the increased competition.

The Group's business is vulnerable to volatility in interest rates.

Changes in market interest rates affect the interest received on the Group's interest-earning assets and the interest paid on the Group's interest-bearing liabilities. The differences in timing and level of changes in interest rates can result in an increase in interest expense relative to its interest income, which may lead to a reduction in its net interest income. Interest rates in Hong Kong are sensitive to factors over which the Group has no control, including, among others:

- interest rates in the United States;
- liquidity of the domestic inter-bank market and the international capital markets;
- domestic and international economic and political conditions; and
- competition for loan demand.

Any significant volatility and abrupt movements in interest rates could adversely affect the Group's business, financial condition and results of operations.

In the event that interest rates move against the Bank's position, it may adversely affect the Group's business, financial condition or results of operations. In recent years, the market interest rates have increased on various occasions in the United States, resulting in a volatile interest rate environment in Hong Kong, and fluctuating interest rates may affect the Group's business, financial condition, liquidity, results of operations and profitability. For the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023 and 2024, the Bank's net interest margin was 1.44 per cent., 1.67 per cent., 1.81 per cent., 1.73 per cent. and 1.75 per cent, respectively. Any substantial increase in interest rates may decrease the value of the Group's debt securities portfolio and raise the Group's funding costs. In addition, a continued rise in interest rate levels may adversely affect the economy in Hong Kong and in turn, the financial condition and repayment ability of the Group's corporate and individual borrowers, including credit card holders, which may then lead to a deterioration in the Group's credit portfolio. There is also no assurance that any decreases to interest rates will be sustained in the long-term.

In addition, the Group is subject to interest rate risk as a result of mismatches in the pricing and duration of its assets and liabilities. A significant part of the Group's funding requirements is met through short-term or floating rate funding sources, primarily in the form of deposits, including customer deposits, inter-bank deposits and certificates of deposit, which tend to be at floating rates and are regularly repriced. In contrast, some of the Group's assets either receive a fixed rate of interest or if they receive a floating rate of interest, they may not be repriced as frequently as the Group's deposits. The Group closely monitors the risks associated with changes in interest rates that may arise from maturity gaps, basis risks among different interest rate benchmarks, yield curve movements, interest rate repricing risks and risks from embedded options (if any), and mitigates such risks through the use of interest rate derivatives, mainly interest rate swaps, to hedge both assets and liabilities as available-for-sale securities and non-trading liabilities. Sensitivity analyses on the Bank's interest rate exposures are also conducted on a quarterly basis. However, in a volatile interest rate environment there can be no assurance that the Group's net interest margin will not be adversely affected and the Group's net interest income reduced.

The activities of the Group's Treasury and Markets Group ("TMG") also involve taking interest rate and credit spread risk. As the funding of treasury investments is generally of shorter duration than the assets that are held, which primarily consist of both fixed rate and floating rate investments, TMG may employ hedging strategies as appropriate to protect its portfolio. However, there can be no assurance that the investment income of TMG would not suffer from a rising interest rate environment or a widening credit spread situation. Furthermore, there can be no assurance that the Bank will be able to generate positive net interest income in the future, and it is likely that in a continuing rising interest rate environment, the Bank's gain from disposals of securities may be lower, or that TMG may even incur losses.

The Group has significant exposure to the Hong Kong property market.

The Group has significant exposure to the Hong Kong property market. As at 30 June 2024, home mortgage loans in Hong Kong (excluding loans under the Home Ownership Scheme and the Private Sector Participation Scheme and loans under a mortgage refinancing scheme launched by the Bank in 2002) accounted for 10.0 per cent. of the Group's gross loans and advances while loans for property investment accounted for 10.3 per cent. of the Group's gross loans and advances.

The Hong Kong property market is highly cyclical and property prices in general have been resilient in recent years, and the Hong Kong government may introduce measures on the Hong Kong property market from time to time, which may have a significant impact on the supply and demand in the property market and the property prices.

Property prices in Hong Kong have been on an extended upturn and have increased significantly since the second half of 2009. In light of the increasing risk of a property price bubble, the Hong Kong government (the "HKSAR Government") introduced various measures to cool the Hong Kong property market since 2012. These measures, combined with slowing economic growth and expectations of USD/HKD interest rate hikes, brought down residential property prices by 13 per cent. during the six-month period ended March 2016. Since then, however, the effects of the HKSAR Government's cooling measures have increasingly diminished as economic growth rebounded, market liquidity increased further and housing supply remained insufficient. Consequently, the property prices have more than recovered and repeatedly reached new highs. The property market experienced a downturn and housing prices decreased by nearly 10 per cent. in the second half of 2018, largely due to the China-US conflicts over trade policies and a hike in HKD prime rate. Yet again, the property market recovered quickly with the housing prices reaching a new high in June 2019, before heading for another correction as a result of the local social unrest followed by the outbreak of the COVID-19 pandemic. The correction was relatively moderate in the residential property market, which was just down by around 9 per cent., primarily due to the ample liquidity condition and low-interest rate environment created by ultra- accommodative monetary policies across a majority of global central banks. The residential property market managed to recoup the loss and recorded a new high in August 2021. However, a resumed economic downturn that led to a contraction of the Hong Kong economy for the third time in four years, together with the rapid tightening financial condition in Hong Kong on the back of the continuous US interest rate hikes by the Federal Reserve Bank of New York, weighed heavily on the property market. In February 2024, the HKSAR Government announced the abolition of all demand-side management measures for residential properties. The Special Stamp Duty and the Buyer's Stamp Duty are no longer charged on all residential property transactions. At the same time, the Hong Kong Monetary Authority issued guidelines to banks relaxing mortgage loan-to-value ratios and stress tests. Both initiatives were conducive to the purchase of new and replacement homes for local residents and encouraged Mainland talents and professionals to work and buy their own homes in Hong Kong. However, there is no assurance that these initiatives will be effective, or that such initiatives will be sustained in the long-term and further cooling measures will not be implemented.

With the Group's significant exposure to the Hong Kong property market, any substantial fall or prolonged fluctuations in property values or liquidity of the Hong Kong property market could adversely affect the Group's business and financial condition and/or results of operations.

The Group has significant PRC exposure.

A significant proportion of the Group's loans are advanced to PRC entities, which are identified by borrowers that are domiciled in the PRC, or guaranteed by entities domiciled in the PRC and thus have their risks transferred to PRC country risk. Such PRC-related loans accounted for 18.8 per cent. of the Group's gross loans and advances as at 30 June 2024. As at 30 June 2024, 16.7 per cent. of the Group's total non-performing loans are PRC-related non-performing loans. See "*Selected Statistical and Other Information Relating to the Group — Asset quality — Top ten non-performing loans*".

There can be no assurance that the Group's continued exposure to the PRC or its continual development in the PRC will not have a negative impact on the Group's earnings or an adverse effect on the Group's business, financial condition or results of operations. See "*Description of the Issuer — Strategy*".

The Group has significant committed exposure to a relatively few number of borrowers.

As at 30 June 2024, the Group's 20 largest borrowers (including groups of individuals and companies) accounted for approximately HK\$53,052 million (U.S.\$6,795 million) or 104.71 per cent. of the Group's Tier 1 capital base. As at 30 June 2024, the Group's five largest borrowers (including groups of individuals and companies) accounted for approximately HK\$18,547 million (U.S.\$2,375 million) or 36.61 per cent. of the Group's Tier 1 capital base, with the largest borrower accounting for HK\$4,922 million (U.S.\$630 million) or 9.71 per cent. of the Group's Tier 1 capital base. See "*Selected Statistical and Other Information Relating to the Group — Loan Portfolio — Customer loan concentration*". The non-performance of loans held by one or more of these customers could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group's funding is primarily short-term, and if depositors do not roll over their deposits upon maturity, the Group's liquidity could be adversely affected.

The Group's funding requirements are primarily met through short-term funding sources, primarily in the form of customer deposits, inter-bank deposits and shareholder's funds. As at 30 June 2024, 82.3 per cent. of the Group's customer deposits had a remaining maturity of three months or less. Historically, a substantial portion of such customer deposits have been rolled over upon maturity. However, no assurance can be given that this pattern will continue. If a substantial number of depositors fail to roll over deposited funds upon maturity, the Group's liquidity position would be adversely affected and it may need to seek alternative sources of short-term or long-term funding to finance its operations, which may be more expensive than the current level of deposits.

The Deposit Protection Scheme (the "**Deposit Protection Scheme**") established under the Deposit Protection Scheme Ordinance (Cap. 581) of Hong Kong (as amended by the Deposit Protection Scheme (Amendment) Ordinance 2010 enacted on 1 January 2011, the Deposit Protection Scheme (Amendment) Ordinance 2016 effective from 2016 and the Deposit Protection Scheme (Amendment) Ordinance 2024 effective from 1 October 2024) protects eligible deposits held with licensed banks in Hong Kong. Among other things, a gross pay-out approach is adopted for the determination of compensation under the Deposit Protection Scheme in case such scheme is triggered. Under this approach, any compensation paid to depositors is determined on the basis of their aggregate protected deposits held with a bank which fails (up to HK\$800,000 per depositor) without deducting the amount of liabilities owed by those depositors to the same bank. However, there can be no assurance that the level of customer deposits of the Group will not be adversely affected by any future withdrawal of or any other changes to the Deposit Protection Scheme.

The HKMA acts as the provider of the Contingent Term Facility under the Liquidity Facilities Framework to all authorised institutions in Hong Kong to provide support for liquidity needs in the banking system generally as well as to specific institutions. In this regard, certain portions of the Bank's interest-earning assets are acceptable to the HKMA for such emergency funding support. However, there can be no assurance that the HKMA will take measures to assist banks in Hong Kong in the future or that it would elect to provide liquidity support assistance in the future to the Bank in the event of a liquidity crisis.

If the Bank is unable to control the level of impaired loans in its loan portfolio, its financial condition and results of operations will be materially and adversely affected.

The Bank's results of operations may be negatively impacted by its impaired loans due to asset deterioration. Pursuant to the accounting principles under the Hong Kong Financial Reporting Standards which are applicable to the Bank, loans are impaired if there is objective evidence that the Bank will not be able to collect all amounts due according to the original contractual terms of the loans. As at 31 December 2021, 2022 and 2023 and 30 June 2024, the total amount of the Bank's impaired loans was HK\$2,254.2 million, HK\$4,167.0 million, HK\$5,167.4 million and HK\$5,921.8 million (U.S.\$758.4 million), respectively. The Bank's impairment allowances on loans and advances amounted to HK\$1,377.6 million, HK\$2,440.5 million, HK\$1,193.2 million and HK\$1,694.8 million (U.S.\$217.1 million) as at 31 December 2021, 2022, 2023 and 30 June 2024, respectively, covering 83.0 per cent., 33.1 per cent., 23.1 per cent. and 28.6 per cent. of its total impaired loans as at the same dates.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of businesses of the Bank and there can be no assurance that the Bank will be able to control effectively the level of impaired loans in its loan portfolio and the credit quality of its borrowers and counterparties. In particular, the amount of the Bank's reported impaired loans, the

ratio of its impaired loans to its loans and advances to customers may increase and the recoverability and value of the assets of the Bank may reduce in the future as a result of deterioration in the quality of its loan portfolio. Such deterioration may occur for a variety of reasons, including factors which are beyond the Bank's control, such as a slowdown in economic growth and other adverse macroeconomic conditions in Hong Kong and Greater China which may cause operational, financial and liquidity problems for its borrowers and hence materially and adversely affect their ability to service their outstanding debts.

Furthermore, a portion of the Bank's impairment allowances are estimated based on expected credit losses ("ECL") which have considered the historical patterns between credit quality and movement of macroeconomic factors of its loan portfolio. As historical patterns may behave differently in the future, its current impairment allowances on loans and advances may not be adequate to cover any unforeseeable change in the historical pattern or any future deterioration in the overall credit quality of the Bank's loan portfolio. As a result, the Bank may be required to increase its impairment allowances for impaired loans, which may in turn reduce its profit and adversely affect its financial condition and results of operations. Moreover, there is no precise method for predicting loan losses, and there can be no assurance that the Bank's impairment allowances on loans and advances are or will be sufficient to cover actual losses. If the Bank is unable to manage the above risks and control the level of its impaired loans, its financial condition and results of operations will be materially and adversely affected.

The Group's classification of loans and its policy in relation to the adequacy of allowance for loan losses may be different from the standards of other countries.

In accordance with guidelines set by the HKMA, the Bank classifies its problem loans into one of three categories corresponding to levels of risk: "sub-standard", "doubtful" and "loss". The classification of loans into one of these categories depends on various quantitative and qualitative factors, including the number of overdue days, the type of loan, the tenor of the loan, the likelihood of collection, the type and amount of collateral, whether the net realizable value of the security is sufficient to cover the principal and accrued interest, whether the principal or interest amount has been overdue for more than 90 days, and the expectations for recovery or performance.

The laws, regulations and guidelines governing banking businesses in Hong Kong differ from those applicable in certain other countries in certain respects and may result in particular loans being classified at a different time or being classified in a category reflecting a different degree of risk than would be required in certain other countries. In addition, the typical procedures for writing off loans in Hong Kong may result in loans being written off later than would be the case for banks in certain other countries. Banks in Hong Kong may have different sets of criteria for recognition of accrued interest on loans which may be treated differently in certain other countries. While the Bank believes that its loan policies are generally in line with those which are required under Hong Kong laws and regulations, the Bank is not required to maintain such policies at levels above those generally applicable to banks in Hong Kong. For a description of the banking regulations that apply to banks in Hong Kong, see "*Regulation and Supervision*".

The Bank may be involved in legal, regulatory and administrative actions, proceedings and investigations arising from its operations from time to time.

The Group is required to comply with legal and regulatory requirements, including but not limited to, rules and regulations on conflicts of interest, anti-money laundering and anti-terrorism, sales and trading practices, ethical issues, data privacy, information security and transactions with affiliates. Any defect in compliance may give rise to relevant risks, which may result in regulatory and administrative actions, litigation, proceedings and investigations being asserted against the Group and/or subject the Group to regulatory enforcement actions, fines, penalties or reputational damage. The extent of damages claimed in such actions or proceedings against financial institutions has been increased for various reasons, such as a substantial increase in the number of regulatory changes in recent years, heightened media attention and greater expectations from regulators and the public in respect of business conduct.

The Group may from time to time, be involved in legal proceedings arising in the ordinary course of its operations. Litigation arising from any failure or deficiency in the Group's operations, including but not limited to, inadequate or substandard internal processes, systems or personnel, may result in the relevant member(s) of the Group being named as defendant in lawsuits involving large claims or subject such member(s) of the Group to significant regulatory penalties. These risks are often difficult to assess or quantify and their existence and magnitude could remain unknown for a substantial period of time. Actions or investigations brought against the Group or any of its directors, officers or key employees may result in

settlements, injunctions, fines, penalties or other results adverse to the Group's reputation, financial condition and results of operations. Even if the Group were to be successful in defending these actions or investigations, the costs of such defence may be significant. The number of legal claims and amount of damages sought in litigation and regulatory proceedings may also increase in times of market downturn. A significant judgment, arbitration award or regulatory action against the Group, or a disruption in the Group's business arising from investigations or adverse adjudications in proceedings against any of its directors, senior management or key employees, would materially and adversely affect the Group's liquidity, business, financial condition, results of operations and prospects.

For example, the Bank offers a range of wealth management and investment products to its customers and is required, among other things, to assess the suitability of customers for particular investment products and ensure that risks associated with those products are adequately disclosed to customers before the Bank sells such products to them. The Bank may become liable to customers for damages and may be subject to regulatory enforcement actions if the sale of these products by the Bank is subsequently found to be in breach of the relevant legal or regulatory requirements, or duties owed to customers. Given the nature of the Bank's businesses, the Bank will face potential litigation and claims from disgruntled investors who have suffered losses with respect to their investments in the investment products subscribed through the Bank. Based on currently available information as at the date of this Offering Circular, the Bank does not expect such potential litigation and claims to have a material adverse impact on the Group's financial position.

The HKMA and the Securities and Futures Commission (the "SFC") regularly review and investigate complaints received from investors alleging mis-selling of investment products. The Hong Kong regulators can impose fines and/or suspend or withdraw a distributor's licence to engage in regulated activities in the event that a distributor has been found to have mis-sold investment products or be otherwise in breach of its legal or regulatory obligations. In response to issues arising from the distribution of structured products in previous global financial crisis, the regulators in Hong Kong have since introduced new rules and regulations that impose stricter obligations on banks in Hong Kong in connection with the sale of investment products to their customers.

From time to time, regulators in Hong Kong may introduce recommendations which are intended to provide tighter control and more transparency in the Hong Kong banking sector, including but not limited to those in relation to the selling of investment products to retail customers. Any failure of the Group to comply with the latest laws or regulations could result in administrative actions or sanctions, which may have an adverse effect on the Group's results of operations. There can be no assurance that the Group will be able to fully comply with any regulatory changes on a timely basis or that there would not be any inadvertent breaches of the relevant laws and regulations. If any of the foregoing were to occur, the Group may be subject to significant liabilities or penalties. Furthermore, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that could cause the Group to incur liabilities.

Litigation and claims from customers will always be a possibility and such claims, in the aggregate, may become material to the Bank. Similarly, there can be no assurance that relevant government authorities or regulators will not seek to impose fines and/or suspend the Bank's regulated activities as a result of regulatory proceedings. Regulatory pressure to settle claims could also result in material payments by the Bank to disgruntled investors, which often does not reflect the merits of the parties' cases. Any legal or regulatory proceedings, whether substantiated or not, may result in negative publicity and a loss of customer confidence and/or goodwill, which may lead to a loss of business that may pose adverse effect on the Bank's reputation with existing and potential customers, as well as the Bank's business, financial condition or results of operations. Lastly, future legislative or regulatory restrictions may also limit the practice and ability of the Bank to sell structured investment products, which may have an impact on the Bank's business.

Fluctuations in foreign exchange rates could have an adverse effect on the Group's business, financial condition or results of operations.

The Group undertakes various foreign exchange transactions as part of its treasury business and in providing hedging solutions to its corporate and retail customers. Foreign exchange positions of the Bank are subject to exposure limits approved by the Market Risk Committee (the "MRC"). The Bank's Market Risk & Liquidity Modelling function conducts regular and independent assessment, stress testing and scenario analysis and monitors and controls the Bank's foreign currency risk exposure against corresponding limits including individual currency positions and overall foreign exchange positions and sensitivities.

However, there can be no assurance that a significant change in the exchange rate between the relevant foreign currency and the Hong Kong dollar will not result in the Group incurring foreign exchange related losses, which in turn could have an adverse effect on the Group's business, financial condition or results of operations.

Security breaches to, and eliminating security problems of, the Group's internet banking services could have an adverse effect on its operations and reputation.

To the extent that the Group's internet banking activities involve storage and transmission of confidential information, security breaches could expose the Group to possible liability and damage its reputation. The Group's network may be vulnerable to unauthorised access, computer viruses and other disruptive problems. Costs incurred in rectifying any of such disruptive problems may be high and may adversely affect the Group's business, financial condition or results of operations. Concerns regarding security risks may deter the Group's existing and potential customers from using its internet banking products and services. Eliminating computer viruses and alleviating other security problems may result in interruptions, delays or termination of user access to the Group's internet banking services. Undetected defects in software products that the Group uses in providing its internet banking services, and the Group's inability to sustain a high volume of traffic, may materially and adversely affect the Group's internet banking business.

CITIC is the ultimate controlling shareholder of the Bank.

The Bank is 75 per cent. owned by CIFH which is 100 per cent. owned by CNCB. In turn, CNCB is over 60 per cent. indirectly owned by CITIC Limited. CITIC Limited is over 50 per cent. indirectly owned by the CITIC Group. CITIC Limited and CNCB are both listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

With their controlling shareholding, CITIC and CNCB ultimately determine the strategy, management and operations of the Bank. CITIC and CNCB are able to determine the Bank's corporate policies, appoint its directors and officers, and vote to pursue corporate actions requiring shareholders' approval. See "Management". Although to date the Bank has been managed independently, there can be no assurance that the Bank will maintain its independence in the event of a conflict of interests with CITIC and CNCB.

The Bank's strategy includes comprehensive collaboration with the CITIC Group and CNCB with an emphasis on the Bank's role as the core offshore business platform to provide customers with global and integrated services and to enhance cross-border comprehensive financial service capabilities. There can be no assurance that conflicts of interests will not arise between the Bank and CNCB and/or other CITIC companies. Under these conditions, there can be no assurance that the Bank can continue to develop its business in the PRC successfully.

The Bank's future strategy is dependent on its success in maximising synergies with CNCB.

CIFH's privatisation in November 2008 and the CIFH Acquisition (as defined in "*Description of the Issuer*") by CNCB are integral steps to CITIC's Restructuring Strategy (as defined in "*Description of the Issuer*") to develop into an international PRC banking franchise. The Bank's future strategy is developed based on its role as the international commercial banking platform for CITIC and CNCB. Its success will depend on the Bank's ability to maximise synergies with CNCB.

There can be no assurance that the strategic initiatives of the Bank and CNCB will be successful, or that the anticipated synergies expected to be generated from the strategic initiatives will be realised, as these may be affected by numerous factors including difficulties in integrating the existing operations of CNCB and the Bank, unforeseen contingent risks or latent liabilities that may only become apparent following completion of such integration, potential adverse tax consequences to the Bank and loss of key personnel.

There could be material changes in, or a breach of, the regulations that govern the Group and its business activities

Banks in Hong Kong are subject to the supervision of the HKMA, whose supervisory framework is in line with international standards. The Group's banking business in Hong Kong conducted through the Bank could be directly affected by any changes in the HKMA's policies, including in the areas of specific lending activities, loan provisioning, capital adequacy and liquidity requirements. See "*— The Bank is subject to various regulatory requirements in the Hong Kong banking industry*", "*— The Bank is subject to minimum regulatory capital and liquidity requirements*" and "*Regulation and Supervision*". In addition, any changes

in regulatory or governmental policies, tax laws or rules and accounting principles, as well as international conventions and standards relating to commercial banking operations, including changes under Basel III, could affect the Group's operations and financial performance. There can be no assurance that any future changes in the regulatory environment for banks in Hong Kong will not adversely affect the Group's business, financial condition or results of operations in the future.

Furthermore, the Bank is also subject to tax-related risks in the countries and regions in which it operates. For example, US laws and regulations such as the Foreign Account Tax Compliance Act may have impact on the financial institutions in Hong Kong generally as well as the Group's operations and reporting obligations. The Bank's interpretation or application of these tax laws may differ from those of the relevant tax authorities. The Group makes provision for potential tax liabilities that may arise on the basis of the estimated amounts to be paid to the tax authorities, but the final amounts paid may differ materially from the estimates depending on the ultimate resolution of such matters. The Organisation for Economic Co-operation and Development (the "OECD") has developed a common reporting standard ("CRS") and model competent authority agreement to enable the multilateral and automatic exchange of financial account information. Under CRS, financial institutions are required to identify and report the tax residence status of customers in all countries that have endorsed CRS. The adoption of CRS in the PRC and Hong Kong became effective on 1 January 2017, and PRC and Hong Kong financial institutions began collecting tax residency information from account holders since then for submission. In December 2021, the OECD published model rules that provided a template for countries to implement a new global minimum tax rate of 15 per cent. from 2023. The increased due diligence required to be conducted on customer information and the reporting of information to tax authorities will continue to raise operational and compliance costs for banks, including the Group. Separately, potential changes to tax laws and tax rate, in the countries and territories in which the Bank operates could increase its effective tax rate in the future and have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and capital position.

Apart from the above, certain products and services provided by the Group are regulated by other regulators, including the SFC and the Insurance Authority in Hong Kong. The Group carefully manages legal and compliance risks, including in relation to the sale of financial and insurance products and anti-money laundering regulations. However, there can be no assurance that breaches of legislation or regulations by the Group will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred.

The occurrence of a contagious disease in Mainland China, Hong Kong or Macau could affect the Group's business, financial condition or results of operations.

During the first half of 2003, the outbreak of the Severe Acute Respiratory System ("SARS") caused an adverse effect on the economies of the affected regions in Asia, including Hong Kong and the PRC, which impinged on the Group's operations in these affected regions. In the last few years, there have also been outbreaks of avian influenza in parts of Asia, including Hong Kong. In 2009, there were outbreaks of the Human Swine Influenza A ("H1N1") virus globally and on 11 June 2009, the World Health Organization (the "WHO") raised its pandemic alert level to Phase 6, its highest level, after considering data confirming the H1N1 outbreak. In March 2020, the WHO declared the coronavirus ("COVID-19") a global pandemic. Many governments across the world imposed measures in an effort to contain the spread of COVID-19, including mandatory business closures, travel restrictions, quarantines, lockdowns, limitations on public gatherings and the suspension of major events. These containment measures caused disruptions across Hong Kong, Macau, Mainland China and a majority of countries globally. The COVID-19 pandemic had led to significant volatilities in the global markets across all asset classes such as stocks, bonds, oil and other commodities and had a material impact on the performance of the Group at the time.

While the World Health Organization declared in May 2023 that COVID-19 was no longer a Public Health Emergency of International Concern, there can be no assurance that there will not be a resurgence of COVID-19 or an outbreak of other regional or global epidemics that could result in similar or worse negative impact on the Hong Kong, PRC and worldwide economies in the future, which in turn could materially and adversely affect the Group's business, financial condition and results of operations.

The Bank may issue further securities.

To ensure that it remains in compliance with applicable capital requirements under Hong Kong law, rules and regulations (including guidelines issued by the HKMA), the Bank may from time to time raise

additional capital through such means and in such manner as it may consider appropriate including, without limitation, the issue of further notes (whether on terms similar to the Notes issued under the Programme or otherwise) or other hybrid capital instruments, subject to any regulatory approval that may be required. There can be no assurance that such future capital raising activities will not adversely affect the market price of the Notes issued under the Programme in the secondary market.

The Group may be affected by a discontinuation of or amendment to the link of the Hong Kong dollar to the US dollar or revaluation of the Hong Kong dollar.

Under the Linked Exchange Rate System established in 1983, HK dollar banknotes are fully backed by US dollars at a rate of HK\$7.80 to U.S.\$1 (the "Linked Rate") and depending on the flow of funds into and out of the HK dollar market, the HKMA also operates convertibility undertakings on both the strong side and the weak side of the Linked Rate within the convertibility zone between HK\$7.75 and HK\$7.85 to U.S.\$1. In the event that this policy were to be changed or there were to be a revaluation of the Hong Kong dollar, it could adversely affect the Hong Kong economy and, as a result, the Group's business, financial condition or results of operations. There can be no assurance that the Hong Kong dollar will continue to be linked to the US dollar. As at 30 June 2024, the Group had U.S. dollar denominated assets of approximately HK\$161.4 million (U.S.\$20.7 million) and U.S. dollar denominated liabilities of approximately HK\$155.8 million (U.S.\$20.0 million), representing approximately 67.3 per cent. and approximately 70.8 per cent. of the Group's total assets and liabilities, respectively, at the same date. A significant change in the exchange rate between the US dollar and the Hong Kong dollar may have an adverse effect on the Group's business, liquidity, financial position and capital.

The Group may be affected by an economic downturn in Hong Kong.

The Group conducts most of its operations and generates most of its revenue in Hong Kong. The Group's performance and the quality and growth of its assets are necessarily dependent on the overall economy in Hong Kong. As a result, any downturn in the Hong Kong economy may adversely affect the Group's business, financial condition or results of operations.

The Hong Kong economy is sensitive to global events and the economic performance of the PRC, the United States and other countries. Volatility in the global credit markets in recent years has affected, and may continue to affect, the availability of credit and the confidence of the financial markets, globally as well as in Hong Kong. Events such as the military conflict between Russia and Ukraine and Israel and Palestine, and the resulting sanctions imposed by the U.S. and Europe against Russia and Russian entities, have adversely affected and may continue to adversely affect global trade, commodity prices and oil supply. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries in early 2023. Furthermore, inflationary pressures may result in significant increases in costs of borrowing and production as well as severe reduction in business activities. Global economic downturns have in the past led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. Any of the foregoing risks may have a material adverse impact on macroeconomic factors which affect the Group's business, financial condition and results of operations.

It is impossible to predict how the Hong Kong economy will develop in the future and whether it will slow down due to a global crisis or experience a financial crisis. If there is any renewed economic downturn or any significant slowdown in the global economy, there can be no assurance that the Hong Kong economy or the Group's business, financial condition and results of operations will not be adversely affected. There can also be no assurance that future global events will not have an adverse effect on the Hong Kong economy and the Group.

The Group may be affected by an economic downturn in the PRC.

The Group's performance and the quality and growth of its assets are also dependent on the overall economy in the PRC. Many of the Group's commercial customers are dependent to varying degrees on trade with the PRC. The value of the Group's PRC-related loans, as well as its loans to companies that have business interests in the PRC, may be influenced by the general state of the PRC economy and may be affected by significant political, social or legal uncertainties or changes in the PRC (including changes in political leadership, the rate of inflation, RMB interest rate and RMB exchange rate). There can be no assurance that

the economic and political environment in the PRC will remain favourable to the Group's business in the PRC in the future. See "*— Risks Relating to the Bank's Business — The Group has significant PRC exposure*".

Whilst the PRC economy has experienced significant growth in the past, the rate of growth has slowed in recent years. Whilst the PRC government is expected to revive economic growth with both fiscal and monetary measures, and at the same time coping with the problems of excess capacity and high corporate debt and containing financial risks, there is no assurance that these efforts with an aim to increase investors' confidence in the PRC economy will be effective. Sustained tension between the United States and China over a myriad of issues may also pose an additional risk to China's economic prospects and affect the stability of the global economy. Since the second half of 2018, there have been trade tensions between China and the United States with both countries imposing tariffs on certain products imported from each other. The escalating U.S.-China tension and the U.S. global trade policy against the PRC, including tightening regulatory restrictions, industry-specific quotas, tariffs, non-tariff barriers and taxes may have an adverse effect on the PRC economy. If the PRC's economy experiences a prolonged slowdown in growth or a downturn in the future, or if the RMB exchange rate experiences unexpected fluctuations, the Group's PRC business and its ability to implement its growth strategies in the PRC could be materially and adversely affected.

With the increased integration of the PRC and Hong Kong economies, PRC policies will have an impact on Hong Kong and Hong Kong companies conducting business in the PRC. The Bank and its customers may also be affected accordingly.

The Bank is subject to various regulatory requirements in the Hong Kong banking industry.

Under the Banking Ordinance (Cap. 155) of Hong Kong (the "**Banking Ordinance**"), the HKMA regulates the business activities and operations of commercial banks and has the ability to influence banking and financial markets generally. Potential investors should be aware that regulatory requirements in Hong Kong may differ from those that prevail in other countries. Since the Group operates in the highly regulated banking and securities industries in Hong Kong, potential investors should also be aware that the regulatory authorities have been consistently imposing higher standards and developing new guidelines and regulatory requirements such as the Basel III capital adequacy standards which have been adopted in Hong Kong.

In December 2010 and January 2011, the Basel Committee of Banking Supervision (the "**Basel Committee**") issued further capital requirements designed to raise the quality, consistency and transparency of banks' capital base and new global liquidity standards. These requirements are collectively known as Basel III. Among other things, Basel III increases the minimum capital adequacy ratio requirements in relation to risk-weighted assets, with the common equity requirement rising from 2 per cent. to 4.5 per cent. and the Tier 1 capital requirements rising from 4 per cent. to 6 per cent. The total minimum capital requirement remains unchanged at 8 per cent.

The Basel Committee's press release dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" included the following statements:

"The terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (a) the governing jurisdiction of the bank has in place laws that (i) require such Tier 1 and Tier 2 instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;
- (b) a peer group review confirms that the jurisdiction conforms with clause (a); and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a) in this paragraph."

The release also states as follows: "The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority" (for the purposes of this Offering Circular, each a "**Non-Viability Event**").

The initial stage of the Basel III reforms has been implemented by the Hong Kong government since the beginning of 2013, and the full implementation of the reforms is expected to be completed by January 2025.

These standards require banks to disclose key pieces of information on capital, risk exposures, risk assessment processes and hence capital adequacy. The aim of the new standards is to encourage banks to demonstrate to the market participants that their risk management systems are robust and that all relevant risks have been identified and controlled.

The Bank has taken steps to implement the recommendations by relevant regulators and to comply with any new or modified regulations. Increased regulation and the requirement for more stringent investor protections have increased its operational and compliance expenses. Any changes in regulation, governmental policies, income tax laws or rules and accounting principles, as well as international conventions and standards relating to commercial banking operations in Hong Kong, could affect the Group's operations. There can be no assurance that the relevant regulatory authorities will not implement further regulations and that such change will not materially increase the Group's operational and compliance costs or adversely affect its business or operations.

The Bank is subject to minimum regulatory capital and liquidity requirements.

The Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet minimum regulatory capital requirements. Capital requirements are now more sensitive to market movements than under previous regimes and capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse impact on the Group's results of operations. A shortage of available capital might restrict the Group's opportunities for expansion.

Under Basel III, capital and liquidity requirements have been raised. On 17 December 2009, the Basel Committee proposed fundamental reforms to the regulatory capital framework in its consultative document entitled 'Strengthening the resilience of the banking sector'. On 16 December 2010 and on 13 January 2011, the Basel Committee issued its final guidance on Basel III. The Basel Committee's package of reforms includes increasing the minimum common equity (or equivalent) requirement and the total Tier 1 capital requirement. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer to withstand future periods of stress. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer of common equity is to be applied as an extension of the conservation buffer. Furthermore, systemically important banks should have loss-absorbing capacity beyond these standards. The Basel III reforms also require Tier 1 and Tier 2 capital instruments to be more loss-absorbing. These reforms therefore increase the minimum quantity and quality of capital which banks are obliged to maintain. There can be no assurance as to the availability or cost of such capital. The capital requirements have been supplemented by a leverage ratio which has been adopted in Hong Kong. From a liquidity perspective, Basel III also strengthened the requirements and introduced liquidity coverage ratio and net stable funding ratio which have been adopted in Hong Kong. The reforms have been adopted in Hong Kong through a series of legislative amendments, with many of the new rules having taken effect from 2013, and the full implementation of the reforms is expected to be completed by January 2025.

There can be no assurance that, prior to its full implementation in Hong Kong by January 2025, the Basel Committee will not amend the package of reforms described above. Further, the HKMA may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital requirements on authorised institutions.

If the regulatory capital requirements, liquidity restrictions or ratios applied to the Group increases in the future, any failure of the Group to maintain such increased regulatory capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on the Group's results of operations.

The Bank is subject to the Financial Institutions (Resolution) Ordinance of Hong Kong.

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, such as the Bank, as

may be designated by the relevant resolution authorities (a "**FIRO Group Entity**"). The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution for a failing authorised institution or within scope financial institution in Hong Kong in order to stabilise and secure their continuity. In particular, in the context of a resolution of any FIRO Group Entity, and subject to certain safeguards, the relevant resolution authority may have the ability to resolve other entities within the Group as if they were themselves a within scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. Any such actions could potentially affect contractual and property rights relating to the relevant entity. The implementation of FIRO remains untested and certain details relating to FIRO have been or 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 or other Group entities, the Bank's operations and/or its financial position.

The exercise by the Monetary Authority of Singapore of resolution powers may be beyond the control of the Bank.

The Monetary Authority of Singapore (the "**MAS**") has certain resolution powers over failed financial institutions (or financial institutions which are at risk of failure, or which have breached their regulatory obligations) and these resolution powers can be exercised by the MAS prior to insolvency of the said financial institutions. These resolution powers were previously set out in the Monetary Authority of Singapore Act 1970 of Singapore. These powers have since been migrated with effect from 10 May 2024 and are currently set out in the Financial Services and Markets Act 2022 of Singapore (the "**FSM Act**") and the Financial Services and Markets (Resolution of Financial Institutions) Regulations 2024 (the "**FSM Regulations**").

The MAS' resolution powers include among other things, the power to transfer the whole or part of the business of a financial institution, the power to order a compulsory transfer of shares of a financial institution, the power to order a compulsory restructuring of share capital of the institution, the exercise of statutory powers allowing the MAS to temporarily stay early termination rights (including set-off and netting rights) of counterparties to financial contracts (including those governed by foreign laws) entered into with a financial institution over which the MAS may exercise its resolution powers (which would include Singapore licensed banks), a statutory bail in regime, cross-border recognition of resolution action, creditor safeguards and resolution funding. These resolution powers extend to the Bank.

If the MAS exercises its resolution powers in respect of the Bank, this may have the effect of adversely affecting the business, financial condition and results of operations of the Bank and the Bank's subsidiaries.

RISKS RELATING TO THE NOTES

Potential investors should not place undue reliance on the financial information incorporated by reference that is not audited.

This Offering Circular incorporates published unaudited but reviewed interim consolidated financial statements of the Bank for the six months ended 30 June 2024, and 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.

None of such consolidated interim financial information in respect of the six months ended 30 June of each financial year of the Bank has been audited or reviewed by any auditors and such financial information may not provide the same type or quality of information associated with information that has been audited or reviewed. The half-yearly interim financial information should also not be taken as an indication of the expected financial condition or results of operations of the Group for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Bank's financial condition and results of operations, and must not place undue reliance on such financial information.

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 or 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 their 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.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch of the Bank.

On 7 July 2017, FIRO came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorized 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 the Bank 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 a 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 if the Issuer is the Hong Kong Branch of the Bank. Holders of Notes may become subject to and bound by the FIRO.

The implementation of FIRO remains untested and certain details 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 the Bank's consolidated subsidiaries, the Bank's operations and/or financial position.

The Notes are subordinated to all secured debt of each of the Branch Issuer and the Bank.

Each Tranche of Notes will rank at least equally with all other unsecured and unsubordinated indebtedness (except for creditors whose claims are preferred by law and which rank ahead of the holders of the Notes) that each of the Branch Issuer and the Bank has issued or may issue. Payments under the Notes are effectively subordinated to all secured debt of each of the Branch 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 Branch Issuer's and the Bank's secured lenders, in the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding involving the Branch Issuer and the Bank, the affected assets of the Branch 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 Bank, all other claims against such subsidiary, including trade payables, have been fully paid.

An active trading market for the Notes may not develop. Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued).

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 those 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 relevant Issuer is not able to obtain or maintain a listing and quotation of any Tranche of Notes that are listed on any stock exchange, the sustainability and liquidity of such Notes may be adversely affected. The market for investment grade has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

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.

China CITIC Bank International Limited 中信銀行（國際）有限公司, as an Issuer of the Programme, is also appointed as an Arranger and Dealer and performs agency and other roles for the Programme. Investors should 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.

The Bank or its subsidiaries may also issue other competing financial products which may affect the value of the Notes.

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

The General Conditions of the Notes are governed by Hong Kong law. No assurance can be given as to the impact of any possible judicial decision or change to Hong Kong 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. 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 relevant Issuer to perform its obligations under 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. The relevant Issuer is not 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.

Investors shall pay attention to any modifications and waivers.

The General Conditions of the Notes 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, and the recourse available to such minority Noteholders may be limited.

The General Conditions of the Notes 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 General Conditions of the relevant Notes may also be amended without the consent of the Noteholders if the amendment (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest or proven error or omission, or (iii) will not materially and adversely affect the interests of the Noteholders. Any such amendments, modifications or variations may be considered to be adverse to the interests of individual and/or minority Noteholders and in such circumstances, the recourse available to the minority Noteholders may be limited.

The General Conditions of the Notes also provide that the parties to the Agency Agreement (as defined below) may agree to modify any provision thereof, but the Bank shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, is made to correct a manifest error or will not materially and adversely affect the interests of the Noteholders. Any such modifications may be considered to be adverse to the interests of individual and/or minority Noteholders and in such circumstances, the recourse available to the minority Noteholders may be limited.

The General Conditions of the Notes further provide that, without the consent of Noteholders, the relevant Issuer may substitute any other company (the "**Substitute**") for itself as principal debtor under the Notes. This is subject, however, to certain requirements being met before substitution can take place. Any such substitutions may be considered to be adverse to the interests of individual and/or minority Noteholders and in such circumstances, the recourse available to the minority Noteholders may be limited.

The Notes may be represented by Global Notes, and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream or lodged with the CMU (each of Euroclear, Clearstream and the CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, 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, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, as the case may be, or in the case of CMU, to the person(s) for whose account(s) interests in a Global Note are credited (as set out in a CMU Issue Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU). A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes 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 System(s) 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 tradeable 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 may 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 relevant Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

Early redemption of the Notes.

The Notes may be redeemed early in accordance with their terms in a number of different circumstances (for example, following certain events affecting the reference assets, the occurrence of certain illegality, sanctions, regulatory or taxation events or an additional disruption event, if the Issuer exercises its option to redeem the Notes (if applicable under the relevant Pricing Supplement) or if the Noteholders exercise their option to redeem the Notes (if applicable under the relevant Pricing Supplement)) as further detailed in the General Conditions of the Notes and as may be specified in the Pricing Supplement.

If the Notes are redeemed early an investor may not be able to reinvest their 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.

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.

The interpretation of the NDRC Order 56 may affect the enforceability and/or effective performance of the Notes. Any failure to complete the relevant filings and/registration under the NDRC Order 56 within the prescribed time frames may have adverse consequences for the relevant Issuer and/or the investors of the Notes.

The NDRC issued the NDRC Order 56 on 5 January 2023, which came into effect on 10 February 2023. According to the NDRC Order 56, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a term not less than one year issued outside the PRC with the NDRC prior to the issue of the securities, and notify the particulars of the relevant issues within the timeframe prescribed by the NDRC after the completion of the relevant issue. Under the NDRC Order 56, the Bank shall, (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the Certificate with respect to the relevant Notes in accordance with the NDRC Order 56, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations.

Failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under articles 24 and 26 of the NDRC Order 56 may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the "Credit China" website and the national enterprise credit information publicity system, among others.

The Bank undertakes to file or cause to be filed with the NDRC within the relevant prescribed timeframes after the relevant Issue Date the requisite information and documents in respect of the relevant Notes in accordance with the NDRC Order 56 and any implementation rules or policies as issued by the NDRC from time to time.

However, the NDRC Order 56 is relatively new and the administration and enforcement of the NDRC Order 56 may be subject to executive and policy discretion of the NDRC. While the NDRC Order 56 has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Order 56, the NDRC Order 56 is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the NDRC Order 56 would not result in adverse consequences on the relevant Issuer's or the Bank's ability to perform in accordance with the General Conditions of the Notes or the enforceability of the Notes.

The Bank may be subject to the filing requirements in relation to issue of Notes from respective authorities within the PRC.

On 12 January 2017, the PBOC issued the Circular of the People's Bank of China on the Macro-prudence Management of Cross-border Financing in Full Aperture (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (the "**2017 PBOC Circular**"), which applies to cross-border financing activities by companies and financial institutions (including banks) incorporated in the mainland. According to the 2017 PBOC Circular, 27 mainland banks are required to make filings with the PBOC in respect of their offshore bond offerings.

In connection with the establishment of the Programme or any issuance by an overseas branch, the Bank has not made and does not intend to make any filing with the PBOC under the 2017 PBOC Circular. To the extent and if any of the Bank's branches which are located within the PRC issues Notes under the Programme or any overseas bank intends to remit any proceeds from any Note issue under the Programme to the mainland, the Bank will make the requisite filing with the PBOC in compliance with the 2017 PBOC Circular.

The PBOC has yet to publish any detailed implementation rules and guidance on the 2017 PBOC Circular. The aforementioned views are based on the Bank's PRC legal advisors' understanding and interpretation of the 2017 PBOC Circular. There is no assurance that PBOC would take the same view or the 2017 PBOC Circular would not be interpreted in a different way. If the PBOC takes a different view or any change will be made to such regulations, the Bank will comply with the requirements of such and any other regulatory authorities.

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.

The secondary market generally.

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 their 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 are being issued to a single investor or a limited number of investors 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 generally pay amounts in respect of the Notes in the Specified Currency (as referred to in the relevant Pricing Supplement). As a result thereof, there are various potential exchange rate risks that investors in the Notes need to consider.

Investor converting amounts paid in the Specified Currency into the Investor's Currency

If an investor anticipates that it will need to convert payments made under the Notes from the Specified Currency into a currency of its choice (the "**Investor's Currency**") (for instance, if other obligations of the investor are payable in the Investor's Currency), then the investor is subject to the risk that the currency conversion rate which it must pay for exchanging the Specified Currency into the Investor's Currency becomes less attractive and therefore decreases the realisable value of its investment.

An appreciation in the value of the Investor's Currency relative to the Specified Currency at any time would decrease (i) the value of any redemption payable to the investor and (ii) the market value of the Notes, in each case where converted into the Investor's Currency at that time. As a result, the amount that the investors receive in respect of the Notes, as converted, may be less than expected or zero.

Material risks involved in currency conversion

The material risks involved in the currency conversion include the risk that exchange rates may change significantly (including changes due to appreciation of the Investor's Currency relative to the Specified Currency). It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes.

Amounts converted from another currency into the Specified Currency or calculated by reference to an underlying currency pair

The Pricing Supplement in relation to some Notes may specify that conversion provisions apply in relation to specified payments under the Notes, in which case the amounts of such payments will be converted into the Specified Currency in accordance with provisions set out in the relevant Pricing Supplement. The relevant Pricing Supplement may also specify in relation to a Series of Notes that certain amounts payable in respect of the Notes are to be determined by reference to the exchange rate(s) between one or more underlying currencies. In any such case, the exchange rate and exchange control risks set out above in relation to the Specified Currency and the Investor's Currency may apply to the Specified Currency and the underlying currency and/or such underlying currency pair(s).

If the Issuer is unable to settle payments in the Specified Currency, the Issuer may, in certain circumstances, settle any payments due under the Notes by payment of the Alternative Payment Currency Equivalent (which will be the currency specified as the Alternative Payment Currency in the relevant Pricing Supplement) (see "*Payment of Alternative Payment Currency Equivalent*" below).

Payment of Alternative Payment Currency Equivalent.

If (i) "Payment of Alternative Payment Currency Equivalent" is specified to be applicable in the relevant Pricing Supplement, (ii) the Specified Currency for the Notes is Offshore RMB or (iii) the relevant clearing system(s) ceases to accept payments in the Specified Currency (a "**Clearing System Currency Eligibility Event**"), then, if by reason of a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy its obligations to pay any amounts due under the relevant Notes in the Specified Currency, then the Issuer is entitled to make the payments in U.S.\$ or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement (the "**Alternative Payment Currency**"). In this case, the investment considerations in the section entitled "*Risks relating to the Notes — Exchange rate risks and exchange controls*" would apply as if the Alternative Payment Currency were the Specified Currency.

Interest rate risks.

Investment in the Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks.

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, additional factors discussed above, and other factors that may affect the value of the Notes. 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.

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:

Variable Rate Notes and Dual Currency Notes.

The relevant Issuer may issue Notes with principal or interest payable in respect of the Notes being determined by reference to a formula, to changes in the prices of reference assets, to movements in currency exchange rates or other factors (each a "**Relevant Factor**"). In addition, the relevant 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) the effect of any multiplier of leverage factor that is applied to the Relevant Factor is that the impact of any changes in the Relevant Factor on the amount of principal or interest payable will 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 relevant 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.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant 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 relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then-prevailing rates on its Notes.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks".

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 recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (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. 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. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading 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, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The General Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the General Conditions of the Notes) occurs, including if an interbank offered rate (such as 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 any Paying Agent, Calculation Agent, the relevant Issuer or other party 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 General Conditions of the Notes), with the application of an Adjustment Spread (which could be positive, negative or zero) and may include amendments to the General Conditions of the Notes to ensure the proper operation of the new benchmark, all as determined by the relevant Issuer (acting in good faith and in consultation with an Independent Adviser) and as more fully described at Condition 5(b)(iv) and Condition 5(b)(v). It is possible that the adoption of a Successor Rate or Alternative Benchmark Rate, including any Adjustment Spread, may result in any Notes linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the original Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of Rate of Interest for a particular Interest Accrual Period may result in the Rate of Interest for the last preceding

Interest Accrual 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.

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

The use of Secured Overnight Financing Rate ("SOFR") as a reference rate is subject to important limitations.

The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 5(b)(iii)(c) of the General Conditions of the Notes).

In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee (the "ARRC") announced SOFR as its recommended alternative to U.S. dollar London Interbank Offered Rate (the "LIBOR"). However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repo-financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such prepublication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. The Bank has no control over its determination, calculation or publication. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The General Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined under Condition 5(b)(v)) in respect of SOFR occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Any of the fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if SOFR had been provided by the Federal Reserve Bank of New York in its current form. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SOFR and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the General Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR. In addition, the development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Notes referencing SOFR. Similarly, if SOFR do not prove widely used in securities such as the Notes referencing SOFR, investors may not be able to sell such Notes referencing SOFR at all or the trading price of the Notes referencing SOFR may be lower than those of bonds linked to indices that are more widely used.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

Notes issued at a substantial discount or premium.

The market values of Notes 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 Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared with conventional interest-bearing Notes with comparable maturities.

Investors may lose part or all of their investment in any Variable Rate Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Variable Rate Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

If the relevant 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 relevant Issuer's bankruptcy, winding-up or dissolution or similar events or otherwise if certain conditions have been satisfied. See "General Conditions of the Notes — Events of Default".

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

Notes denominated in RMB (the "RMB Notes") may be issued under the Programme. A description of risks which may be relevant to an investor in RMB Notes is set out below.

There are restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes.

The PRC government regulates conversion between Renminbi and foreign currencies, including the Hong Kong dollar. However, there has been a significant reduction in control by the PRC government in recent years, particularly over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the PBOC has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittances of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued 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 out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant 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 relevant 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. While the PBOC has entered into agreements (the "Settlement Arrangements") on the clearing of Renminbi business with financial institutions (each, a "RMB Clearing Bank") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border InterBank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC's onshore interbank market for the purchase and sale of Renminbi. The RMB Clearing Banks only have limited access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they 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 Arrangements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Remittance of proceeds in Renminbi into or out of the PRC.

In the event that the relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border Renminbi remittances in the future, that the PRC government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that

the pilot schemes introduced will not be discontinued or that new PRC regulations 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 the relevant Issuer does remit some or all of the proceeds into the PRC in Renminbi and such Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBOC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point price against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point price. This change, and other changes such as widening the trading band that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to RMB Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

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

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by non-PRC resident enterprises or individual Noteholders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. Of the PRC-sourced gains derived by such non-PRC resident enterprises from the transfer of RMB Notes, but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. Of the PRC-sourced gains derived by such non-PRC resident individual Noteholders from the transfer of RMB Notes.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Notes by non-PRC resident enterprises or individual Noteholders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong for avoidance of double taxation, Noteholders who are residents of Hong Kong, including enterprise Noteholders and individual Noteholders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Noteholders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of RMB Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Noteholders of RMB Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Notes may be materially and adversely affected.

Investment in the RMB Notes is subject to interest rate risks.

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of the RMB Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the RMB Notes may only be made in the manner designated in the RMB Notes.

All payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by Global Certificates held with the common depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which an RMB Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the RMB Notes are represented by Global Certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which an RMB Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

If the Specified Currency for the Notes is Offshore RMB, an investor is subject to the risk that payments in respect of such Notes will be made in the Alternative Payment Currency specified in the relevant Pricing Supplement instead of Offshore RMB. To the extent the Issuer is not able, or it is impracticable for it, to satisfy its obligation to make payments in respect of the Notes when due, the Issuer will be entitled to settle any such payment in the Alternative Payment Currency specified in the relevant Pricing Supplement on the due date at the Alternative Payment Currency Equivalent (as defined in the General Conditions of the Notes) of any such payments and/or any other amounts due. In this case, the section titled "*Risks relating to the Notes — Exchange rate risks and exchange controls*" would apply as if the Alternative Payment Currency were the Specified Currency.

Investors in the Notes should be aware that all Offshore RMB payments under the Notes will be made solely by credit to Renminbi bank accounts maintained at banks in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement in accordance with the law and applicable regulations and guidelines issued by the relevant authorities in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement.

The RMB Notes may be subject to Inconvertibility, Non-transferability or Illiquidity

The RMB Notes may provide that, if Renminbi is not available at or about the time when a payment is due to be made under the RMB Notes or it is impracticable for the Issuer to satisfy its obligations to pay any amounts due under the RMB Notes because of Inconvertibility, Non-transferability or Illiquidity (each as defined in the General Conditions of the Notes) the Issuer shall be entitled to settle payments in an Alternative Payment Currency (as specified in the relevant Pricing Supplement). These circumstances could include the imposition of exchange controls or a disruption in the currency market which prevents the Issuer from obtaining Renminbi. In this case, the section titled "*Risks relating to the Notes — Exchange rate risks and exchange controls*" would apply as if the Alternative Payment Currency were the Specified Currency.

USE OF PROCEEDS

Unless otherwise specified in the Pricing Supplement, the net proceeds of each issue of the Notes will be applied by the Issuer for general corporate purposes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached.

BEARER NOTES

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a Temporary Global Note or, if so specified in the applicable Pricing Supplement, a Permanent Global Note which, in either case, will be delivered (a) prior to the original issue date of the Tranche to either (i) a common depository (the "**Common Depository**") for, Euroclear and Clearstream or (ii) a sub-custodian for the CMU or (b) at such other time, on such other date, to such other person and in such other place in accordance with the Agency Agreement.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes, subject as provided by such Temporary Global Note, will be made upon presentation and (when no further payment is due in respect of such Temporary Global Note) surrender of such Temporary Global Note. On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge to the holder) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) if so specified in the applicable Pricing Supplement, for definitive Bearer Notes of the same Series **provided that** if the applicable Pricing Supplement specifies that TEFRA D rules apply, there shall have been certification (in a form to be provided) with respect to such nominal amount submitted for such exchange dated no earlier than the Exchange Date to the effect that the beneficial owners of interests in such Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations. 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 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, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made upon presentation and (when no further payment is due in respect of such Permanent Global Note) surrender of such Permanent Global Note without any requirement for certification.

In respect of a Bearer Global Note 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 Bearer Global Note are credited (as set out in a CMU Issue Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) and, save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

A Permanent Global Note will be exchangeable (free of charge to the holder), on or after the Exchange Date, in whole but not, except as provided by such Permanent Global Note, in part, for definitive Bearer Notes (a) if such Permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or any other clearing system (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 does in fact do so or (b) if principal in respect of such Permanent Global Note is not paid when due, by the holder giving notice to the Paying Agent or CMU Lodging and Paying Agent (as applicable) of its election for such exchange. For these purposes, "**Exchange Date**" means a day falling not less than 60 days or in the case of exchange following failure to pay principal in respect of such Permanent Global Note 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 Paying Agent or CMU Lodging and Paying Agent (as applicable) is located and, except in the case of exchange pursuant to (a) above, in the cities in which Euroclear and Clearstream and the CMU (as applicable) or, if relevant, the Alternative Clearing System, are located.

The following legend will appear on all Bearer Notes and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream or the CMU, as the case may be.

REGISTERED NOTES

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**", together with any Bearer Global Note, the "**Global Notes**").

Registered Global Notes will be deposited with a Common Depository for and registered in the name of a common nominee of, Euroclear, Clearstream and/or deposited with a sub-custodian for the CMU (if applicable) or such other person in such other place in accordance with the Agency Agreement (as defined below).

Payments of principal, interest or any other amount in respect of the Registered Notes in global form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1) as the registered holder of the Registered Global Notes. None of the Issuer, the Bank, the Fiscal Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b)(ii) of the General Conditions of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

TRANSFER OF INTERESTS

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream and the CMU, in each case to the extent applicable.

GENERAL

For so long as a Global Note is lodged with the CMU, (i) the CMU Lodging and Paying Agent shall pay any amounts of principal and interest due on a Global Note to the person(s) notified by the CMU to the CMU Lodging and Paying Agent as being the person(s) for whose account(s) interest(s) in that Global Note is credited and the CMU Lodging and Paying Agent shall not endorse that Global Note and (ii) the records of the CMU (in the absence of manifest error) shall be conclusive evidence of the identity of the persons to whose accounts interests in that Global Note are credited and the principal amount(s) of the interest(s) and of the Tranche of Notes represented by that Bearer Global Note or evidenced by that Global Certificate. Save in the case of manifest error, the CMU Lodging and Paying Agent shall be entitled to rely on any CMU Issue Position Report or any other statement by the CMU of the identities and interests of persons credited with interests in that Global Note. If, and for so long as, a Global Note is not lodged with the CMU, the Paying Agent and the other Agents shall make all payments in respect of that Global Note against presentation (and, in the case of its redemption in full, surrender) of that Global Note and (unless that Global

Note is surrendered) shall on behalf of the relevant Issuer endorse, or procure the endorsement of, a memorandum of each such payment in the relevant schedule to that Global Note and return it, or cause it to be returned, to its bearer or holder.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. If principal in respect of any Notes represented by a Global Note is not paid when due (but subject as provided below), the holder thereof may from time to time elect that Direct Rights under the provisions of (and as defined in) the deed of covenant (as further supplemented and/or amended, the "**Deed of Covenant**") executed by the Bank as of 13 February 2025 shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such failure to pay principal has occurred. Such election shall be made by notice to and presentation of the Global Note to, the Paying Agent or the CMU Lodging and Paying Agent (as applicable) for reduction of the nominal amount of Notes represented by such Global Note by such amount as may be stated in such notice. Upon each such notice being given, such Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect, for whatever reason.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[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 (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.]

[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 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**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 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.]

[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**")]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]* 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, 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. *[Consider any negative target market]* 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.]

[Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (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 Recommendations on Investment Products).]]¹

¹ To be included where sales in Singapore to investors other than "institutional investors" or "accredited investors" are allowed. 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.

Pricing Supplement dated [•]

[ISSUER]

(A public company limited by shares under the Companies Ordinance of Hong Kong with Business Registration No. 00620985 and Legal Entity Identifier 54930034UPFJV0NHXV95)
(the "Issuer")

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*] due [•] (the "Notes") under the U.S.\$2,000,000,000 Global Securities Programme (the "Programme")

This document constitutes the pricing supplement (the "Pricing Supplement") for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 13 February 2025 [and the supplement to it dated [•]] ([together,] the "Offering Circular"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. [Copies of the Offering Circular may be obtained from [*address*]].

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Notes (the "Conditions") set forth in the Offering Circular.

1. Issuer: [Name of the Issuer]
2. (i) [Series Number:] [•]
(ii) [Tranche Number (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] [•]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount: [•]
(i) [Series:] [•]
(ii) [Tranche:] [•]
5. (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*)
(iii) [Use of proceeds:] [•] (*Required if different from the Offering Circular*)
6. (i) Specified Denominations: [•]⁽¹⁾
(ii) Calculation Amount⁽⁴⁾: [•] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
7. (i) Issue Date: [•]
(ii) Trade Date: [•]
(ii) Interest Commencement Date: [Specify/Issue date/Not Applicable]

8. Maturity Date: [specify date (for Fixed Rate Notes) or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]⁽²⁾
9. Interest Basis: [[•] per cent. Fixed Rate]
 [specify reference rate] +/- [•] per cent.
 Floating Rate]
 [Zero Coupon]
 [Variable Rate]
 [Other (Specify)]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Variable Rate]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (Specify)]
11. Unlisted Product Supplement: [Specify details of any applicable Unlisted Product Supplement]
12. Put/Call Options: [Put]
 [Call]
 [(further particulars specified below)]
13. Status of the Notes: Senior Notes
14. Listing: [Singapore/Other (specify)/None]
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/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year⁽³⁾ [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⁽⁴⁾
- (iv) Broken Amount: [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate]
- (v) Day Count Fraction (Condition 5(k)): [30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (Fixed)⁽¹⁰⁾/Other]
 (Day count fraction should be Actual/Actual- ICMA for all fixed rate issues other than those Denominated

in U.S. dollars, Renminbi or Hong Kong dollars, unless the client requests otherwise)

- (vi) Determination Date(s) (Condition 5(k)): [•] in each year. *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*⁽⁵⁾
- (vii) 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: [•]
- (iii) Interest Period Date(s): [Not Applicable/specify dates] *(Not applicable unless different from Interest Payment Date)*
- (iv) Business Day Convention: [Floating Rate Note Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (v) Business Centre(s) (Condition 5(k)): [•]
- (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 Interest Amount(s): [•]
- (viii) Screen Rate Determination (Condition 5(b)(iii)(B)):
- Reference Rate: [•]
 - Interest Determination Date(s): [[•] [T2] Business Days in *[specify city]* for *[specify currency]* prior to *[the first day in each Interest Accrual Period/each Interest Payment Date]*]
 - Relevant Screen Page: [•]
- (ix) Screen Rate Determination (SOFR) (Condition 5(b)(iii)(B)):
- SOFR Benchmark: [Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index]

- Compounded Daily SOFR Method: [Not Applicable/SOFR Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout]
(Only applicable in the case of Compounded Daily SOFR)
 - Interest Determination Date(s): [The [•] U.S. Government Securities Business Day prior to the last day of each Interest Accrual Period — *only applicable in the case of Simple SOFR Average/SOFR Lag/SOFR Observation Shift/SOFR Lockout/Compounded SOFR Index*]

[The Interest Period Date at the end of each Interest Period, **provided that** the Interest Determination Date with respect to the final Interest Accrual Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date — *only applicable in the case of SOFR Payment Delay*]
 - Lookback Days: [Not Applicable/E®] U.S. Government Securities Business Day(s)
(Only applicable in the case of SOFR Lag)
 - SOFR Observation Shift Days: [Not Applicable / [•] U.S. Government Securities Business Days]
(Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)
 - Interest Payment Delay Days: [Not Applicable/[®] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Payment Delay)
 - SOFR Rate Cut-Off Date: [Not Applicable/The day that is the [•] U.S. Government Securities Business Day(s) prior to the end of each Interest Accrual Period]
(Only applicable in the case of Simple SOFR Average, Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout)
 - SOFR IndexStart [Not Applicable/[®] U.S. Government Securities Business Day(s)]
(Only applicable in the case of Compounded SOFR Index)
 - SOFR IndexEnd [Not Applicable/[®] U.S. Government Securities Business Day(s)]
(Only applicable in the case of Compounded SOFR Index)
- (x) ISDA Determination (Condition 5(b)(iii)(A)):
- Floating Rate Option: [•]

- Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Definitions: 2006 *(if different to those set out in the Conditions, please specify)*
 - (xi) Margin(s): [+/-] [•] per cent. per annum
 - (xii) Minimum Rate of Interest: [•] per cent. per annum
 - (xiii) Maximum Rate of Interest: [•] per cent. per annum
 - (xiv) Day Count Fraction (Condition 5(k)): [•]
 - (xv) 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: [Benchmark Discontinuation (General) (Condition 5(b)(iv))/Benchmark Discontinuation (SOFR) (Condition 5(b)(v))/*specify other 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 (Condition 6(b)): [•] per cent. per annum
 - (ii) Day Count Fraction (Condition 5(k)): [•]
 - (iii) Any other formula/basis of determining amount payable: [•]
19. Variable Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Formula: [Give or annex details]
 - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [•]
 - (iii) Provisions for determining Coupon where calculation by reference to Formula is impossible or impracticable: [•]
 - (iv) Interest Period(s): [•]
 - (v) Specified Interest Payment Dates: [•]
 - (vi) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following

Business Day Convention/Preceding Business Day
Convention/other *(give details)*]

- (vii) Business Centre(s) [•]
(Condition 5(k)):
 - (viii) Minimum Rate of Interest: [•] per cent. per annum
 - (ix) Maximum Rate of Interest: [•] per cent. per annum
 - (x) Day Count Fraction [•]
(Condition 5(k)):
20. 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) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [•]
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
 - (v) Day Count Fraction [•]
(Condition 5(k)):

PROVISIONS RELATING TO REDEMPTION

21. 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:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
 - (iv) Notice period: [•]

22. 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: [•]
23. Final Redemption Amount of each Note [•] per Calculation Amount
24. Early Redemption Amount
- (i) [Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c)) 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

25. Form of Notes: [Bearer Notes/Registered Notes] *[Delete as appropriate]*
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time]
- [Permanent Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Permanent Global Certificate]
- [Permanent Global Certificate exchangeable for Definitive Certificates on [•] days' notice/at any time]⁽⁶⁾⁽⁷⁾
26. Financial Centre(s) (Condition 7) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this item relates to the date and place of payment, and not

interest period end dates, to which item 16(ii), 17(iv) and 19(vii) relate]

27. 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*]
28. 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/*give details*]
29. Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [•]
- (ii) Instalment Date(s): [•]
- (iii) Minimum Instalment Amount: [•]
- (iv) Maximum Instalment Amount: [•]
30. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
31. Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
32. Additional payment provisions: [Applicable / Not applicable]
- (i) Specified Currency Jurisdiction [•]
- (ii) Offshore RMB Centre [Hong Kong] [*specify*]
- (iii) Payment of Alternative Payment Currency Equivalent (Condition 7(i)): [Applicable] [Not applicable]
- Additional Relevant Jurisdiction: []
- Alternative Payment Currency: []
- Alternative Payment Currency Exchange Rate: []
- Alternative Payment Currency Jurisdiction: []
33. Other terms or special conditions: [Not Applicable/*give details*]⁽⁷⁾

DISTRIBUTION

34. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilisation Manager (if any): [Not Applicable/give name]
35. If non-syndicated, name of Dealer: [Not Applicable/give name]
36. U.S. Selling Restrictions [Specify the applicable category of U.S. Selling Restrictions/Not Applicable]
37. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*
38. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.)*
39. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

40. ISIN Code: [•]
41. Common Code: [•]
42. CMU Instrument Number: [•]
43. Legal Entity Identifier of the [Bank/Issuer]: [54930034UPFJV0NHXV95]
44. 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)]
45. Delivery: Delivery [against/free of] payment
46. Additional Paying Agents (if any): [•]

GENERAL

47. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [•], [Not Applicable/U.S.\$[®]]

- producing a sum of (for Notes not denominated in U.S. dollars):
48. In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong: [Not Applicable/Luxembourg]
49. In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London: [Not Applicable/Hong Kong]
50. (i) Date of corporate approval(s) for the issuance of the Notes [•]
- (ii) Date of any regulatory approval for the issuance of the Notes [•]
51. [Ratings: The Notes to be issued are expected to be rated [•] by [•]]
52. Hong Kong SFC Code of Conduct
- (i) Rebates [A rebate of [•] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMI otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
- (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent — Overall Coordinators to provide]/[Not Applicable]
- (iii) Marketing and Investor Targeting Strategy [As indicated in the Offering Circular]/[Describe if different from the programme Offering Circular]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$2,000,000,000 Global Securities Programme of China CITIC Bank International Limited 中信銀行 (國際) 有限公司.]

[STABILISATION

In connection with this issue, one or more of the Managers named as Stabilisation Manager (or person(s) 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 on

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. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

[MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There]⁽⁸⁾ has been no significant change in the financial or trading position of the Issuer or of the Group since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer or of the Group since [insert date of last published annual accounts].]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Issuer:

By:
Duly authorised

Notes:

- (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).

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 set out in the Guidance Note published by ICMA in November 2006 (or its replacement from time to time) 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".

- (2) Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.
- (3) 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."
- (4) 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, CNY0.05 in the case of Renminbi denominated Fixed Rate Notes or to the nearest HK\$0.01, HK\$0.005 in the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."
- (5) Only to be completed for an issue where the Day Count Fraction is Actual/Actual-ICMA.
- (6) If the Global Note/Certificate is exchangeable for Definitive Notes/Certificates at the option of the holder, the Notes shall be tradeable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in paragraph 6 and multiples thereof.
- (7) Only applicable if permitted by the rules of the relevant clearing system. The limited circumstances in which exchange is permitted are set out under the section "*Summary of Provisions Relating to*

Notes while Represented by Global Notes or Global Certificates — Exchange" in the Offering Circular.

- (8) If full general conditions are to be used, please add the following here: "The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary". The first set of bracketed words is to be deleted where there is a Permanent Global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the Pricing Supplement.
- (9) If any change is disclosed in the Pricing Supplement, it may require approval by the Stock Exchange(s). Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.
- (10) Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

GENERAL CONDITIONS OF THE NOTES

The following is the text of the general conditions that, save for the words in italics and 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 general conditions together with the relevant provisions of the Pricing Supplement or (ii) these general 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 Supplement. 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 China CITIC Bank International Limited 中信銀行（國際）有限公司 (the "**Bank**") or, as the case may be, any branch of the Bank as specified in the relevant Pricing Supplement (each a "**Branch Issuer**" and together with the Bank, the "**Issuers**" and each an "**Issuer**"), and are issued pursuant to an agency agreement (as further amended, restated or supplemented as at the Issue Date, the "**Agency Agreement**") dated 13 February 2025 which has been entered into in relation to the Notes between the Bank (on behalf of itself and on behalf of its branches) and China CITIC Bank International Limited 中信銀行（國際）有限公司 as fiscal agent and CMU lodging and paying agent and with the benefit of an Deed of Covenant (as further amended, restated or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 13 February 2025 executed by the Bank (on behalf of itself and on behalf of its branches) in relation to the Notes. The fiscal agent, the CMU lodging and paying agent, the other paying agents, the registrar, the transfer agent(s) 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 Registrar) and the "**Calculation Agent(s)**" (such Fiscal Agent, CMU Lodging and Paying Agent, Paying Agents, Registrar and Transfer Agent(s) being together referred to as the "**Agents**"). For the purposes of these general 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 references to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours at the specified offices of the Paying Agents.

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 of the provisions of the Agency Agreement applicable to them.

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

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 Variable Rate Note, an Instalment 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 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.

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), 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 the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and, to the extent reasonably expected to be prejudicial to the interests of the Noteholders, 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 five business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 6(i)) 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, (iii) after any such Note has been put by the relevant Noteholder or (iv) during the period of seven days ending on (and including) any Record Date.

3. STATUS

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

4. COVENANTS

- (a) **Regulatory Undertakings:** Each of the Bank and the Issuer undertakes to:
 - (i) to the extent applicable, provide or cause to be provided to the NDRC a notification of the requisite information and documents within the time frame prescribed after the relevant Issue Date of the Notes in accordance with Administrative Measures for Examination and Registration of Medium- and Long-term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)) issued by the NDRC and effective as of 10 February 2023 and any implementation rules, regulations, certificates, circulars or notices in connection therewith as issued by the NDRC from time to time;
 - (ii) to the extent applicable, submit or cause to be submitted to the PBOC the requisite information and documents within the time frame prescribed in accordance with the Circular of the People's Bank of China on the Macro-prudence Management of Cross-border Financing in Full Aperture (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) issued by the PBOC and which came into effect on 12 January 2017 and any implementation rules as issued by the PBOC from time to time;
 - (iii) to the extent that it is required by the NFRA (formerly known as China Banking and Insurance Regulatory Commission), PBOC and/or SAFE, submit or cause to be submitted to the NFRA, PBOC and/or SAFE the requisite information and documents within the time frame prescribed; and
 - (iv) to the extent applicable, comply with all applicable PRC laws and regulations in connection with the Notes.

In these Conditions:

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**NDRC**" means the National Development and Reform Commission of the People's Republic of China;

"**NFRA**" means National Financial Regulatory Administration or its relevant local counterpart;

"**PBOC**" means the People's Bank of China;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state or other entity, whether or not having separate legal personality;

"**PRC**" means the People's Republic of China, which for the purpose of these Conditions, shall not include Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan);

"**Rating Agency**" means any one of (a) Standard & Poor's Rating Services, and its successors ("**S&P**"), (b) Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors ("**Moody's**"), (c) Fitch Ratings and its successors ("**Fitch**"), and (d) if one or more of S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, any or other internationally recognised securities rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for S&P, Moody's or Fitch or any combination thereof, as the case may be, rating agency; and

"**SAFE**" means the State Administration of Foreign Exchange of the PRC or its local counterparts.

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(i).
- (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 in accordance with Condition 5(i). 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 hereon) 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:

- (1) the Floating Rate Option is as specified hereon;
- (2) the Designated Maturity is a period specified hereon; and
- (3) 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 (other than Notes where the Reference Rate is specified as SOFR Benchmark)**

- (1) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) 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. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or, in the case of CNH HIBOR, 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. (Hong Kong time), 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 EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

- (2) If the Relevant Screen Page is not available or if sub-paragraph (B)(1)(I) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (B)(1)(II) 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 Calculation Agent shall request, 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 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, in the case of CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) 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
- (3) If paragraph (B)(2) above applies and the Calculation Agent determines that 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 (and at the request of) 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 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, in the case of CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) 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 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 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, in the case of CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) 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 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) ***Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark***

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5(h), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 5(b)(v) as further specified hereon):

- (x) If Simple SOFR Average ("**Simple SOFR Average**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be the arithmetic mean of the SOFR reference rates for each day during the period, as calculated by the Calculation Agent, and where, if applicable and as specified hereon, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date.
- (y) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable hereon to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable hereon:

(1) SOFR Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR_{i-xUSBD}**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i - \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR_i**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first

day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to **d_o**, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(3) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR_i**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**Interest Payment Date**" shall be the number of Interest Payment Delay Days following each Interest Period Date; **provided that** the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant Optional Redemption Date;

"**Interest Payment Delay Days**" means the number of Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to **d_o**, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities

Business Day in the relevant Interest Accrual Period (each a "U.S. Government Securities Business Day(i)"); and

" n_i ", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government

Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period where SOFR Payment Delay is specified hereon, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(4) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"SOFR_i" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i), except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date for such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"d" means the number of calendar days in the relevant Interest Accrual Period;

"d_o" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"i" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "U.S. Government Securities Business Day(i)"); and

" n_i ", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(C)(x) and Condition 5(b)(iii)(C)(y):

"Bloomberg Screen SOFRRATE Page" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"Reuters Page USDSOFR=" means the Reuters page designated "USDSOFR=" or any successor page or service;

"SOFR" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;
- (ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or
- (iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(v) shall apply as specified hereon;

"SOFR Rate Cut-Off Date" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified hereon; and

"SOFR Determination Time" means approximately 3:00 p.m. (New York City time) on the immediately following the relevant U.S. Government Securities Business Day.

- (z) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable hereon, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR Index_{End}}{SOFR Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"SOFR Index" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website

at the SOFR Index Determination Time on such U.S. Government Securities Business Day, **provided that:**

- (a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(iii)(C)(y)(2) **"SOFR Observation Shift"**, and the term **"SOFR Observation Shift Days"** shall mean two U.S. Government Securities Business Days; or
- (b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(v) shall apply as specified hereon;

"SOFR Index_{End}" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

"SOFR Index_{Start}" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the first day of such Interest Accrual Period;

"SOFR Index Determination Time" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified hereon; and

"d_c" means the number of calendar days in the applicable SOFR Observation Period.

If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(C):

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, or any successor source;

"SOFR Benchmark Replacement Date" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"SOFR Benchmark Transition Event" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) ***Benchmark Discontinuation (General)***

Where this Condition 5(b)(iv) is specified as applicable hereon, if the Issuer determines that a Benchmark Event has occurred (or will occur on or prior to the Interest Determination Date relating to the next succeeding Interest Accrual Period), when the Rate of Interest (or any relevant component part thereof) remains to be determined by reference to the Reference Rate, then the following provisions shall apply:

- (A) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **"Alternative Benchmark Rate"**) and, in either case, an alternative screen page or source (the **"Alternative Relevant Screen Page"**) and the applicable Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(b)(iv)(F)) all by no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Accrual Period (the **"Interest Determination Cut-off Date"**) for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5(b)(iv)).

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Fiscal Agent, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 5(b)(iv);

- (B) The Alternative Benchmark Rate shall be such alternative benchmark or screen rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (C) If the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page on or prior to the Interest Determination Cut-off Date in accordance with sub-paragraph (A) and (C) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) alternative benchmark or screen rate has

replaced the Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines on or prior to the Interest Determination Cut-off Date that there is no such alternative benchmark or screen rate, which rate (if any) is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; **provided, however, that** if this sub-paragraph (C) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Cut-off 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 immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be determined using the Reference Rate applicable to the first Interest Accrual Period. 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 shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(iv);

- (D) If a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page are determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page (in each case as adjusted by the applicable Adjustment Spread determined as provided in sub-paragraph (E) below) shall subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(b)(iv));
- (E) If a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page are determined in accordance with the preceding provisions, the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, shall determine (i) the Adjustment Spread to be applied to the Successor Rate or Alternative Benchmark Rate (as applicable) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, and such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of the Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (F) If a Successor Rate or an Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread are determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or, failing which, the Issuer, may also specify changes 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, as are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of the Successor Rate, the Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark**

Amendments"), which changes shall (subject to the subsequent operation of this Condition 5(b)(iv)) apply to the Notes for all future Interest Accrual Periods, without any requirement for the consent or approval of Noteholders, and vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(b)(iv)(F), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading;

- (G) The Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread give notice thereof and of any Benchmark Amendments pursuant to sub-paragraph (F) above to the Calculation Agent, the Fiscal Agent and the Noteholders in accordance with Condition 14 (*Notices*); and
- (H) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by an authorised signatory of the Issuer:
 - (i) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Benchmark Rate and, (z) the relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(b)(v); and
 - (ii) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such relevant Successor Rate, Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination thereof) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the other Paying Agents, the Noteholders, the Receiptholders and the Couponholders.

(v) ***Benchmark Discontinuation (SOFR):***

This Condition 5(b)(v) shall only apply to U.S. dollar-denominated Notes where so specified hereon.

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable hereon:

(i) ***Benchmark Replacement***

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all

determinations on such date and for all determinations on all subsequent dates.

(ii) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(b)(v). Noteholders' or Couponholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Agents (if required). Further, none of the Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) *The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(v):*

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified hereon; **provided that** if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such

component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the sum of:
 - (x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (y) the Benchmark Replacement Adjustment;
- (B) the sum of:
 - (x) the ISDA Fallback Rate; and
 - (y) the Benchmark Replacement Adjustment; or
- (C) the sum of:
 - (x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and
 - (y) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

- (C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (A) in the case of sub-paragraph (A) or (B) of the definition of **"Benchmark Event"**, the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (B) in the case of sub-paragraph (C) of the definition of **"Benchmark Event"**, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"designee" means a designee as selected and separately appointed by the Issuer in writing;

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time, including the 2021 ISDA Interest Rate Derivatives Definitions (as amended or supplemented from time to time);

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (A) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable hereon), or (B) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (vi) **Rate of Interest for Variable Rate Notes:** The Rate of Interest in respect of Variable Rate 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 a formula as specified hereon.
- (c) **Interest on Variable Rate Notes:** In the case of Variable Rate Notes, the rate and amount of interest shall be determined by the Calculation Agent (as specified in the applicable Pricing Supplement) by reference to the provisions specified in the applicable Pricing Supplement.
- (d) **Interest on 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)).
- (e) **Interest on 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.
- (f) **Interest on 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.
- (g) **Accrual of Interest:** Unless otherwise specified in the relevant Pricing Supplement, 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).
- (h) **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 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (**provided that** if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit 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.
- (i) **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.

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 outstanding nominal amount of the Notes represented by such Global Note or Global Certificate.

- (j) **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 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 and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority 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.

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

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

- (i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, is the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as the case may be).

"Benchmark Event" means:

- (i) the Reference Rate has ceased to be published for a period of at least five Business Days; or
- (ii) the making of a public statement by the administrator of the 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); or
- (iii) the making of a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) the making of a public statement by the supervisor of the administrator of the Reference Rate that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in circumstances where the same shall be applicable to the Notes; or
- (v) the making of a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of its underlying market, in circumstances where the same shall be applicable to the Notes; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that in the case of paragraphs (ii) to (v) above, the Benchmark Event shall occur on:

- (vii) in the case of (ii) above, the date of the cessation of the publication of the Reference Rate;
- (viii) in the case of (iii) above, the discontinuation of the Reference Rate;
- (ix) in the case of (iv) above, the date on which the Reference Rate is prohibited from use or becomes subject to restrictions or adverse consequences (as applicable); or
- (x) in the case of (v) above, the date on which the Reference Rate is deemed no longer to be representative,

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (vii), (viii), (ix) or (x) above, as applicable).

"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 T2 is operating (a "**T2 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.

"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 hereon.

"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:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" 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 D₁ is greater than 29, in which case D₂ 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:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" 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 D₂ 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:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" 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 D₁ will be 30; and

"D₂" 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 D₂ will be 30.

(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 (1) the number of days in such Determination Period and (2) 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:

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

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) 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 with relevant experience in the international capital markets, 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 T2 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 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 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 Renminbi in the Hong Kong inter-bank market, in each case selected by the Calculation Agent 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):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) 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 benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (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 reference rate that the Independent Advisor 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.

"T2" means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) Redemption by Instalments and Final Redemption

- (i) 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.
- (ii) 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:**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(h) or Condition 6(i) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) 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.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(h) or Condition 6(i) (as applicable) or upon it becoming due and payable as provided in Condition 10 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 (B) 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(d).

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) **Variable Rate Notes:** The Early Redemption Amount payable in respect of any Variable Rate Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(h) or Condition 6(i) or upon it becoming due and payable as provided in Condition 10 shall be determined by reference to the provisions in the applicable Pricing Supplement or if not specified in the applicable Pricing Supplement, at its Fair Market Value on the date of redemption.

"**Fair Market Value**" means, as of a date and a Note, an amount per Note determined by the Calculation Agent equal to the fair market value of the Note, representing the amount which would have the effect of preserving for the holder of the Note the economic equivalent of the material terms of the Note, including the payments and deliveries under the Note that would, but for the occurrence of the relevant early redemption event, have been required under the Note, taking into account any losses, expenses and costs, including any loss of bargain or cost of funding, to the Issuer and/or any affiliate of the Issuer of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements, all as calculated by the Calculation Agent in its sole and absolute discretion.

- (iii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) or (ii) above), upon redemption of such Note pursuant to Condition 6(c) or Condition 6(h) or upon it becoming due and payable

as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(iv) **Adjustment for Hedging Cost:** For the purposes of this Condition 6, "**Hedging Costs**" means, in respect of the Early Redemption Amount or Optional Redemption Amount (as the case may be and each a "**Relevant Redemption Amount**") (A) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs) or (B) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain), as the case may be, to the Issuer and/or any affiliate of the Issuer of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

(c) **Redemption for Taxation Event:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, 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 in the determination of the Calculation Agent, a Tax Event has occurred where:

"**Tax Event**" means the change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in application or official interpretation of such laws or regulations, which results in any present or future taxes, duties or governmental charges of any nature whatsoever being imposed on payments in respect of the Notes.

"**Tax Jurisdiction**" means Hong Kong and any political subdivision or any authority thereof or therein having power to tax.

(d) **Redemption for Illegality:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 10 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 in the determination of the Calculation Agent, an Illegality has occurred where "**Illegality**" means either (i) it has become or will become unlawful, illegal, or otherwise prohibited in whole or in part or (ii) the Issuer will incur a materially increased cost (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates) in performing its obligations under the Notes, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof.

(e) **Redemption for Regulatory Event:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 10 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 in the determination of the Calculation Agent, a Regulatory Event has occurred.

(f) **Redemption for Sanctions Event:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 10 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 in the determination of the Calculation Agent, a Sanctions Event has occurred where:

"Sanctions" means any sanctions (which may be economic or financial sanctions, trade embargoes or similar restrictive measures) imposed, enacted, administered or enforced by:

- (1) the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other agency of the U.S. Government, the United Nations, the European Union, HM Treasury, the State Secretariat for Economic Affairs of Switzerland or the Swiss Directorate of International Law, the People's Republic of China, the Hong Kong Monetary Authority, the Monetary Authority of Macao or the Monetary Authority of Singapore; or
- (2) any other authority in any jurisdiction in respect of which any of the Issuer, any Agent, the Arranger or any Dealer or any of their affiliates is required to comply with such sanctions in order to fulfil obligations or carry out duties in respect of a Note.

"Sanctions Event" means, that at the determination of the Calculation Agent, a Noteholder, clearing system, the Issuer, the Arranger or any Dealer or any of their affiliates:

- (1) has become subject to Sanctions; and
 - (2) as a result of such Sanctions,
 - (A) it has become unlawful for any of the above-mentioned parties to perform any of their obligations under the Notes or for a clearing system to facilitate payments to Noteholders; or
 - (B) the ability of any of the above-mentioned parties to perform any of their obligations under the Conditions on the date on which such obligations are intended to be performed in accordance with the Conditions, or for a clearing system to facilitate payments to Noteholders, is disrupted, delayed or impaired in any way whatsoever.
- (g) **Redemption for Additional Disruption Event:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 10 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 in the determination of the Calculation Agent, an Additional Disruption Event has occurred where:

"Additional Disruption Event" means any of Change in Law, FX Disruption, Hedging Disruption, Increased Cost of Hedging, Force Majeure, in each case if specified in the relevant Pricing Supplement.

"Change in Law" means that, on or after the Trade Date (as specified in the relevant Pricing Supplement), (i) due to the adoption of or any change in any relevant law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any relevant law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (a) it has or there is a substantial likelihood that it will become illegal for the Issuer to hold, acquire or dispose of Hedge Positions or (b) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

"Force Majeure" means that the Issuer or the Calculation Agent shall have determined, acting in a commercially reasonable manner, that the performance of any of the Issuer's obligations with respect to the Notes and/or that any arrangements made to hedge the Issuer's obligations with respect to the Notes shall have or will become or would be (as the case may be), impossible or impracticable to comply with, in whole or in part, due to reasons outside of the Issuer or Calculation Agent's control (including, but not limited to,

any natural, systems, facilities, technological, political or other cause) and which cannot be overcome by reasonable diligence and/or without unreasonable expense.

"FX Disruption" means it has become impracticable, illegal or impossible (i) to convert the relevant currency (the **"Local Currency"**) in which the relevant reference asset or any options or futures contracts in relation to the reference asset or any other property or transaction held by the Issuer or its affiliates for the purposes of hedging its obligations under the Notes (the **"Other Property"**) are denominated, into the Specified Currency, or to exchange or repatriate any funds in the Local Currency or the Specified Currency outside of the country in which the relevant reference asset or any options or futures contracts in relation to the reference asset or any Other Property are traded, due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, interpretation, directive or decree of any governmental authority or otherwise, or (ii) for the Calculation Agent to determine a rate at which the Local Currency can be exchanged for the Specified Currency for payment under the Notes.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) security borrow transactions or (iii) other instruments or arrangements (howsoever described) by a party in respect of, and/or in order to hedge, individually or on a portfolio basis, the Notes, as determined by the Issuer and/or the Calculation Agent in its sole and absolute discretion.

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

- (h) **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.

- (i) **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 Agency Agreement) without the prior consent of the Issuer.

- (j) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a), (c), (d), (e), (f), (g), (h) and (i) above.
- (k) **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.
- (l) **Purchases:** The Issuer, the Bank and its 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, at the option of the Issuer, be held, reissued, resold or surrendered to the Fiscal Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, the Bank or any Subsidiary of the Bank, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11.

"**Subsidiary**" means a subsidiary or subsidiary undertaking of the Bank whose affairs are for the time being required to be fully consolidated in the consolidated accounts of the Bank, and collectively the "**Subsidiaries**".

- (m) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Bank or any of its 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 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 a cheque

payable in the relevant currency drawn on, or, at the option of the holder, 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 T2 or, in the case of Renminbi, in Hong Kong.

(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)(iii) 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, in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made 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)(iii), "**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.*

Payment of interest or principal by the CMU Lodging and Paying Agent to the person for whose account a relevant interest in the Global Certificate is credited as being held by the CMU at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (as defined in the relevant CMU rules) or any other relevant notification by the CMU 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.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in Hong Kong or any other 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 CMU Lodging and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents appointed under the Agency Agreement and any Calculation Agent(s) appointed in respect of any Notes act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer 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, the 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 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, (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Notes are issued in definitive form, for so long as the Notes are listed on the Singapore Exchange Securities Trading Limited or any successor thereto (the "**SGX-ST**") and the rules of the SGX-ST so require and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer 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 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 or Variable Rate Notes), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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 or Variable Rate 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 T2 Business Day.
- (i) **Payment of Alternative Payment Currency Equivalent:**
- (i) This Condition 7(i) is applicable in relation to Notes if (i) the Specified Currency for which is RMB, (ii) a Clearing System Currency Eligibility Event has occurred and is continuing or (iii) it is specified in the relevant Pricing Supplement as being applicable.

- (ii) In respect of Notes for which the Specified Currency is RMB, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments in respect of the Notes when due in Offshore RMB in the relevant Offshore RMB Centre, the Issuer may settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on the due date at the Alternative Payment Currency Equivalent of any such amount due.
- (iii) If by reason of a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy payments in respect of the Notes when due in the Specified Currency, the Issuer may settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on the due date at the Alternative Payment Currency Equivalent of any such amount due.
- (iv) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.
- (v) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Additional Relevant Jurisdiction**" means each of the jurisdiction(s) specified as such in the relevant Pricing Supplement.

"**Alternative Payment Currency**" means the currency specified as such in the relevant Pricing Supplement.

"**Alternative Payment Currency Equivalent**" means the relevant amount in the Specified Currency converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date.

"**Alternative Payment Currency Exchange Rate**" has the meaning set out in the relevant Pricing Supplement.

"**Alternative Payment Currency Fixing Date**" means the second day prior to the date on which the relevant payment falls due. For the purposes of this definition, "day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the Specified Currency Jurisdiction, Alternative Payment Currency Jurisdiction and Additional Relevant Jurisdiction as may be specified in the relevant Pricing Supplement.

"**Alternative Payment Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement.

"**Foreign Exchange Dealer**" means an independent foreign exchange dealer of international repute active in the foreign exchange market in the relevant Specified Currency Jurisdiction.

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Specified Currency Jurisdiction or Additional Relevant Jurisdiction (as may be specified in

the relevant Pricing Supplement). Where the Specified Currency is Offshore RMB, the Specified Currency Jurisdiction for the purpose of the definition of Governmental Authority shall include mainland China and Hong Kong.

"Illiquidity" means where the general exchange market in the Specified Currency Jurisdiction becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Specified Currency in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Foreign Exchange Dealers.

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general exchange market in the Specified Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Specified Currency between accounts inside the Specified Currency Jurisdiction or from an account inside the Specified Currency Jurisdiction to an account outside the Specified Currency Jurisdiction and any Additional Relevant Jurisdiction (as may be specified in the relevant Pricing Supplement), or from an account outside the Specified Currency Jurisdiction and any Additional Relevant Jurisdiction (as may be specified in the relevant Pricing Supplement) to an account inside the Specified Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). Where the Specified Currency is Offshore RMB, the occurrence of any event that makes it impossible to transfer the Specified Currency from an account inside the Offshore RMB Centre to an account inside mainland China shall not constitute **"Non-transferability"**.

"Offshore RMB" means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulations and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the trade date of the Notes.

"Offshore RMB Centre" means the jurisdiction specified as such in the relevant Pricing Supplement in accordance with applicable laws and regulations.

8. **TAXATION**

All payments under the Notes will be made by the Issuer net of any applicable tax, duty, withholding or other payment which may be required to be paid, withheld or deducted.

9. **PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) 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, any Noteholder may give notice to the Issuer at the specified office of the Fiscal Agent that any Note held by it is and shall immediately become, due and payable at the Early Redemption Amount of such Note together with accrued interest (if any) to the date of payment without further formality:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any premium (if any) or interest on any of the Notes when due and, in the case of principal, where such failure continues for a period of 7 days, or, in the case of any premium (if any) or interest, where such failure continues for a period of 30 days; or
- (b) **Breach of Other Obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Covenant and such default is incapable of remedy or, if capable of remedy, remains unremedied for 45 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the specified office of the Fiscal Agent; or
- (c) **Insolvency:** (i) the Bank becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Bank or the whole or a substantial part of the undertaking, assets and revenues of the Bank, (iii) the Bank takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee or indemnity of any indebtedness given by it or (iv) the Bank ceases or threatens to cease to carry on all or any substantial part of its business, except on terms approved by an Extraordinary Resolution of the Noteholders; or
- (d) **Winding-up:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Bank; or
- (e) **Analogous Events:** any event occurs which that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (c) (*Insolvency*) to (d) (*Winding-up*) above.

11. **MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER, SUBSTITUTION OF ISSUER**

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders (including by way of conference call or by use of a videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution 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 two or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two 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, in which case the necessary quorum shall be two or more persons holding or representing not less than three-quarters, or at any adjourned meeting not less than one-quarter of the 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 Agency Agreement provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent. in nominal amount of the Notes outstanding or passed by Electronic Consent (as defined in the Agency Agreement) 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:** Notwithstanding Condition 11(a) above, the Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders if the modifications is of a formal, minor or technical nature, is made to correct a manifest or proven error or omission, or will not materially and adversely affect the interests of the Holders. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Bank shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or will not materially and adversely affect the interests of the Noteholders. Any such modification shall be binding on the Noteholders and such modification shall be notified to the Noteholders by the Bank as soon as practicable thereafter in accordance with Condition 14.
- (c) **Substitution of Issuer:**
- (i) The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders, be entitled at any time to substitute for the Issuer (or any such previously substituted company) any other company (the "**Substitute**") as principal obligor in respect of all obligations arising from or in connection with any one or more Series of the Notes, **provided that** (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the relevant Series of Notes and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Notes shall be unconditionally and irrevocably guaranteed by the Issuer, (iv) each stock exchange or listing authority on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Noteholders of the relevant Series in accordance with Condition 14.
- (ii) In the case of a substitution pursuant to this Condition 11(b), the Fiscal Agent may in its absolute discretion agree, without the consent of the relevant Noteholders, to a change of the law governing the Notes and/or the Agency Agreement **provided that** such change would not in the opinion of the Fiscal Agent be materially prejudicial to the interests of the Noteholders.

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, PBOC, NFRA and/or SAFE 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 Noteholders will be (i) (in the case of holders of Registered Notes) sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register, and be deemed to have been given on the fourth day after the date of mailing, or (ii) (in the case of holders of Bearer Notes) published in English in the South China Morning Post and in Chinese in the Hong Kong Economic Journal. If at any time publication in such newspapers is not practicable, notices will be valid if published in an English and/or Chinese language newspaper, as the case may be, with general circulation in Hong Kong. Any such notice will be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made.

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 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) ORDINANCE OF HONG KONG**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of Hong Kong.

16. **GOVERNING LAW AND JURISDICTION**

(a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Hong Kong law.

(b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes, claims, differences or controversy that may arise out of, in relation to or in connection with any Notes (and the Conditions), Receipts, Coupons or Talons, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") and accordingly any legal action or proceedings arising out of or in connection with any Notes (and the Conditions), Receipts, Coupons or Talons (the "**Proceedings**") may be brought in such courts. The Issuer irrevocably submits 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 to settle any Dispute.

- (c) **Waiver of Immunity:** Each of the Issuer and the Bank further has irrevocably agrees that no immunity (to the extent that it may now or hereafter exist, whether on the grounds of sovereignty or otherwise) from any Proceedings or from execution of judgment shall be claimed by or on behalf of it or with respect to its assets, any such immunity being irrevocably waived by the Issuer or the Bank, and each of the Issuer and the Bank irrevocably consents generally in respect of any such Proceedings to the giving of any relief or the issue of any process in connection with any such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

CAPITALISATION

The following table sets forth the consolidated capitalisation of the Group as at 30 June 2024. The information as at 30 June 2024 has been derived from the unaudited but reviewed interim consolidated financial statements of the Group as at 30 June 2024. This table should be read in conjunction with the unaudited but reviewed interim consolidated financial statements of the Group as at 30 June 2024, including the notes thereto, included in this Offering Circular.

Short-term funding and long-term funding

	As at 30 June 2024	
	HK\$	U.S.\$ ⁽¹⁾
	<i>(in million)</i>	
Short-term borrowings⁽²⁾		
Deposits and balances of banks and other financial institutions, short-term portion...	9,890.4	1,266.6
Deposits from customers, short-term portion ⁽³⁾	333,393.7	42,697.3
Certificates of deposit issued, short-term portion	1,093.1	140.0
Total short-term liabilities	344,377.2	44,104.0
Capitalisation		
Long-term borrowings⁽⁴⁾		
Deposits from customers, long-term portion ⁽³⁾	1,184.7	151.7
Loan capital	3,895.2	498.9
Total long-term liabilities	5,080.0	650.6
Share capital ⁽⁵⁾	18,404.0	2,357.0
Reserves	26,723.5	3,422.4
Shareholders' equity	45,127.5	5,779.4
Other equity instruments	9,335.4	1,195.6
Total capitalisation⁽⁶⁾	59,542.9	7,625.6

⁽¹⁾ Translated at the rate of HK\$7.8083 = U.S.\$1.00.

⁽²⁾ Short-term borrowings represent borrowings with a remaining maturity of one year or less or borrowings that are repayable on demand.

⁽³⁾ As at 30 June 2024, deposits from customers (short-term and long-term) amounted to HK\$334,578.4 million (U.S.\$42,849.1 million).

⁽⁴⁾ Long-term borrowings represent borrowings with a remaining maturity of more than one year.

⁽⁵⁾ As at the date of this Offering Circular, the issued and fully paid share capital is HK\$18,404.0 million (U.S.\$2,357.0 million).

⁽⁶⁾ Total capitalisation represents the sum of total long-term liabilities, shareholders' equity and other equity instruments.

There has been no material change in the consolidated capitalisation of the Group since 30 June 2024.

DESCRIPTION OF THE ISSUER

The Bank is incorporated and licensed in Hong Kong with business operations and presence spanning across Hong Kong, Macau, Mainland China, the United States and Singapore. It is 75 per cent. owned by CIFH, which in turn is 100 per cent. owned by CNCB. CNCB is over 60 per cent. indirectly owned by CITIC Limited while CITIC Limited is over 50 per cent. indirectly owned by CITIC Group. On 29 September 2017, the Bank implemented a plan to introduce five financial investors who injected approximately HK\$9.05 billion in total into the Bank for a combined 25 per cent. holding of its enlarged issued share capital. The transaction was completed on 15 December 2017. CIFH continues to retain 75 per cent. shareholding in the Bank after the transaction. Currently, the five financial investors who hold 25 per cent. shareholding in the Bank are Tian Yuan Trading Ltd. (a subsidiary of Ningxia Tianyuan Manganese Co., Ltd.), Hong Kong Guansheng Investment Co., Ltd. (a subsidiary of Quzhou Xin'an Development Co., Ltd.), Bank of China Limited Shanghai Branch, Clear Option Ltd. and Elegant Prime Ltd. (the two latter companies are wholly owned by Mr. Hui Wing Mau, the controlling shareholder of Shimao Group Holdings Ltd.).

The Bank is a Hong Kong-based commercial bank that offers a broad spectrum of financial services spanning wealth management, personal banking, wholesale banking as well as global markets and treasury solutions. The Bank aspires to grow into an outstanding bank that possesses professional capabilities to succeed with our customers, staff and community. As at the date of this Offering Circular, the Bank has a network of 24 retail branches and two business banking centres in Hong Kong, and a branch in each of Macau, New York, Los Angeles and Singapore. The Bank's wholly-owned subsidiary, HKCB Finance Limited ("**HKCBF**"), specialises in mortgage services in Hong Kong while its PRC-incorporated wholly-owned subsidiary, CITIC Bank International (China) Limited (中信銀行國際(中國)有限公司) ("**CBI (China)**"), is headquartered in Shenzhen with branches in Beijing and Shanghai.

The Bank is an integral part of CITIC Group's international commercial banking strategy. It is CITIC's vehicle for developing commercial banking businesses in Hong Kong, and the commercial banking platform for overseas business expansion for CITIC. In an effort to drive CITIC's strategy to restructure and align its Hong Kong and mainland Chinese commercial banking businesses operated through the Bank and CNCB, respectively, CITIC privatised CIFH in November 2008 to facilitate and maximise the synergy from the tripartite cooperation between the Bank, CNCB and Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") (the "**Restructuring Strategy**"). (See "*Principal Shareholders — CITIC International Financial Holdings Limited*".) Aside from this, CITIC also transferred all its holdings in CIFH to CNCB for a cash consideration of approximately HK\$13.6 billion (U.S.\$1.7 billion) (the "**CIFH Acquisition**"). The CIFH Acquisition was completed on 23 October 2009.

On 23 December 2014, BBVA agreed to dispose of its 29.68 per cent. stake in CIFH to CNCB for HK\$8,162 million and the transaction was completed on 27 August 2015. Following completion of the transaction, CNCB assumed full ownership of CIFH.

The Bank believes it has the following competitive advantages:

- **International management standards** — the Bank is independently managed by a team of qualified international banking professionals who are committed to international standards, business excellence and corporate governance;
- **Mainland Chinese parentage** — the Bank offers depth of knowledge and market connectivity in the PRC through its strong ties with and support from CNCB and its ultimate parent, CITIC;
- **One-stop cross-border financial solutions** — the Bank has a business model structured strategically for offering effective and timely one-stop financial solutions to customers with cross-border banking and financial needs, and for capturing cross-border opportunities entailed by Hong Kong's role as an offshore RMB centre as well as business opportunities arising from the implementation of the Greater Bay Area initiatives announced by the PRC government;
- **Customer-centric culture** — the Bank has a customer-centric culture with a focus on upholding integrity, transparency, professionalism, discipline, innovation and progressiveness; and
- **Strategic business position** — the Bank is designated as the international commercial banking platform for CITIC and CNCB.

For the six months ended 30 June 2024, the Group reported consolidated profit for the period of HK\$1,058.3 million (U.S.\$135.5 million). As at 30 June 2024, the Group had consolidated total assets, gross loans and advances to customers and total customer deposits and certificates of deposit issued of HK\$459,719.4 million (U.S.\$588,75.7 million), HK\$229,496.9 million (U.S.\$29,391.4 million) and HK\$335,671.5 million (U.S.\$42,989.1 million), respectively, and its total capital ratio, loans to deposits ratio and loans to total assets ratio were 18.7 per cent., 68.4 per cent. and 49.9 per cent., respectively.

The Bank's operations currently comprise three main lines of business: Personal & Business Banking Group ("PBG"), Wholesale and Cross-border Banking Group ("WBG") and Treasury and Markets Group ("TMG").

The principal operations of the Bank's three main lines of business are as follows:

Personal & Business Banking Group

PBG maintains a leading position in Hong Kong and the Greater Bay Area in providing customer-centric and digital savvy user experience, and focuses on serving affluent individuals and small business customers in Hong Kong and the PRC. Its products and services primarily comprise general banking and wealth management services for individuals, mortgage lending, consumer lending and credit cards, insurance services, as well as banking solutions for small- and medium- sized enterprises ("SMEs"). These are offered through a multi-channel distribution system which comprises retail branches, direct sales, automated teller machines, a 24-hour call centre, i-banking, phone banking and mobile banking. The Group also launched Cross-boundary Wealth Management Connect 2.0 services, resulting in significant growth in new account openings. In the first quarter of 2023, private banking operations and insurance services were established in Singapore and Macau respectively, generating regional synergistic effects and improving the ability to facilitate global financial management needs of high-net-worth customers.

Wholesale and Cross-border Banking Group

WBG is strategically positioned to be a full-service banking partner for Greater China and international corporates seeking, or active in, cross-border businesses and investments in the PRC. Its target customers include local Hong Kong and PRC companies, multinational companies, State-owned Enterprises ("SOE"), Privately-owned Enterprises ("POE"), banks and non-bank financial institutions and the public sector. It strives to offer these customers tailored and value-enhancing solutions including cash management services, bilateral loans, trade finance, structured finance, syndicated loans, as well as corporate treasury services, debt capital markets and securities services. WBG's key business units include Corporate Banking, Financial Institutions and Public Sector, Group Co-operation Office, Transaction Banking and Structured Finance, and the Bank's overseas branches in Singapore, New York, Los Angeles and Macau.

Treasury and Markets Group

TMG performs the dual function of managing the Bank's liquidity and risk exposures, and developing customer-driven trading and distribution capabilities for the Bank. One of TMG's principal roles lies in asset and liability management for the Bank. Under the oversight of the Asset and Liability Committee (the "ALCO"), TMG's functions include liquidity management, funding and financing in the money markets and capital markets, and the management of the Bank's trading and investment portfolios. TMG is also responsible for developing the Bank's customer-related treasury business. Apart from offering traditional liabilities hedging solutions, TMG also offers wealth management solutions to customers and works closely with PBG and WBG to cross-sell packaged and tailored structured solutions and treasury products to the Bank's retail and corporate customers. In June 2016, TMG commenced its Debt Capital Markets ("DCM") business, enriching the range of products available to clients and enhancing service capability. The custodian business for the Bank's corporate and institutional customers also launched in March 2020. Corporate trustee, paying agent, fund administration and fund trustee services have been gradually rolled out since 2022 and more than 20 agency and trustee projects were accomplished by the end of 2023.

History

The history of the Bank dates back to February 1922 with the inception of Ka Wah Ngan Ho in Guangzhou, China. In 1924, Ka Wah Ngan Ho was incorporated as a limited company in Hong Kong under the Hong Kong Companies Ordinance under the name of The Ka Wah Savings Bank Limited, which subsequently became The Ka Wah Bank Limited in January 1949. In July 1980, The Ka Wah Bank Limited made an

initial public offer of 35,000,000 ordinary shares of HK\$1.00 par value per share. The Bank experienced financial difficulties in 1985 as a result of adverse economic conditions in Hong Kong and incurred substantial losses. This led to the restructuring of the Bank in 1986 with an investment injection of HK\$350 million by CITIC, which is now the ultimate controlling shareholder of the Bank. CITIC was approved by the State Council of the PRC and established in 1979. It is a large state-owned multinational conglomerate with a wide range of businesses covering finance, energy and resources, manufacturing, engineering contracting and real estate.

In 1998, The Ka Wah Bank Limited underwent a management restructuring and transformed from a small-sized bank managed predominantly by bankers from the PRC into a medium-sized bank managed predominantly by professionals recruited from international commercial banks in Hong Kong. In July 1998, The Ka Wah Bank Limited changed its name to CITIC Ka Wah Bank Limited to underscore its relationship with CITIC and expanded its operations substantially in a move to reposition itself as a progressive, customer-centric bank while serving as a platform for the acquisition of The Hongkong Chinese Bank, Limited ("**HKCB**"). Reforms were implemented across most areas of the bank, including core business areas of retail banking, wholesale and cross-border banking, international banking and treasury, to improve the management and operating efficiency of its businesses while investment was also made in information technology infrastructure, and product enhancement and development.

On 17 January 2002, CITIC Ka Wah Bank Limited completed the acquisition of the entire issued share capital of HKCB for an aggregate consideration of HK\$4.2 billion. On 25 November 2002, the merger of CITIC Ka Wah Bank Limited and HKCB was completed after CITIC Ka Wah Bank Limited transferred most of its commercial banking assets and liabilities to HKCB and changed its name to "*CITIC International Financial Holdings Limited*". CIFH maintained its listing status and became the holding company of a group of reorganised banking and financial services companies. At the same time, HKCB adopted the name "*CITIC Ka Wah Bank Limited*" and continued to operate the integrated commercial banking business of the merged entities.

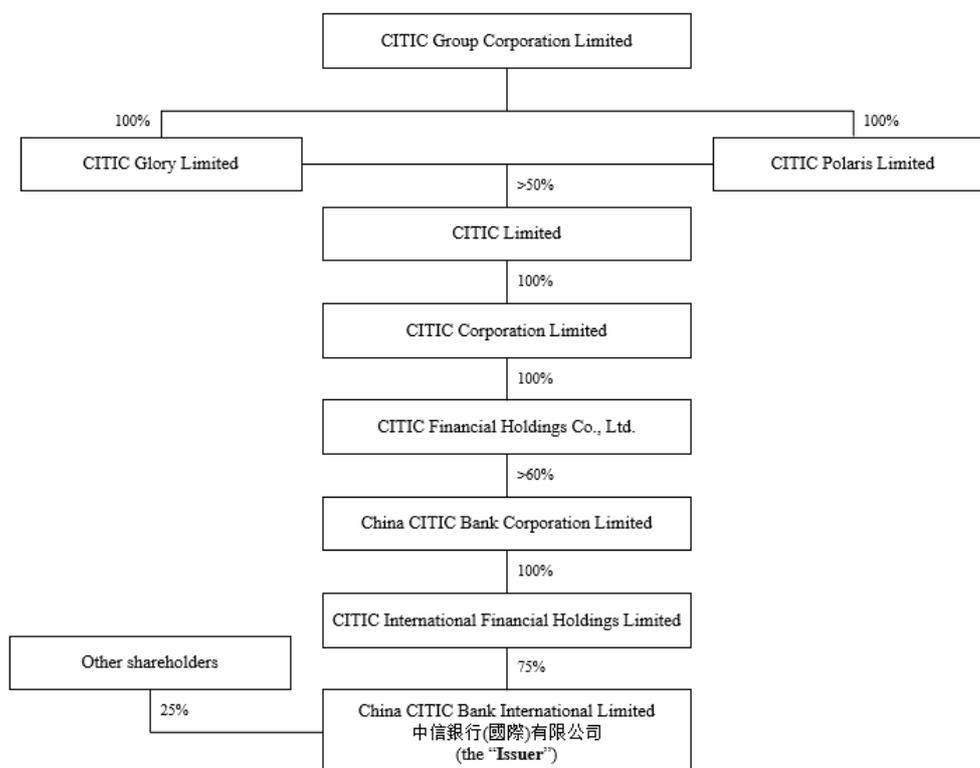
On 1 March 2007, CIFH and BBVA completed a strategic alliance agreement which involved BBVA taking a 14.58 per cent. stake in CIFH. On 3 June 2008, CITIC, through Gloryshare Investments Limited, proposed to privatise CIFH by way of a Scheme of Arrangement (the "**Proposed Privatisation**") as part of its Restructuring Strategy to align its commercial banking businesses in Hong Kong and Mainland China (See "*Principal Shareholders — CITIC International Financial Holdings Limited*"). On 16 October 2008, CIFH's independent shareholders approved the Proposed Privatisation. On 5 November 2008, CIFH was delisted from the Hong Kong Stock Exchange and on the same day, BBVA's stake in CIFH increased from 14.58 per cent. to 29.68 per cent. As part of the Restructuring Strategy, CITIC reaffirmed the role of the Bank as its exclusive vehicle for developing commercial banking business in Hong Kong and as the international commercial banking platform for business expansion in Asia for CITIC and BBVA. On 8 May 2009, CNCB announced the CIFH Acquisition which was approved at CNCB's annual general meeting held on 29 June 2009 and was completed on 23 October 2009.

On 7 May 2010, the Bank changed its name from CITIC Ka Wah Bank Limited to CITIC Bank International Limited and again on 16 November 2012 to China CITIC Bank International Limited with an aim to put further emphasis on its role as CNCB's offshore platform for pursuing business expansion in Hong Kong and internationally.

On 27 August 2015, CNCB successfully acquired the remaining 29.68 per cent. stake in CIFH from BBVA and assumed full indirect ownership of the Bank, strengthening the ties between the Bank and the parent bank for synergetic development on the full advantage of the CITIC brand.

On 15 December 2017, the Bank successfully introduced five financial investors with an aggregate shareholding of 25 per cent. of the total issued share capital of the Bank. Since then, the Bank became a 75 per cent. owned subsidiary of CIFH.

The following is a simplified chart of the shareholding chain of CITIC Group in CIFH and the Bank as at the date of this Offering Circular:



Strategy

Hong Kong is known across the world for its mature and highly sophisticated banking and financial services industry which has over the last two decades been characterised by intense competition posed by local and multinational financial institutions vying for opportunities from Mainland China's growing prominence and the liberalisation of the country's banking industry since 2005. Major Chinese financial institutions, especially those with H-share listings in Hong Kong, have started to embrace internationalisation strategies and leverage Hong Kong as a strategic springboard for overseas expansion. Since 2006, Chinese banks have been active in acquiring Hong Kong commercial banks as a means to gain immediate access to branch networks as well as operational presence in Hong Kong and abroad. As a result, smaller local and family-owned commercial banks in Hong Kong were increasingly prone to acquisition or marginalisation.

As an integral part of CITIC's international commercial banking franchise and its Hong Kong and offshore business development platform, the Bank is positioned to compete through its business model, which underpins its close collaboration with CNCB, to offer effective and timely one-stop financial solutions to customers with cross-border banking and financial needs, and capture cross-border opportunities entailed by Hong Kong's role as an offshore RMB centre as well as business opportunities arising from the implementation of the Greater Bay Area initiatives announced by the PRC government.

In pursuit of its objective to become "an outstanding bank with increased professional capabilities for future success", the Bank leverages fully its strategic role as the offshore commercial banking platform of CITIC in Hong Kong and overseas. The Bank's vision "Agile. Professional. Simple." expresses its strive for expertise to provide customers with simple yet flexible products and services that enable them to manage banking needs with ease and peace of mind. The mission "create value for customers, seek happiness for employees, make profit for shareholders, perform responsibility for society", adheres to the Bank's

fundamental intent to always be accountable to stakeholders, create value and give back to the community through professional services.

The Bank's core values of "Culture", "Customer", "Collaboration" and "Cyberspace" (together, the "4C strategy") represent the culmination of its value concept, which is also fully integrated in the Bank's 4C strategy implementation framework. Under the 4C strategy, "Culture" includes the aims to promote an agile and efficient work culture, to enhance risk management, compliance and internal control functions, and to implement ESG principles to promote sustainable development and fulfill corporate social responsibilities and improve cost management to boost efficiency. For example, the Bank launched its first ESG themed flagship branch in Hong Kong in April 2024. "Customer" includes the aims to optimise capital efficiency and improve business structure, to enlarge customer base and enhance service efficiency and professionalism, and to enrich product mix, develop signature and cross-border products. "Collaboration" represents deepening all-round collaboration with the CITIC Group overseas branches as well as the internal departments. "Cyberspace" includes the aims to leverage FinTech transformation to empower business and operational efficiency, and to improve system stability, self-control capability and data governance.

Awards

The Bank has received various awards and accolades for its business, management and operational excellence in addition to its contribution to the Hong Kong community. In 2023 and the first half of 2024, the Bank received a number of honours, awards and accolades, including:

- In 2023, the Bank was awarded "Best High-Net-Worth Wealth Management Bank" in the Economic Digest EDigest Brand Awards 2023;
- In 2023, the Bank won "Innovative Banking Service – E-banking Service" and "Innovative Banking Service - Digital Lending Service" in the Hong Kong Fintech Impetus Award 2023;
- In 2023, the Bank received the accolade "Outstanding Private Bank" in the 23rd Capital Outstanding Enterprise Awards;
- In 2023, the Bank won "Top Nominations Award" and "15th Anniversary Commemorative Award" in the 15th Hong Kong Institute of Bankers' Outstanding Financial Management Planner Awards;
- In 2023, the Bank was awarded "Top Investment House, Banks / Securities Company Hong Kong (Rank 1)" in the Asset Benchmark Research Awards for 2023 held by the Asset;
- In 2023, the Bank won "Financial Services – Premier Banking Service Award for Excellence in Users Experience" in the Ming Pao Awards for Excellence in Finance 2023;
- In 2023, the Bank was awarded "Top G10 Spot Entity", "Top G10 Spot Individual" and "Overall Top 5 Spot Trading Volume Entity" by the London Stock Exchange Group;
- In 2023, the Bank received the "Outstanding Award for Green and Sustainable Loan Structuring Advisor (Oil and Gas Industry)" and "Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Holding Industry) – Visionary Sustainability Bond Framework" at the 2023 Hong Kong Green and Sustainable Finance Awards organised by the Hong Kong Quality Assurance Agency;
- In 2023, the Bank won "Best FinTech Silver Award" in the 2023 Communications Association of Hong Kong's STAR Award;
- In 2024, the Bank received seven awards at The Asset "Triple A Awards for Sustainable Finance 2024";
- In 2024, the Bank was awarded "The Asian Banker Hong Kong Excellence in Retail Finance and Technology Innovation Awards 2024 – Best Big Data and Analytics Infrastructure Implementation"; and

- In 2024, the Bank was awarded "Innovative Deal of the Year – Hong Kong" at the Asian Banking and Finance "Corporate and Investment Banking Awards 2024".

Principal Business Activities

The Bank's operations currently comprise three main lines of business: PBG, WBG and TMG.

The following table sets out the contribution to the operating income of the Group on a consolidated basis by each of the business groups of the Group for the periods indicated.

	For the years ended 31 December				For the six months ended 30 June		
	2021	2022	2023		2023	2024	
	HK\$	HK\$	HK\$	U.S.\$	HK\$	HK\$	U.S.\$
	<i>(in millions)</i>						
Personal and Business Banking.....	2,797.9	2,641.7	3,194.0	409.0	1,596.4	2,013.0	257.8
Wholesale and Cross-border Banking.....	3,948.7	4,347.3	4,494.0	575.5	2,218.0	2,086.4	267.2
Treasury and Markets.....	1,116.6	789.3	474.8	60.8	161.3	151.7	19.4
Others ⁽¹⁾	332.1	685.0	1,837.2	235.3	801.2	955.6	122.4
Operating Income.....	<u>8,195.3</u>	<u>8,463.3</u>	<u>9,999.9</u>	<u>1,280.7</u>	<u>4,776.9</u>	<u>5,206.7</u>	<u>666.8</u>

⁽¹⁾ For the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023 and 2024, "Others" represents operating income from "Mainland subsidiary", "Others" and "Elimination and consolidation adjustments" as reported in the Issuer's audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023 and the Issuer's unaudited consolidated financial statements as at and for the six months ended 30 June 2024, respectively.

The following table sets out the profit/(loss) before taxation from each of the business groups of the Group for the period indicated.

	For the years ended 31 December				For the six months ended 30 June		
	2021	2022	2023		2023	2024	
	HK\$	HK\$	HK\$	U.S.\$	HK\$	HK\$	U.S.\$
	<i>(in millions)</i>						
Personal and Business Banking.....	1,139.2	859.9	1,127.4	144.4	572.0	898.5	115.1
Wholesale and Cross-border Banking.....	1,647.8	2,040.8	1,371.8	175.7	1,420.8	(42.1)	(5.4)
Treasury and Markets.....	719.0	339.7	(45.7)	(5.9)	(71.0)	(82.9)	(10.6)
Others ⁽¹⁾	(1,005.6)	(690.7)	535.9	68.6	121.8	467.3	59.8
Total profit before taxation.....	<u>2,500.4</u>	<u>2,549.7</u>	<u>2,989.3</u>	<u>382.8</u>	<u>2,043.6</u>	<u>1,240.8</u>	<u>158.9</u>

⁽¹⁾ For the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023 and 2024, "Others" represents profit before taxation from "Mainland subsidiary", "Others" and "Elimination and consolidation adjustments" as reported in the Issuer's audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023 and the Issuer's unaudited consolidated financial statements as at and for the six months ended 30 June 2024, respectively.

Personal & Business Banking Group

Overview

PBG is committed to providing customer-centric and digital savvy user experience in Hong Kong and the Greater Bay Area, and focuses on serving affluent individuals and small business customers in Hong Kong and the PRC. PBG is a full retail service provider and its products and services primarily comprise general banking and wealth management services for individuals, mortgage lending, consumer lending and credit cards, insurance services, as well as banking solutions for SMEs. These are offered through a multi-channel distribution system which comprises retail branches, direct sales, automated teller machines, a 24-hour call centre, i-banking, phone banking and mobile banking. The Group also launched Cross-boundary Wealth Management Connect 2.0 services, resulting in significant growth in new account openings. As at 31 December 2023, the PBG's retail deposits balance reached HK\$201.5 billion (U.S.\$25.8 billion), representing an increase of 15.1 per cent. year-on-year. As at 30 June 2024, the PBG's retail deposits balance reached HK\$224.8 billion (U.S.\$28.8 billion), representing an increase of 4.3 per cent. from the end of 2023.

PBG focuses on growing its non-interest income through the distribution of a wide range of wealth management products including stock trading, unit trusts, insurance products and structured products. For the year ended 31 December 2023, non-interest income derived from PBG amounted to HK\$1,038.2 million

(U.S.\$133.0 million), representing 21.7 per cent. increase from the year ended 31 December 2022. For the six months ended 30 June 2024, non-interest income derived from PBG amounted to HK\$761.7 million (U.S.\$97.6 million), representing 32.2 per cent. increase as compared to the same period last year.

In order to enhance customer experience, PBG continues to invest in Fintech to spearhead transformation and optimise digital banking services via the Bank's mobile banking named inMotion to provide support to customers in their transition from conducting banking transactions offline to online.

In 2018, inMotion was Hong Kong's first virtual banking service app to provide truly remote account opening. Upon this success, inMotion continued to act as the pioneer in the market and launched Hong Kong's first truly virtual credit card "Motion Virtual Credit Card" in 2019. In November 2019, the Bank was then again the first bank in Hong Kong to introduce "**Robo 360**", which is an online financial advisory service. inMotion also introduced brand new experiences on foreign exchange services, fast payment services, 24X7 time deposit placements/renewals and 24X7 live chat services.

In March 2020, the Bank was the first bank in Hong Kong to enable its customers to open a 3-in-1 account via remote channels encompassing deposit, investment and credit card accounts. In June 2020, the Bank introduced a new money market fund investment service, providing a new investment experience with increased flexibility and convenience for customers. As at 31 December 2023, the number of inMotion users had increased significantly by 30 per cent. since 2022. With the capabilities of the mobile banking flagship platform inMotion further stepping up, the gamification platform "**Reward GO!**" campaign led to enhancements in customer loyalty, acquisition and activation. As at 30 June 2024, The number of mobile banking inMotion users increased by more than 15% from the end of 2023, and digital sales transactions grew by around 60% year-on-year. As at 30 June 2024, digital users (including mobile banking users and online banking users) increased by 11.0 per cent. compared to the end of 2023.

PBG continues to innovate products and enhance its customer experience to capture market opportunities and meet customer needs. In January 2021, PBG launched the "Monopoly" deposit account in cooperation with the global game and entertainment brand "Monopoly". In July 2021, PBG launched the GBA mortgage service to meet customer needs for cross-border products. In October 2021, the "GBA Wealth Management Connect" was successfully launched. The Bank is one of the first batch of banks to provide both Northbound and Southbound services. In February 2023, the Bank officially launched its private banking services in Singapore, assisting high-net-worth customers with assets of SGD2 million or the equivalent to explore more global investment opportunities. The Bank plans to introduce such services in carefully planned phases with the aim of delivering a broad range of professional solutions that are tailored to meet the unique needs and expectations of its high-net-worth clientele. In 2023, the Bank launched three brand new credit cards which were tailored to specific customer segments, and the issuance of new credit cards more than double when compared to 2022. A new mobile application "FX Go" was also introduced to enable customers to access real-time, comprehensive foreign exchange data and facilitate the opening of accounts for trading foreign exchange and gold investments.

As a result of the customer-centric business strategy implemented with respect to the High-Net-Worth and Business Banking segments, as well as the continuous and consistent deepening of customer relationships, delivery of innovative and suitable products and services and provision of professional advice to customers, PBG was awarded several accolades in 2023 and the first half of 2024, including (but not limited to):

- "Innovative Banking Service – E-banking Service" and "Innovative Banking Service - Digital Lending Service" in the Hong Kong Fintech Impetus Award 2023; and
- "Best Big Data and Analytics Infrastructure Implementation" in the Asian Banker Hong Kong Excellence in Retail Finance and Technology Innovation Awards 2024.

As an offshore wealth management platform for CNCB's high-net-worth customers, PBG gives full play to the advantages of the full-scale collaboration with the CITIC Group and CNCB, and provides comprehensive financial service solutions for high-net-worth customers and one-stop financial services such as salary banking for employees of CITIC group companies based in Hong Kong. For the six months ended 30 June 2024, revenue from cross border customers grew 10.0 per cent. year-on-year, contributing 6.0 per cent. of total PBG's revenue growth.

Business Portfolio

PBG is committed to remaining customer-centric and digital savvy. It has a strong innovative spirit and will continue to enhance and develop new customer solutions to make banking simple and convenient for both local and cross-border customers. There are three key customer segments in PBG, comprising High-Net-Worth, Business Banking and Mass segment.

High-Net-Worth

High-net-worth segment is composed of Private Banking, CITIC*diamond* and CITIC*first* customers. PBG helps customers define and develop optimised solutions to meet their financial goals, risk-return profiles, risk tolerances level and investment preferences through comprehensive wealth management products to meet the risk diversification and yield enhancement needs of its customers.

PBG focuses on growing its high-net-worth customer base and providing more innovative and tailor-made wealth management solutions. For the year ended 31 December 2023, the number of high-net-worth customers increased by 9.8 per cent. year on year, with CITIC*diamond* customers increasing by 24.8 per cent. For the six months ended 30 June 2024, the number of high-net-worth customers increased by 7.8 per cent. year on year. To cope with the business growth, PBG continues to invest in the increase of Private Banking relationship managers. In addition, two CITIC*diamond* centres were opened at Mongkok and Causeway Bay in January and October 2021, respectively.

Business Banking

Business Banking segment focuses on servicing SMEs to provide comprehensive financial and wealth management solutions including trade finance, cash management, foreign exchange, insurance and corporate loans. Small business customers offer an excellent opportunity for cross-selling fee-based products and are important sources of interest income for the Bank.

Business Banking strengthened business scale via expanding its relationship manager team, so that it can acquire more quality customers and deepen existing customer relationships.

Mass Segment

Mass segment has the largest customer base in PBG among the three segments. PBG offers a comprehensive product suite and services including general banking and wealth management service, mortgage lending, consumer finance, deposits, credit cards and insurance to this segment. Customers can be reached through a multi-channel distribution system comprising retail branches, direct sales, automated teller machines, a 24-hour call centre, i-banking, phone banking and mobile banking. To develop this segment, PBG continues to improve its digital banking capability and enhance customer experience in order to provide support to customers for conducting banking transactions from offline to online.

Wholesale and Cross-border Banking Group

Overview

WBG is strategically positioned to be a full-service banking partner for Greater China and international corporates seeking, or, which is active in, cross-border businesses and investments in the PRC. It strives to offer these customers tailored and value-enhancing solutions such as cash management services, bilateral loans, trade finance, structured finance, syndicated loans, as well as corporate treasury services, debt capital markets and securities services.

As for core products, the Group gradually established a product system and channels for Transaction Banking, which further enhanced settlement service capabilities and customer experience. In the first half of 2023, the Group completed the first Escrow and Special Settlement Account Service. At the same time, the Group's corporate fund transfer service was upgraded to facilitate the customers' cash management needs. In early 2024, the transaction banking – Application Programming Interface Service and H-share Dividend Payment Service were successfully launched to optimise the Group's settlement services and to further enhance customer experience. Amid the steady development of the green and sustainable finance sector, the green and sustainable finance related loan balance reached HK\$14.6 billion (U.S.\$1.9 billion) as at 30 June 2024, which represented a growth of 61.8 per cent. as compared to HK\$9.0 billion (U.S.\$1.2 billion) as at 31 December 2023.

Key Business and Product Areas of WBG

Corporate Banking I, II, III, IV, V. The five Corporate Banking teams were formed with the aim to better serve the banking needs of SOEs in Mainland China, privately owned PRC enterprises who are leaders in their industries, existing core and strategic customers of CNCB with cross-border needs and non-PRC companies which are predominantly doing business in Mainland China and Hong Kong. Moreover, the five teams also provide tailor-made banking solutions to major multinationals and regional corporates that are active in overseas expansion and international trade.

Group Co-operation Office ("GCO"). The GCO team is responsible for deepening cooperation with CITIC Group and CNCB and further optimising the coverage efforts for all onshore branches of CNCB. GCO also strives to enhance collaboration with upstream and downstream customers of the CITIC Group to expand customer acquisition channels.

Financial Institutions and Public Sector ("FI&PS"). The FI&PS team is responsible for expanding the Bank's marketing reach to banks and non-bank financial institutions in the region and offering banking solutions to government and quasi-government departments or bodies and non-profit making organisations.

Structured Finance ("SF"). The SF team is responsible for the origination, underwriting and distribution of syndicated and structured finance deals of the Bank. In addition, the team also specialises in commercial real estate debt financing, covering a broad range of property types.

Transaction Banking ("TB"). The TB team was set up with enhanced product management and business development capabilities in order to strengthen service professionalism for providing tailored and value enhancing transaction banking services.

Strategic Collaboration with CNCB and CITIC Group

As the Bank's main interface for collaboration with CNCB and other CITIC Group entities in Hong Kong and Mainland China, WBG continues to promote and co-ordinate business collaboration across all business lines between the Bank and CNCB as well as other CITIC subsidiaries. The Bank will stay true to the principle of "One CITIC, One Customer", and give full play to CITIC Group's distinctive strength of being synergistic. Comprehensive cross-border financial services will continue to be proactively provided to CITIC Group's onshore and offshore companies to significantly enhance industry-finance and finance-finance sector collaboration. In addition, the Bank will persist with efforts to greatly enhance collaboration and branding as well as joint marketing of core customers, and will strive to actively integrate and become a part of CITIC Group's overall business vision and development blueprint, and create unique competitive advantages and brand value.

Treasury and Markets Group

Overview

TMG has two principal functions: one function is to undertake the role of corporate treasury under the oversight of ALCO, and the other function is to undertake the role of Global Markets in managing and developing the trading and distribution business.

Under the oversight of ALCO, TMG's corporate treasury functions include liquidity management, funding and financing in the money markets and capital markets, and the management of the Bank's trading and investment portfolios. Its objectives are to ensure the adequate supply of funds to finance the Bank's local and foreign currency business, to ensure ready access to financing through the money and capital markets, to lower the cost of funding through the use of various financial instruments and different sources of funding, and to invest the Bank's surplus liquidity in debt securities and funds according to the investment criteria set by ALCO.

The Global Markets function of TMG includes managing foreign exchange and interest rate trading risks, market-making of treasury products, and distribution of treasury solutions to the Bank's retail and wholesale customers. In order to enhance the Bank's wealth management business, TMG established its in-house product capability in structured products, and is focused on further building its distribution of wealth management products by working closely with PBG and WBG to cross-sell packaged and tailored structured solutions to the Bank's retail and corporate customers. For the years ended 31 December 2022 and 2023 and for the six months ended 30 June 2023 and 2024, operating income derived from the Global

Markets function amounted to HK\$291.3 million, HK\$556.9 million, HK\$290.6 million and HK\$246.2 million (U.S.\$31.5 million), respectively.

For securities services business, the Group has gradually rolled out corporate trustee, paying agent, fund administration and fund trustee services since 2022, which further enhanced customer service capabilities. Total assets under management of more than HK\$180 billion (U.S.\$23.1 billion) were achieved, recording a year on-year increase of 41.6%. A 106.2% year-on-year increase in security service fee income was recorded, with approximately 2.6 times the net interest income as compared to 2022.

Liquidity, Funding and Interest Rates Risk Management

Under the supervision of ALCO, TMG is responsible for managing the funding and liquidity of the Bank. It engages in inter-bank placing and borrowing, and fulfills the Bank's long-term funding requirements by issuing debt securities in both the local and international capital markets. Derivatives are used to swap assets or liabilities to fixed rate or floating rate exposure according to strategies set by ALCO. In addition to being able to issue Notes under the Programme as described in this Offering Circular, the Bank also has a HK\$25.0 billion (U.S.\$3.2 billion) and a HK\$2.0 billion (U.S.\$0.3 billion) certificates of deposit issuance facility that it utilises to secure longer term funding so as to reduce the mismatch between the Group's loan and deposit maturities. The Bank aims to structure its liability mix and strengthen its long-term sources of funds by issuing certificates of deposit at regular intervals.

Another major function of TMG is to invest the surplus liquidity of the Bank under the supervision of ALCO. The interest rate sensitivity of the portfolio is set by ALCO. Surplus liquidity of the Bank is traditionally invested in high grade and liquid fixed income securities and primarily through the Bank's fair value through other comprehensive income securities portfolio. As at 30 June 2024, this portfolio amounted to HK\$127.2 billion (U.S.\$16.3 billion), and was primarily invested in senior debt of, and exchange fund bills and notes issued by investment grade international financial institutions and governments. The average credit rating of the securities within the portfolio is A-rated or above. Apart from generating extra income for the Bank, this portfolio is also a source of liquidity when necessary.

Customer-driven Trading and Distribution

TMG, which serves as an offshore platform for the banking businesses of CNCB, has been focusing on its Non-Deliverable Forward business for clients of CNCB who wish to hedge their onshore exposures. In July 2010, Renminbi as an offshore currency was introduced in the Hong Kong market, and deliverable products denominated in Renminbi have gradually grown popular. TMG expects customer demand for these treasury tools and solutions to continue to increase, and is focused on strengthening its structuring capabilities and service quality. TMG is also active in delivering structured products to individual investor customers through the Bank's retail banking channel.

TMG aims to develop and establish the Bank's global markets capabilities and to further develop its customer-driven trading and distribution capabilities in order to expand its revenue sources and to meet the increasingly sophisticated demands of its customers. In particular, it aims to leverage CNCB's foreign exchange market-making leadership in Mainland China to develop timely and relevant customer solutions to capitalise on the liberalisation of RMB trade settlement between Mainland China, Hong Kong and the rest of the world.

DCM Business

The certificates of deposit and medium term notes businesses have become a major source of revenue for the Group since 2022, with 544 issuances completed in 2023 and issuance volume reaching U.S.\$31.4 billion. During the first half of 2024, the new issue volume of certificates of deposits and medium term notes under the Group's DCM business was U.S.\$15.4 billion, with 330 issuances in total, an increase of approximately 10.4 per cent year-on-year in terms of issuance volume. For the underwriting of green bonds, in 2023, the Group engaged in a total of 23 green and sustainable bond issuances pertaining to green bond underwriting, with the issuance value amounting to approximately US\$7.51 billion, reflecting a year-on-year growth of 19.4%. In 2023, the Bank received the "Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Holding Industry) – Visionary Sustainability Bond Framework" at the 2023 Hong Kong Green and Sustainable Finance Awards organised by the Hong Kong Quality Assurance Agency.

Other Investments

The Group also invests in fixed income securities from time to time as a means to diversify its income source. The Group mainly invests in investment grade fixed income securities, with approximately 97.3 per cent. of the fixed income securities held by the Group as at 30 June 2024 being rated A-/A3 or above by Standard & Poor's Financial Service LLC or Moody's Investors Services Inc. Other than these fixed income securities, as at the date of this Offering Circular, the Group did not have any material exposure to other types of investment, such as funds, structured investment vehicles, collateralised debt obligations and credit default swaps.

Overseas Branches

Singapore branch

Tapping into Singapore's robust economy and its position as the regional financial hub of Southeast Asia, the Singapore branch provides a comprehensive range of banking services to corporate and institutional clients, including but not limited to, working capital financing, corporate lending, trade finance, and treasury and global markets products. The Singapore branch also caters to high-net-worth individuals through its private banking centre. In the first quarter of 2023, private banking operations were also established in Singapore.

Macau branch

The Macau branch strengthens the Bank's geographic reach in the Greater Bay Area. This branch provides tailor-made services in the areas of unsecured and secured lending, trade finance, foreign exchange, and deposits to corporate customers, as well as insurance and other retail banking products to personal customers. In the first quarter of 2023, insurance services were also established in Macau.

U.S. branches

The Bank's businesses in the United States are conducted through its two branches located in New York and Los Angeles, respectively. The U.S. branches enhance the Bank's global reach and focus on serving the needs of clients in the U.S. market, by providing wholesale banking services such as syndicated loan facilities, commercial real estate finance, trade finance, and foreign exchange.

Properties

As at 30 June 2024, the Group owned properties with aggregate floor areas of approximately 37,670 square feet, 7,471 square feet and 10,003 square feet on Hong Kong Island, in Kowloon and in the New Territories, respectively. In addition, as at 30 June 2024, the Group also leased properties with aggregate floor areas of approximately 199,650 square feet, 106,344 square feet and 15,803 square feet on Hong Kong Island, in Kowloon and in the New Territories, respectively. These leased properties are used as offices, branches, staff quarters, business continuity sites and warehouses.

Outside of Hong Kong, as at 30 June 2024, the Group owned and leased approximately 10,268 square feet, 10,448 square feet, 7,600 square feet, 14,278 square feet and 14,161 square feet in Shanghai, Macau, Los Angeles, New York and Singapore, respectively. As at 30 June 2024, CBI (China) leased approximately 14,243 square feet and 12,914 square feet in Beijing and Shanghai, respectively as branches and 50,559 square feet in Shenzhen as the headquarters.

Insurance

The Group procured Banker's Blanket Bond, Computer Crime and Professional Indemnity Insurance to cover potential liabilities against acts including dishonesty, fraud, forgery or alteration, computer crime, internet banking exposure, breach of fiduciary duty, breach of professional duty, breach of statutory duty and misrepresentation and libel. The Bank maintains an "all risk" insurance coverage for its cash, owned properties and computers, public liability insurance and motor insurance. The Bank generally requires borrowers to obtain appropriate insurance coverage for certain types of security, such as residential premises.

The Bank has also acquired employee compensation, medical and earthquake insurance coverage for the Bank's branches in Hong Kong, Macau, Singapore, New York and Los Angeles.

In addition, following the implementation of the Deposit Protection Scheme in September 2006, the Bank is required to pay contributions to the Hong Kong Deposit Protection Board to provide customer deposit protection for its customers.

Systems and Controls

The Bank operates in a highly regulated environment and continually enhances its operational risk management systems and controls to understand its risk profile. The Bank's operational risk management encompasses identifying risks; measuring and assessing exposures to those risks (where possible); monitoring exposures and corresponding capital needs on an ongoing basis; taking steps to control or mitigate exposures; and reporting to senior management and the board of directors on the Bank's risk exposures.

From a governance perspective, the Bank relies on the three lines of defence model as the foundation of an effective operational risk management framework to ensure clear responsibility and accountability and to promote a sound culture across the Bank. The Bank's Operational Risk Management Committee (the "ORMC"), which is chaired by the Chief Risk Officer convenes on a regular basis. Among other duties, the ORMC monitors, reviews and evaluates the effectiveness of the Bank's operational risk framework and operational risk profile.

Internal controls are typically embedded in the Bank's day-to-day business and are designed to ensure, to the extent possible, that the Bank's activities are efficient and effective; that information is reliable, timely and complete; and that the Bank is compliant with applicable laws and regulations.

Litigation

The Group is not currently involved in any material litigation or other adversarial proceedings which is expected to have a significant impact on the Group and the Group is not aware of any circumstances under which any of the same is pending or threatened. See "*The Bank may be involved in legal, regulatory and administrative actions, proceedings and investigations arising from its operations from time to time*".

Intellectual Property

The Group relies on domain name registrations to establish and protect its internet domain names. The Group has registered more than 400 internet domain names in various jurisdictions for its current operations.

Employees

As at 30 June 2024, the Group, on a consolidated basis had a total of 2,671 employees as set forth in the following table.

	No. of Employees
PBG, WBG and TMG	1,375
Head office and operational support.....	965
Overseas (Mainland China, Macau, Singapore and the United States)	331
Total	2,671

As at 30 June 2024, approximately 34.1 per cent. of the Group's employees, on a consolidated basis, performed supervisory and management functions, while the remaining 65.9 per cent. performed business and operational support functions.

The Group places high priority on its ongoing efforts to attract, motivate and retain talent through a combination of prudent people management practices, professional development opportunities, employee recognition programmes, employee wellbeing, sports and recreation programmes, and market-aligned compensation schemes. Emphasis is also placed on performance management, with variable rewards linked to results through differentiation and levelling.

At the same time, training and development remain at the core of the Group's talent development and retention strategy. The Group's staff force received an average of 2.98 training days during the six months ended 30 June 2024, covering business, technical, leadership, managerial, and personal effectiveness training as well as attainment of professional qualifications.

The Group strives to provide a caring and pleasant work environment to its employees. None of the Group's employees are members of a trade union. The Group provides staff housing loans and contingency loans, as well as life, personal accident and medical insurance benefits for its employees. The Group maintains a Mandatory Provident Fund Scheme as well as an ORSO Provident Fund Scheme (The China CITIC Bank International Provident Fund) for its employees.

Competition

The Hong Kong banking industry is well developed and the Group faces intense competition from many other Hong Kong banks as well as PRC and international banks. In particular, the banking and financial services industry in Hong Kong is a mature market, and according to statistics published by the HKMA, as at 31 August 2024, there were 31 Hong Kong incorporated licensed banks and 118 licensed banks incorporated outside Hong Kong competing for a customer population of over 7.5 million people. Therefore, many of the international and local banks and niche players operating in Hong Kong compete for substantially the same customers as the Group. In 2019, the HKMA granted eight new virtual banking licences in order to facilitate financial innovation, which enhanced customer experience and financial inclusion. Since then, the virtual banks have initiated business operations and have brought about heightened competition within the banking industry in Hong Kong.

With the PRC's growing economic strength and the liberalisation of the PRC banking industry since 2005, major PRC financial institutions, especially those with H-share listings in Hong Kong, have started to embrace internationalisation strategies that leverage Hong Kong as a strategic platform for overseas expansion. Since 2006, PRC banks have been active in acquiring Hong Kong commercial banks to gain immediate access to branch networks as well as operational presence in Hong Kong and overseas. As a result, smaller local and family-owned commercial banks in Hong Kong are increasingly vulnerable to becoming acquisition targets or face the risk of being marginalised.

The intensity of competition in the past few years has had an adverse impact on the pricing of certain products.

In recent years, competition among banks in Hong Kong for investment and insurance products, home mortgage loans, credit cards, personal loans and lending businesses has become intense. As a result of the intensified competition among banks, the Bank has experienced downward pressure on its profit margins in recent years. To counter the effects of increased competition, the Bank actively pursues new business opportunities emanating from the Guangdong-Hong Kong-Macao Greater Bay Area, the RMB internationalisation strategy and ESG development, and continues to strengthen its collaboration with CITIC Group and CNCB. In addition, it is committed to and will persist with efforts to enhance risk management and internal controls, promote technological innovation and Fintech transformation, actualise low-capital and low-cost transformation, and emphasise agile cultural transformation. See "*Risk Factors — Risks relating to the Bank's Business — The Group is subject to significant competition*".

Principal Subsidiaries

The Bank's subsidiaries are involved in the provision of general banking and other financial services. Details of the Bank's principal subsidiaries and its effective equity interest in each, as at 30 June 2024, are set out below.

<u>Name of Company</u>	<u>Place of incorporation / operation</u>	<u>Per cent. of shares held</u>	<u>Principal activities</u>	<u>Issued ordinary share capital</u>
Subsidiary				
Carford International Limited	Hong Kong	100	Property holding	HK\$2
CITIC Bank International (China) Limited	The PRC	100	Banking	RMB1,000,000,000
CITIC Insurance Brokers Limited	Hong Kong	100	Insurance broker	HK\$5,000,000
HKCB Finance Limited	Hong Kong	100	Consumer financing	HK\$200,000,000

SELECTED STATISTICAL AND OTHER INFORMATION RELATING TO THE GROUP

Loan Portfolio

Overview

As at 30 June 2024, the Group's gross loans and advances to customers were HK\$229,496.9 million (U.S.\$29,391.4 million) which represented 49.9 per cent. of its total assets. Home mortgage loans and loans for property investment represented 20.4 per cent. of the Group's gross loans and advances customers as at 30 June 2024.

The table below sets forth a summary of the Group's loans by sector as at the dates indicated.

Loans and advances to customers analysed by industry sectors

The following economic sector analysis as at the dates indicated are based on categories and definitions used by the HKMA.

	As at 31 December 2023			As at 30 June 2024		
	Gross loans and advances to customers		% of total	Gross loans and advances to customers		% of total
	HK\$	U.S.\$	(per cent.)	HK\$	U.S.\$	(per cent.)
	(in millions)			(in millions)		
Industrial, commercial and financial						
—Property development.....	7,042.6	901.9	3.1	5,595.7	716.6	2.4
—Property investment.....	22,474.8	2,878.3	9.9	23,644.5	3,028.1	10.3
—Financial concerns.....	22,989.3	2,944.2	10.2	23,493.1	3,008.7	10.2
—Stockbrokers.....	1,497.7	191.8	0.7	2,241.1	287.0	1.0
—Wholesale and retail trade.....	8,761.2	1,122.0	3.9	10,362.8	1,327.1	4.5
—Manufacturing.....	5,904.1	756.1	2.6	4,710.9	603.3	2.1
—Transport and transport equipment.....	3,385.4	433.6	1.5	2,714.7	347.7	1.2
—Recreational activities.....	660.3	84.6	0.3	267.2	34.2	0.1
—Information technology.....	598.8	76.7	0.3	759.0	97.2	0.3
—Others ⁽¹⁾	9,596.1	1,229.0	4.2	10,161.9	1,301.4	4.4
Individuals						
—Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme.....	14.0	1.8	0.0	14.4	1.8	0.0
—Loans for the purchase of other residential properties.....	22,343.8	2,861.5	9.9	23,045.0	2,951.4	10.0
—Credit card advances.....	619.4	79.3	0.3	647.1	82.9	0.3
—Others ⁽²⁾	16,951.6	2,171.0	7.5	16,252.4	2,081.4	7.1
Gross loans and advances for use in Hong Kong.....	122,839.1	15,731.9	54.3	123,909.8	15,869.0	54.0
Trade finance.....	5,524.1	707.5	2.4	7,630.3	977.2	3.3
Gross loans and advances for use outside Hong Kong ⁽³⁾	97,923.0	12,540.9	43.3	97,956.9	12,545.2	42.7
Gross loans and advances to customers.....	226,286.3	28,980.2	100.0	229,496.9	29,391.4	100.0

(1) "Others" includes loans which are used to finance the general working capital of conglomerates including conglomerates in the hotel, retail, import and export, civil engineering, gas and electricity industries.

(2) "Others" includes personal loans, tax loans and loans for the purchase of commercial and industrial properties.

(3) This refers to loans to customers with a principal place of business outside Hong Kong.

Geographical Concentration

A significant proportion of the Group's loans to customers are advanced to PRC entities, which are identified by those borrowers that are domiciled in the PRC, or are guaranteed by entities domiciled in the PRC and thus have risk transferred to PRC country risk. As at 30 June 2024, Mainland China-related loans accounted for 18.8 per cent. of the Group's gross loans and advances to customers. See "—Asset Quality".

The table below sets forth a summary of the Group's loans to customers by geographical location as at the dates indicated.

	As at 31 December 2023			As at 30 June 2024		
	Loans and advances to customers		Percentage of total	Loans and advances to customers		Percentage of total
	HK\$	U.S.\$		HK\$	U.S.\$	
	<i>(in millions)</i>		<i>(per cent.)</i>	<i>(in millions)</i>		<i>(per cent.)</i>
Hong Kong.....	159,004.5	20,363.5	70.3	157,510.7	20,172.2	68.6
Mainland China	36,274.6	4,645.6	16.0	43,137.0	5,524.5	18.8
United States	10,364.3	1,327.3	4.6	10,338.8	1,324.1	4.5
Singapore.....	7,472.0	956.9	3.3	7,815.2	1,000.9	3.4
Others ⁽²⁾	13,170.9	1,686.8	5.8	10,695.3	1,369.7	4.7
Total	226,286.3	28,980.2	100.0	229,496.9	29,391.4	100.0

⁽¹⁾ The geographical breakdown is classified by the location of the counterparties after taking into account the transfer of risk and therefore, where a claim guaranteed by a party is situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

⁽²⁾ "Others" mainly includes West Indies, Cayman Islands and Saudi Arabia.

Customer loan concentration

The Banking (Exposure Limits) Rules generally prohibits any bank incorporated in Hong Kong from maintaining a financial exposure to any single person or group of connected persons in excess of 25.0 per cent. of its Tier 1 capital base. For a discussion of financial exposure, see "*Regulation and Supervision — Principal Obligations of Authorised Institutions — Financial exposure to any one customer*". As at 30 June 2024, the Group's 20 largest borrowers (including groups of individuals and companies) accounted for HK\$53,052 million (U.S.\$6,795 million) or 104.71 per cent. of the Group's Tier 1 capital base. As at 30 June 2024, the Group's five largest borrowers (including groups of individuals and companies) accounted for HK\$18,547 million (U.S.\$2,375 million) or 36.61 per cent. of the Group's Tier 1 capital base, with the largest borrower accounting for HK\$4,922 million (U.S.\$630 million) or 9.71 per cent. of the Group's Tier 1 capital base.

Loan analysis

A significant proportion of the Group's loans are advanced for the purchase of residential property. 20.0 per cent. of gross loans and advances to customers had a remaining maturity of more than five years as at 31 December 2023. The following table sets forth a summary of the Group's gross loans and advances to customers by remaining maturity as at the date indicated.

	As at 31 December 2023		
	Gross loans and advances to customers		Percentage of total
	HK\$	U.S.\$	
	<i>(in millions)</i>		<i>(per cent.)</i>
Repayable on demand	2,508.7	321.3	1.1
Less than one year	133,246.5	17,064.7	56.1
Over one year but less than five years.....	54,071.7	6,924.9	22.8
Over five years.....	33,579.0	4,300.4	14.1
Undated ⁽¹⁾	14,096.9	1,805.4	5.9
Total	237,502.8	30,416.7	100.0

⁽¹⁾ This refers to loans whose repayments are overdue for more than three months and impaired loans.

The Group's interest rate for home mortgage loans and commercial mortgage loans in Hong Kong, as well as Hong Kong dollar consumer finance or personal loan products (other than overdrafts) is generally set at a level below or above the prime lending rate. The Group's interest rates for Hong Kong dollar hire purchase and equipment leasing loans are with floating rates or at prime lending rates. Trade finance loans made by the Group are typically with floating rates. The interest rate for project finance loans and syndicated loans made by the Group is typically a margin over the HIBOR or, in the case of US dollar facilities, a margin over the SOFR. The Group may, in appropriate circumstances, offer rates which are lower than the above rates. As at 30 June 2024, 54 per cent. of gross loans and advances to customers made by the Group was denominated in Hong Kong dollars while the remainder was denominated primarily in US dollars.

An important component of the Group's asset and liability policy is its management of interest rate risk, which is the relationship between market interest rates and the Group's interest rates on its interest-earning assets and interest-bearing liabilities. See "*— Asset and Liability Management*".

Home mortgage loans are generally secured by a first legal charge over the underlying property. Working capital loans for businesses are typically secured by fixed and floating charges over land, buildings, machinery, inventory and receivables. Term loans for specific projects or developments are typically secured against the underlying project's assets and its receivables, while the sponsors or shareholders typically provide additional guarantees. The Group also receives guarantees in relation to certain of its other loans to cover, in the case of trade finance, any shortfall in security or, in the case of consumer loans to younger or less financially secure customers, to provide security on what are normally unsecured loans.

All forms of security taken as collateral against credit facilities are monitored by the respective departments which extended the loans. Collateral in the form of property is typically valued by an independent valuer at the origination of the loan. With the exception of home mortgage loans, which are not subject to regular reviews, collateral is generally reviewed on an annual basis by the department which extended the loan.

Credit Policies and Approval Procedures

Internal policies and procedures

The Bank's lending policies have been formulated in line with international standards and industry best practice as well as with close reference to the Banking Ordinance, Banking (Exposure Limits) Rules, HKMA guidelines and policies of the Hong Kong Association of Banks and other statutory requirements (and in the case of overseas branches and subsidiaries, the relevant local laws and regulations).

The Group has set limits on the Group's banking operations, reinforced the management of operational risks, including risk analysis for new products, and adopted a system for measuring foreign currency derivatives. The Bank has also enhanced its credit review process with the implementation of a total exposure limit system that enforces maximum exposure limits by business groups. With an independent credit management unit in each of the Group's main lines of business, credit origination and approval functions are separated, enabling independent credit evaluation. Loan application and credit reports are standardised. The Bank has control procedures in credit approval and exposure monitoring for new business areas, such as setting up of approval criteria, authorisation procedures, provisioning policy and portfolio quality tracking were also put in place. The Group has also developed a risk based pricing tool based on facility rating and capital consumption. The tool is being used at the point of credit application to assess the profitability of the deals from a risk perspective for the WBG portfolio.

Within the Group, the credit risk management function is centralised and is governed by the Credit and Risk Management Committee ("**CRMC**") at Board level of the Bank, see "*Credit and Risk Management Committee*". The CRMC defines and delegates the approval authority to three credit related functional committees: the Credit Committee, the Non-Performing Loans Committee (the "**NPL Committee**") and the Investment Review Committee, which focus on different aspects of the credit risk management function of the Group. These three committees comprise the Chief Risk Officer of the Bank and other members of senior management. The Credit Committee has overall responsibility for the Group's credit policies and oversees the credit quality of the Group's loan portfolio. The NPL Committee controls and manages all critical credits and approves loan impairments. The Investment Review Committee manages and monitors the risks (including credit risk) of the investment portfolio of the Group.

Under the oversight of the Credit Committee, officers of the Bank are authorised to approve credit based on the size of the loan, the collateral provided and the credit standing of the applicant. In order to improve efficiency and allow the Credit Committee to be more focused on appraising and approving larger and more complicated credits, the lending authority matrix empowers experienced and skilled managers with the responsibility for appraising and approving transactions that are of a lower risk profile and with a lower expected loss.

For its corporate commercial loans and trade finance loans, the Bank has instituted an internal credit scoring system which grades the creditworthiness of a potential borrower based upon a set of expert judgment together with comprehensive financial analysis and scoring criteria. The credit scoring system comprise a 24-grade internal risk rating system. The credit score given to a potential borrower and related obligors will help determine whether the Bank will extend credit to such borrower, the size of the loan facility, the pricing on the loan and whether collateral will be required. See "*— Asset Quality — Loan Classification*".

For the Group's retail banking loans, such as credit cards and personal loans, the Bank has established well-defined credit granting criteria within a clear indication of the target market and a thorough understanding

of the borrower's source of repayment. Borrowers' creditworthiness is assessed through prescribed acceptance criteria and underwriting formula against different customer segments, based on their risk profile, credit history and repayment ability. Borrower's external credit rating, financial obligation and credit history would be assessed through Credit Reference Agencies for subsequent lending decisions.

The Group has established loan-to-value ratio requirements for its secured lending based on the appraised market value of the relevant collateral. Loan-to-value ratios on home mortgage loans (excluding loans under the Home Ownership Scheme and Private Sector Participation Scheme and loans under the new mortgage refinancing scheme) directly follow the limits stipulated in the HKMA guidelines depending on the property type, the property price, the repayment source and the debt servicing ratio. Underlying property values are based on the lower of the purchase price or the independently appraised value of the property. The Group's lending policies also limit the maximum monthly repayment amount as a percentage of the gross household income of a borrower in accordance with the HKMA guidelines.

Risk Management Group

The Risk Management Group is responsible for: (i) credit policy formulation; (ii) credit evaluation; (iii) authorisation and approval; (iv) compliance with credit policies and approval conditions; and (v) exposure control. The Risk Management Group's key objectives are to evaluate new credit applications and review existing accounts to ensure sound credit and robust asset quality monitoring. When loans are downgraded to sub-standard or below by the Group, such loans will generally be transferred to the Risk Assets Management of Risk Management Group (the "RAM") which will institute the appropriate debt recovery actions.

In addition to credit risk management, the Risk Management Group is also responsible for the management of market risk, interest rate risk in banking book, liquidity risk, operational risks and fair value.

Asset Quality

Overview

The Group's impaired loans and advances to customers accounted for HK\$5,921.8 million (U.S.\$758.4 million) as at 30 June 2024, representing 2.6 per cent. of the Group's gross loans and advances to customers.

The Bank's residential mortgage delinquency ratio was 0.17 per cent. as at 30 June 2024, though it was slightly higher than the industry average of 0.1 per cent. as announced by the HKMA, it remained at a low level. As at the date of this Offering Circular, the Bank has a credit rating of "BBB+" from Fitch Ratings and a credit rating "A3" from Moody's.

The Group's PRC exposure accounted for 18.8 per cent. of the Group's gross loans and advances to customers as at 30 June 2024. PRC-related non-performing loans as a percentage of the Group's total non-performing loans have been increased from 11.6 per cent. as at 31 December 2023 to 16.7 per cent. as at 30 June 2024. The Group plans to expand its PRC lending business selectively and prudently by leveraging off the established network and relationships in the PRC of the CITIC Group. See "*— Credit Policies and Approval Procedures — Internal policies and procedures*".

The performance of the Hong Kong economy is heavily dependent on the property sector. The Group's property lending for use in Hong Kong accounted for 22.8 per cent. of the Group's gross loans and advances to customers as at 30 June 2024. As a result, the Group's asset quality is closely correlated to the industry performance of the property markets. As at 30 June 2024, home mortgage loans for use in Hong Kong accounted for HK\$23,059.4 million (U.S.\$2,953.2 million) or 10.0 per cent. of the Group's gross loans and advances to customers. Home mortgage loans accounted for one of the largest segments of the Group's gross loans and advances to customers. See "*Risk Factors — Risks Relating to the Bank's Business — The Group has significant exposure to the Hong Kong property market*".

RAM is responsible for resolving the Group's exposure to non-performing loans and improving the Group's recovery on such non-performing loans. In general, loans are transferred to RAM once they have been classified as sub-standard or below.

Loan classification

In 2005, the Group developed a judgment-based risk rating system which is used to rank borrowers of the Bank's wholesale banking portfolio based on their default risk. In 2017, the Group adopted a new and more granular 24-grade internal risk rating system that maps to external agencies' Master Scales, providing calibrated internal rating. This model was developed to assess the creditworthiness of borrowers of the performing customers; the output from the model will then be taken into consideration in the HKMA loan classification.

The rating system can provide information on the borrower's credit quality and allow credit grade migration, monitoring and analysis. It provides significant value-added benefits to the Bank's strategic and business decision-making process in terms of asset allocation and portfolio management of credit grades distribution.

The Group's credit grading classifies loans into the following 24 categories:

- Grades 01 to 18 — pass;
- Grades 19 to 21 — special mention; and
- Grades 22 to 24 — classified loans.

A borrower risk rating estimates the borrower's default risk. It is used to classify borrowers into different risk categories according to their level of default risk mapped against default experience. Borrower risk ratings should provide a meaningful risk differentiation and should be calibrated to the borrower's Probability of Default ("PD"). The structure of the master rating scale is specified with a PD range for each grade. Each internal grade reflects the likelihood that a borrower will default.

Recognition of classified loans

The Group's classified loans are sub-divided into three categories: sub-standard (Grade 22), doubtful (Grade 23) and loss (Grade 24). A key driver for determining a loan classification is the number of overdue days. For the WBG and PBG Business Banking portfolio, sub-standard loans are loans overdue for 91 to 180 days, doubtful loans are loans overdue for over 180 days and loss loans are loans with remote collectability. For the PBG personal loan portfolio, a more stringent classification is adopted; sub-standard loans are loans overdue for 91 to 120 days, doubtful loans are loans overdue for 121 to 180 days and loss loans are loans overdue for over 180 days or with remote collectability. The Group would only consider not downgrading a loan in accordance with the overdue days when there is good justification that is in line with the guidance of the HKMA. Even when there is no overdue day, the Group may still consider downgrading a loan as substandard, doubtful or loss loans if there are severe trigger events such as liquidation, bankruptcy, winding-up, receivership and proven management fraud. The terms "classified loans", "impaired loans" and "nonperforming loans" are used synonymously in this Offering Circular and refer to loans that are classified as sub-standard, doubtful and loss.

Impairment of loans and receivables

Commencing 1 January 2018, the HKFRS 9 was adopted for impairment assessment. The stage 1 and 2 impairment assessment to performing loans whereas the stage 3 impairment assessment is applied to nonperforming loans. ECL allowances are measured at amounts equal to either: (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk ("SICR") since initial recognition. The calculation of ECL allowances is based on the expected value of probability-weighted scenarios with a combination of upside, base and downside scenario(s) to measure the expected cash shortfalls, discounted at the effective interest rate. A cash shortfall is the difference between the contractual cash flows that are due and the cash flows that the Group expects to receive. The calculation of ECL allowances for Stage 3 is based on probability-weighted recovery amount from an impaired financial asset and is determined by evaluating a range of possible outcomes and time value of money.

Top ten non-performing loans

As at 30 June 2024, the Group's ten largest non-performing loans accounted for 1.5 per cent. of its gross loans and advances to customers and 58 per cent. of its gross non-performing loans to customers. As at 30 June 2024, the Group's exposure from its ten largest non-performing loans amounted to approximately

HK\$3,421.6 million (U.S.\$440.7 million) in the aggregate out of HK\$5,921.8 million (U.S.\$758.4 million) of non-performing loans in total, of which the Hong Kong exposure accounted for approximately 72.8 per cent., the PRC exposure accounted for approximately 16.7 per cent., and exposure to others accounted for approximately 10.5 per cent.

Recovery of non-performing and classified loans

The RAM is responsible for managing non-performing loans that are transferred from WBG and other business units in the Bank. Accounts that are transferred to the RAM are reviewed and monitored on an ongoing basis and, depending on the performance of the account, the RAM may recommend the restoring of the loan to normal status, the restructuring of the loan or the commencement of debt collection or asset recovery procedures.

The RAM adopts a systematic and flexible approach towards the recovery of non-performing and classified loans through means such as enforcement of security, debt restructuring, asset swaps and settlement. In certain circumstances, particularly in relation to PRC-related loans, the RAM may conduct asset-for-debt swaps and accept assets such as equity interests in PRC businesses and land for residential or commercial development in the PRC. Where appropriate, risks and problems associated with transfer of legal title are managed with the advice of PRC legal advisers.

Even after a non-performing loan has been written off, the RAM will continue its recovery efforts until it is satisfied that all recovery efforts have been exhausted, in which case it will recommend the closing of the account.

The Group's classified loans are resolved on a case-by-case basis, subject to the approval of the NPL Committee on the restructured limits and recovery measures. Loans are generally considered for restructuring where there has been a deterioration in the financial position or repayment capability of a customer. For the six months ended 30 June 2024, the Group resolved a total of HK\$1,847.0 million (U.S.\$237.9 million) of classified loans, as a result the total impaired loan was HK\$5,921.8 million (U.S.\$758.4 million) as at 30 June 2024, equating to 2.58 per cent. of total loans and advances. For the year ended 31 December 2023, the Group resolved a total of HK\$5,218.0 million (U.S.\$672.0 million) of classified loans, as a result the total impaired loan was HK\$5,167.4 million (U.S.\$661.8 million) as at 31 December 2023, equating to 2.28 per cent. of all loans.

Asset and Liability Committee

The Asset and Liability Committee (the "**ALCO**") comprises senior management of the Bank, including the President & Chief Executive Officer, Deputy CEO and Chief Financial Officer, Deputy CEO and Head of Wholesale Banking and Treasury & Markets Group, Head of Central Treasury Unit, Head of Global Markets, Deputy Head of Wholesale Banking Group, Deputy CEO and Head of Personal and Business Banking Group, Chief Risk Officer, Head of Market and Credit Risk Methodologies, and Head of Asset and Liability Management and Capital Management.

The ALCO is established by the Chief Executive Officer and ratified by the CRMC as the governing body responsible for formulating and implementing policies, strategies, guidelines and limit structures. It also identifies, measures and monitors the Group's liquidity risk profile to ensure current and future funding requirements are met and monitors the Group's capital adequacy to ensure current and future regulatory capital requirements are fulfilled. In addition, the ALCO monitors a set of risk indicators for liquidity risk, interest rate risk of the banking book and capital.

The Bank measures the interest rate risk of the banking book by conducting a sensitivity analysis of the interest rate exposure on a quarterly basis. The sensitivity analysis on the potential impacts of movements in interest rates on the Bank's earnings and economic value are assessed based on the HKMA SPM IR-1 defined multi-sets of new interest rate scenario and interest rate volatility scenario requirements.

The Bank's liquidity structure, derived from its assets, liabilities and contingent commitments, is managed so as to ensure that all of the Bank's operations can meet their funding requirements and comply with the statutory liquidity requirements. The liquidity risk is well managed by holding sufficient cash and liquid positions as well as a pool of high quality liquid assets. Access to inter-bank borrowing is maintained through sufficient counterparty money market as well as repurchase facilities. Moreover, the Bank also solicits longer term funding through issuance of medium-term certificates of deposit.

Daily liquidity management is managed by the Central Treasury Unit to monitor funding requirements. This unit is supported by other functional departments including the Financial Management Group and the Risk Management Group (See "*Risk Management Group*"), which monitor the liquidity risk and provide regular reports to the management, committees and local regulatory bodies. The ALCO also regularly reviews the daily liquidity stress testing results conducted by the Risk Management Group, as well as reviews and approves the Contingency Funding Plan which sets out the strategies for addressing liquidity stress situations. The average liquidity coverage ratio was 206 per cent. for the year ended 31 December 2023, which was well above the statutory minimum ratios of 100 per cent. in 2023.

The majority of the Bank's loans are made at floating rates that are benchmarked against the inter-bank rates and prime lending rate. These assets are primarily funded by floating rate liabilities, including customer deposits and certificates of deposit. The interest rate risk, basis risk and liquidity risk of the Bank's assets and liabilities are continuously monitored by the ALCO and if necessary, the ALCO may direct the Bank's management to take necessary action to mitigate these risks, such as using interest rate swaps to hedge against rises in interest rates.

Credit and Risk Management Committee

The CRMC was established in 2002 at the Board level of the Bank to oversee and manage the Bank's risk related matters including but not limited to, the risk strategy, appetite/tolerance, profile, policies (including key risk procedures), fair value practices, capital adequacy and risk culture, systems and various risk-related initiatives and projects. It has to ensure that the risk management function and the compliance function of the Bank have adequate authority, stature, independence, management support and resources to perform their duties. The risks concerned primarily include credit, market, interest rate, liquidity, operational, fraud, reputation, legal, compliance, strategic and any risks associated with entering new markets, new areas of business, or dealing in new products or services and climate-related risks. The CRMC is also responsible for approving matters relating to Internal Capital Adequacy Assessment Process, and the Reverse Stress Testing methodology and results, and endorsing the recovery planning document before reporting to the Board for approval on an annual basis. The CRMC carries out its oversight function on the Bank's risk management through various sub-committees at the Bank's management level, including Credit Committee, Investment Review Committee, NPL Committee, the ALCO, Operational Risk Management Committee, Market Risk Committee, Compliance and AML Committee, the New Product Committee and the Management Committee. The CRMC comprises four Directors of the Bank, majority of whom (including the chairman) are Independent Non-executive Directors.

Market Risk Committee

Market Risk Committee ("**MRC**") was established by the CRMC of the Bank's Board to manage and monitor the market risk and fair value related matters of the Bank including its branches and subsidiaries.

MRC is chaired by the Chief Risk Officer from Risk Management Group, with the participation of senior management of the Bank, including President & Chief Executive Officer, senior representatives from Treasury and Global Markets, Chief Financial Officer, senior representatives from Finance Management Group and senior representatives from Risk Management Group.

MRC provides oversight on the Bank's operations related to market risk. It has the authority to direct the Bank's management in the setting of strategies related to market risk. It manages market risks of the Bank within acceptable level in a manner consistent with the overall goals of the Bank. It sets and reviews commensurate limits to monitor the Bank's market risk. It has the authority to disapprove or suspend any product or activity proposed or conducted by the Bank if it deems they are not in sync with the Bank's approved objective, strategy and business plans, or if the risk level present is unacceptable, or if management fails to institute an effective risk management mechanism for such product or activity.

MRC also provides oversight in relation to financial instruments fair value governance and operations, and escalates significant valuation issues to CRMC to ensure awareness of major matters related to fair value governance and regulations.

Internal Auditing

The Internal Audit Group of the Bank has responsibility for the internal audit of its operations. Through regular audits of the Bank and its subsidiaries, the Internal Audit Group seeks to review and evaluate the

adequacy and effectiveness of internal controls, safeguard its assets, improve efficiency of operations and assess compliance with established policies, procedures and relevant statutory requirements. The Internal Audit Group reports its findings to the Chairman of the Board and the Chief Executive Officer of the Bank as well as the relevant subsidiaries and departments of the Bank. All major findings are reported to the Audit Committee designed by the Board on a monthly basis. Such findings are also shared with the Bank's external auditors and can also be made available to the HKMA on request.

Legal and Compliance

The Legal and Compliance Department within the Controls and Compliance Group is responsible for administering legal issues and regulatory compliance issues concerning the Bank's business. The Legal and Compliance Department also reviews new products and business proposals from the legal perspective and compliance perspective. Another key function of the Bank's Controls and Compliance Group is to conduct periodic reviews of certain of the Bank's activities, advise senior management in accordance with applicable laws, rules and regulations and raise compliance awareness among staff members. The General Compliance Policy and General Compliance Guideline, which are updated regularly, are issued to provide guidance to all staff members on compliance with relevant laws, rules and regulatory requirements. Regular training sessions are conducted to update staff members on any significant legal and regulatory changes relevant to the operations of the Bank.

MANAGEMENT

The Bank is managed by the Board, which is responsible for the direction and management of the Bank. The articles of association of the Bank does not contain any provision about the minimum or maximum number of directors of the Bank. Directors can be appointed at any time either by the shareholders or by the Board. At each annual general meeting, all Directors are required to retire from office by rotation and are eligible at the same meeting for re-election.

Board of Directors

The current Board comprises the following individuals:

<u>Name</u>	<u>Age</u>	<u>Title</u>
SHEN Qiang	50	Executive Director, Chief Executive Officer
BAI Lijun.....	44	Executive Director, Deputy Chief Executive Officer
LIU Cheng.....	57	Non-executive Director
HU Gang.....	57	Non-executive Director
LI Shuk Yin Edwina.....	62	Independent Non-executive Director
TANG Shisheng.....	68	Independent Non-executive Director
TSANG King Suen Katherine.....	67	Independent Non-executive Director
WANG Guoliang	72	Independent Non-executive Director

Mr. Shen Qiang

(Executive Director and Chief Executive Officer)

Appointed Executive Director and Chief Executive Officer of the Bank on 27 December 2024. Mr. Shen has worked in the banking industry for many years, possessing expertise in operations and management from various offices both locally and abroad across functions within CNCB with exposure to business areas encompassing forex capital, financial management, corporate banking, investment banking and risk management. Prior to joining the Bank, Mr. Shen had held a number of roles at CNCB including Deputy General Manager of Business Department of the Head Office, as well as General Manager of Investment Banking, General Manager of General Office, President of Chengdu Branch and General Manager of Credit Approval of CNCB. Mr. Shen graduated from Renmin University of China with a Bachelor of Economics Degree in 1995 and subsequently a Master of Management Degree in 2006. He earned a Doctor of Management Degree from the School of Economics and Management of University of Chinese Academy of Sciences in 2018.

Mr. Bai Lijun

(Executive Director, Deputy Chief Executive Officer, Head of Wholesale Banking Group and Treasury & Markets Group)

Appointed Director of the Bank on 20 August 2018. Mr. Bai is also Deputy Chief Executive Officer, and Head of Wholesale Banking Group and Treasury & Markets Group of the Bank. Mr. Bai's scope of responsibilities encompasses the overall management of the Bank's Treasury & Markets Group with a view to strengthen funding and liquidity management, in addition to a fortifying wholesale banking products and business controls while driving CNCB – and CITIC Group-related collaboration for enhanced business development for the Bank. He is also Director of various subsidiaries of the Bank, including Carford International Limited, CITIC Bank International (China) Limited, The Ka Wah Bank (Nominees) Limited and CNCBI Trustee Limited. Mr. Bai joined CNCB's Financial Markets Department from Bank of Beijing in 2006. In 2009, he took up an additional role at the Chairman Office of CITIC Group, assisting the Group's Chairman with corporate governance, group projects and business affairs. Prior to joining the Bank, Mr. Bai was CNCB's Deputy General Manager of the Office of the Board of Directors and Supervisors. Mr. Bai

holds a Bachelor of Economics Degree from the School of Economics at Nankai University in Tianjin, and a Master of Finance Degree from the School of Finance at Renmin University of China in Beijing.

Mr. Liu Cheng

(Non-executive Director)

Appointed Director of the Bank on 28 September 2023. Mr. Liu is currently the Deputy Secretary of the Party Committee, Executive Director and President of CNCB. Mr. Liu is concurrently a Director of CIFH, CNCB (Hong Kong) Investment Limited and Asian Financial Cooperation Association (AFCA). He served as the chairman of the Board of Supervisors of CNCB from April 2018 to November 2021 and Executive Vice President from January 2022 to August 2023. He used to be a teacher at the Finance Department of the Central College of Finance and Economics (now known as Central University of Finance and Economics), and had been working in the National Development and Reform Commission and the General Office of the State Council. Mr. Liu has rich experience in development, reform and finance. He graduated from the Finance Department of the Central College of Finance and Economics and the School of Finance at Renmin University of China. He obtained a Bachelor's Degree, a Master's Degree and a Doctoral Degree in Economics and is a research fellow.

Mr. Hu Gang

(Non-executive Director)

Appointed Non-executive Director of the Bank on 4 March 2021. Mr. Hu is currently the Party Committee Member, Executive Director, Vice President and Chief Risk Officer of CNCB. Mr. Hu joined CNCB in 2000 and used to be Deputy Head of the preparatory team for the establishment of the Changsha Branch, Party Committee Member and Vice President of Changsha Branch; Party Committee Member, Vice President, Secretary of Party Committee and President of the Chongqing Branch; Secretary of Party Committee and President of the Shanghai Branch; and Head of the Wholesale Business and Head of Risk Management of the Head Office. Prior to that, he successively worked for the Political Department of Hunan Provincial Procuratorate, and served as Deputy Section Chief at the Personnel Department of Hunan Provincial Party Committee Office, Assistant General Manager and General Manager of Beihaixiang Properties Development Company, Vice Chairman of the company's affiliated Hongdu Enterprise Company (both affiliated to Hunan Zhongli Industrial Group Co., Ltd.) and Chairman of Changsha Xiangcai Urban Credit Cooperative in Hunan Province. Mr. Hu graduated from Hunan University with a Doctoral Degree in Economics. He is a "Senior Economist" with over 20 years of experience in the Chinese banking industry.

Ms. Li Shuk Yin Edwina

(Independent Non-executive Director)

Appointed Independent Non-executive Director of the Bank on 28 September 2018. Ms. Li is a Fellow Member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. She was formerly with KPMG from 1994 with her last role as the partner in charge of KPMG China's Financial Services Assurance team until her retirement in March 2018. Ms. Li has significant experience in accounting, capital market, market entrance, regulatory compliance related internal control and risk management in Hong Kong and China. Prior to joining KPMG, Ms. Li qualified as a Chartered Accountant with a multinational accountancy firm and as Controller with a real estate company and a financial services group in London. Ms. Li holds a Bachelor's Degree with Honours in Accountancy from University of Exeter, England, a Postgraduate Diploma in Enterprise Risk Management from HKU SPACE, a Master of Science Degree in Risk Management from Glasgow Caledonian University, Scotland and a Master of Social Sciences Degree in the field of Sustainability Leadership and Governance from the University of Hong Kong. She is also an Independent Non-executive Director of Bank of Zhengzhou Co., Ltd., China Everbright Environment Group Limited and CNOOC Limited, as well as a Director of Elite Beam Limited.

Mr. Tang Shisheng

(Independent Non-executive Director)

Appointed Independent Non-executive Director of the Bank on 13 November 2013 and elected Chairman of Nomination Committee and Remuneration Committee on 17 June 2022. Mr. Tang is also an Independent Non-executive Director of Wison Engineering Services Co. Ltd. He has extensive experience in finance and securities industries. Mr. Tang graduated from Hunan College of Finance and Economics with a Bachelor's Degree in Finance. He received his Master's Degree in Economics and Doctor's Degree in Economics respectively from the Graduate School of The People's Bank of China and the Graduate School of Chinese Academy of Social Sciences. Mr. Tang was granted the title of "Senior Economist" by The People's Construction Bank of China in 1993.

Ms. Tsang King Suen Katherine

(Independent Non-executive Director)

Appointed Independent Non-executive Director and Chairman of the Credit & Risk Management Committee of the Bank on 1 December 2016. Ms. Tsang is a well-recognised member of the Asian financial and business community. Fortune Magazine (China) named her as No.6 China's Most Influential Businesswomen in 2012 and she was on the top 25 list from 2010 to 2013. Ms. Tsang is the Founder of Max Giant Group, an asset management business that has established a host of funds investing in both public markets and private equities globally. She is also an Independent Non-executive Director of Fosun International Limited and Budweiser Brewing Company APAC Limited, Non-executive Director of Fidelity Emerging Markets Limited, Director of Pride Vision Group Limited and Try Door Limited, Member of the Advisory Council for China of the City of London, and Honorary Board Member of Shanghai Jiao Tong University. Ms. Tsang was formerly with Standard Chartered Bank for over 20 years with her last role as Chairperson of Greater China before she retired in August 2014. She attained her Bachelor of Commerce Degree from University of Alberta, Canada.

Mr. Wang Guoliang

(Independent Non-executive Director)

Appointed Independent Non-executive Director of the Bank on 12 August 2016 and elected Chairman of Audit Committee on 2 November 2016. Mr. Wang is a Professor-Level Senior Accountant and is currently Independent Director of COSCO Shipping Lines Co., Limited. Mr. Wang worked as Chief Accountant of China National Petroleum Corporation and was Chairman of Bank of Kunlun. He has extensive experience in finance and accounting. Mr. Wang graduated from Harbin University of Commerce with a Bachelor's Degree in Economics. He received his Master's Degree in International Economics from Hebei University.

RELATED PARTY TRANSACTIONS

The Group is majority-owned by CIFH and is controlled by its ultimate holding company, CITIC. See "Principal Shareholders — CITIC International Financial Holdings Limited" and "Principal Shareholders — CITIC Group" respectively.

The Group entered into a number of transactions with related parties in the normal course of its banking business including, *inter alia*, lending, acceptance and placement of interbank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The transactions were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors of the Bank, these transactions were conducted on normal commercial terms.

Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

Transactions with group companies

During the years indicated in the table below, the Group entered into a number of transactions with related parties in the normal course of its banking business including, *inter alia*, lending, acceptance and placement of inter-bank deposits and participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The transactions were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Group. In the opinion of Directors, these transactions were conducted on normal commercial terms.

	Ultimate holding and intermediate parent			Immediate parent			Fellow subsidiaries			Associates & Joint Venture ^(Note 1)			Related companies ^(Note 2)		
	2021	2022	2023	2021	2022	2023	Years ended 31 December			2021	2022	2023	2021	2022	2023
							2021	2022	2023						
Interest income.....	24,892	20,284	24,531	—	—	—	50,340	229,012	450,377	26,848	73,752	179,081	—	—	—
Interest expense.....	(21,439)	(9,533)	(14,657)	(8,128)	(41,812)	(68,384)	(19,929)	(38,728)	(131,828)	(59,091)	(109,289)	(88,324)	(2)	(1)	(3)
Fee and commission income.....	390	3,222	8,911	—	—	—	2,308	4,533	2,865	152	1,597	301	—	—	—
Net trading income/(loss).....	(4,824)	(66,851)	143,735	—	—	2,983	50,095	59,929	57,485	(176,310)	(403,596)	(4,004)	—	—	—
Other operating income.....	—	—	—	5,000	5,100	5,700	—	—	—	—	—	—	1,888	—	—
Other operating expenses.....	(10,373)	(4,560)	(7,192)	(5,000)	(5,100)	(5,700)	(30,298)	(41,684)	(57,509)	(4,861)	(7,448)	(4,148)	—	—	—
Assets															
Financial instruments at fair value through other comprehensive income.....	—	—	146,318	—	—	—	231,110	404,311	645,290	764,290	562,023	43,354	—	—	—
Derivative financial instruments.....	611,179	254,526	159,935	—	—	—	—	6,624	37,222	5,813	50,048	—	—	—	—
Other receivables.....	168,759	71,772	20,217	—	5,548	1,655	7,964	108,061	37,651	106,288	8,231	3,474	—	—	—
Liabilities															
Derivative financial instruments.....	502,941	287,809	151,751	—	—	—	7,337	105,579	14,093	122,138	11,838	—	—	—	—
Other payables.....	36,920	39,829	8,874	1,344	11,600	9,927	16,287	20,401	93,558	133,823	282,206	30,287	—	—	—
Lease liabilities.....	—	—	—	—	—	—	3,258	1,325	1,320	11,957	10,452	5,068	—	—	—
Lending activities:															
At 31 December.....	124,452	1,830,325	3,513,333	—	—	—	7,356,989	6,131,074	6,198,069	211,245	1,587,753	2,816,271	—	—	—
Average for the year...	1,034,553	579,774	1,742,979	—	—	—	2,999,024	6,899,114	6,712,446	421,366	786,324	2,333,294	1,428	—	—
Acceptance of deposits:															
At 31 December.....	3,356,762	737,811	1,120,939	2,318,575	2,410,900	1,315,364	5,599,954	4,358,109	8,221,171	7,815,690	4,354,764	2,778,825	43,711	41,004	1,227
Average for the year...	3,244,602	1,422,290	826,171	2,293,844	2,380,261	2,434,619	6,001,734	4,493,629	3,936,225	7,217,905	6,047,449	4,608,715	94,346	21,259	14,759
Off-statement of financial position items															
Acceptances, guarantees and letters of credit															
— contract amounts payable.....	—	—	—	—	—	—	(3,000)	—	3,000	—	—	—	—	—	—
Other commitments	—	—	—	—	—	—	393,103	220,955	628,410	1,839,923	204,699	452,934	—	—	—
Derivative financial instruments															
— notional amounts.....	26,449,376	17,464,130	17,913,297	—	—	—	812,661	1,704,424	3,920,600	14,455,435	10,488,221	—	—	—	—

No impairment allowances were made in respect of the above loans to and placements with related parties.

- (1) Associates & joint venture of the Group include the associates and joint venture of the ultimate controlling party and immediate parent.
- (2) Related companies refer to companies which are common shareholders with significant influence over the Group, and subsidiaries of shareholders with significant influence over the intermediate parent.

The amount of related party transactions during the six months ended 30 June 2023 and 2024 and outstanding balances as at 31 December 2023 and 30 June 2024, respectively, are set out below:

	Ultimate holding and intermediate parent		Immediate parent		Fellow subsidiaries		Associates & Joint Venture ^(Note 1)		Related companies ^(Note 2)	
					Six months ended 30 June					
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	<i>HK\$'000</i>									
Interest income.....	11,772	10,665	-	-	195,766	158,884	80,445	91,357	-	-
Interest expense.....	(12,374)	(7,643)	(39,555)	(29,003)	(77,064)	(57,373)	(46,224)	(31,810)	(2)	-
Fee and commission income/(expenses).....	4,219	7,697	-	-	791	1,203	70	1,265	-	-
Net trading income/(loss).....	51,643	190,619	-	-	(4,156)	23,771	(4,181)	94	-	-
Operating expenses.....	(2,242)	(5,637)	-	-	(31,010)	(31,794)	(2,085)	(2,044)	-	-

- (1) Associates & joint venture of the Group include the associates and joint venture of the ultimate controlling party and immediate parent.
- (2) Related companies refer to companies which are common shareholders with significant influence over the Group, and subsidiaries of shareholders with significant influence over the intermediate parent.

	Ultimate holding and intermediate parent		Immediate parent		Fellow subsidiaries		Associates & Joint Venture ^(Note 1)		Related companies ^(Note 2)	
					As at 31					
	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	December 2023	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024
	<i>HK\$'000</i>									
Assets										
Financial investment at fair value through other comprehensive income.....	146,318	355,679	-	-	645,290	719,236	43,354	-	-	-
Derivative financial instruments.....	159,935	147,828	-	-	37,222	15,779	-	-	-	-
Other receivable.....	20,217	34,428	1,655	-	37,651	30,915	3,474	2,843	-	-
Liabilities										
Derivative financial instruments.....	151,751	53,063	-	-	14,093	479	-	-	-	-
Other payables.....	8,874	14,992	9,927	1,091,759	93,558	56,848	30,287	24,234	-	-
Lease Liabilities.....	-	-	-	-	1,320	333	5,068	3,270	-	-
Lending activities:										
At 30 June / 31 December.....	3,513,333	1,947,438	-	-	6,198,069	4,665,914	2,816,271	2,811,568	-	-
Average for the period.....	1,742,979	1,996,384	-	-	6,712,446	5,285,043	2,333,294	2,815,749	-	-
Acceptance of deposits:										
At 30 June / 31 December.....	1,120,939	2,360,329	1,315,364	255,539	8,221,171	6,146,766	2,778,825	2,582,871	1,227	-
Average for the period.....	826,171	2,242,188	2,434,619	963,988	3,936,225	6,459,173	4,608,715	2,583,017	14,759	-
Off-statement of financial position items										
Acceptances, guarantees and letters of credit										
— Contract amounts payable.....	-	-	-	-	3,000	3,000	-	-	-	-
Other commitments.....	-	-	-	-	628,410	2,436,268	452,934	452,863	-	-
Derivative financial instruments										
— notional amounts.....	17,913,297	27,819,708	-	-	3,920,600	13,247,213	-	-	-	-

- (1) Associates & joint venture of the Group include the associates and joint venture of the ultimate controlling party and immediate parent.
- (2) Related companies refer to companies which are common shareholders with significant influence over the Group, and subsidiaries of shareholders with significant influence over the intermediate parent.

PRINCIPAL SHAREHOLDERS

CITIC Group

CITIC is the ultimate controlling shareholder of the Bank. As at the date of this Offering Circular, the Bank is 75 per cent. owned by CIFH, which is 100 per cent. owned by CNCB. CNCB is over 60 per cent. indirectly owned by CITIC Limited. CITIC Limited is over 50 per cent. indirectly owned by CITIC.

CITIC was approved by the PRC's State Council and established in 1979. Since its founding, CITIC has received the support of the PRC government. The late Mr. Rong Yiren, former Vice President of the PRC, was the first Chairman of CITIC. Since then, CITIC has grown into a large state-owned multinational conglomerate, which is 100 per cent. owned by the Ministry of Finance of the People's Republic of China, with a wide range of businesses covering finance, energy and resources, manufacturing, engineering contracting, real estate and others.

CITIC as the ultimate controlling shareholder of the Bank ultimately determines the strategy, management and operations of the Bank. Subject to compliance with the regulations of the HKMA, CITIC, through CNCB, is able to determine the Bank's corporate policies, appoint the Bank's directors and officers, and vote to pursue corporate actions requiring shareholders' approval.

CITIC owns or controls a number of companies which may compete directly or indirectly with the businesses of the Bank and CIFH and its subsidiaries and associated company (the "**CIFH Group**"), and have more experience, superior resources and a larger scale of operations in the PRC.

Currently, the Bank also engages in, and expects from time to time in the future to engage in, financial and commercial transactions with members of the CITIC Group. See "*Related Party Transactions*".

CITIC Limited (formerly known as CITIC Pacific Limited)

CITIC Limited is over 50 per cent. indirectly owned by CITIC and was incorporated in Hong Kong in January 1985. As at the date of this Offering Circular, CITIC Limited held 100 per cent. of the share capital of CITIC Corporation Limited.

CITIC Corporation Limited (formerly known as CITIC Limited)

CITIC Corporation Limited is a wholly owned subsidiary of CITIC Limited and was incorporated in China in December 2011. As at the date of this Offering Circular, CITIC Corporation Limited, held 100 per cent. of the share capital of CITIC Financial Holdings Co., Ltd.

CITIC Financial Holdings Co., Ltd.

CITIC Financial Holdings Co., Ltd. is a wholly owned subsidiary of CITIC Corporation Limited and was incorporated in China in March 2022. As at the date of this Offering Circular, CITIC Financial Holdings Co., Ltd. holds over 60 per cent. of the share capital of CNCB.

China CITIC Bank Corporation Limited

As at the date of this Offering Circular, CNCB, held 100 per cent. of the issued share capital of CIFH, the holding company of the Bank.

As part of the Restructuring Strategy, on 8 May 2009, CNCB entered into a Share Purchase Agreement with CITIC and Gloryshare Investments Limited ("**GIL**") to acquire a 70.32 per cent. interest in CIFH for a cash consideration of approximately HK\$13.6 billion (U.S.\$1.7 billion). This CIFH Acquisition is an integral part of CITIC's Restructuring Strategy, the intention of which was explicitly stated at the time of CIFH's privatisation in November 2008. The CIFH Acquisition was completed on 23 October 2009. Two senior executives of CNCB are currently Non-Executive Directors of the Bank.

The CIFH Acquisition is expected to enable CNCB to:

- expand its branch network to international financial centres, develop its commercial banking network both domestically and internationally, and to provide "one-stop-shop" financial solutions

and a wider variety of and more applicable service products and service channels for its customers with international banking needs;

- realise its strategic objective to become a "leading international bank";
- maximise synergies by promoting the effective integration of financing resources, optimise the allocation of resources, constantly increasing the business synergies between CIFH and CNCB, and enhance its overall competitiveness in the banking market; and
- use excess capital to enhance shareholder value.

The CIFH Acquisition also created opportunities for CNCB and the Bank to expand the width and depth of their collaboration. The Bank extended cooperation to more CNCB branches, spanning across most of CNCB's major geographical coverage in Mainland China. A series of new business cooperation initiatives were successfully introduced during the year, including RMB trade settlement programme, structured financing, pre-Initial Public Offering financing, offshore account opening, i-banking services and offshore bill operation and services.

CITIC International Financial Holdings Limited

The Bank is a majority-owned subsidiary of CIFH which is the financial flagship of CITIC outside Mainland China. The CIFH Group is a financial services group whose core businesses include the provision of commercial banking, asset management and other related financial services. CIFH became the holding company of the CIFH Group following the group reorganisation on 25 November 2002, the appointed day designated by the board of directors of CIFH for the legal merger of the relevant undertakings of CIFH and HKCB pursuant to the CITIC Ka Wah Bank Limited (Merger) Ordinance (Cap. 1171) of the laws of Hong Kong. As part of the group reorganisation, CIFH (which prior to the reorganisation, formerly known as CITIC Ka Wah Bank Limited) transferred most of its commercial banking assets and liabilities to HKCB, a then wholly owned subsidiary of CIFH. At the same time, HKCB changed its name to CITIC Ka Wah Bank Limited and continued to operate the integrated commercial banking business of the CIFH Group. See "*Business — History*".

CIFH is supported by CITIC in its vision to drive the offshore expansion and establishment of the CITIC brand in international banking and financial services. One of its strategic priorities is to develop effective partnership models with companies in the CITIC Group in Mainland China to maximise strategic opportunities to promote the CITIC brand in international banking and financial services.

On 29 December 2006, CIFH completed the acquisition of a 15.17 per cent. strategic stake in CNCB to enhance its ability to capture opportunities from the increasing cross-border business flows into and out of the PRC market. Upon the listing of CNCB on the Hong Kong Stock Exchange on 27 April 2007, CIFH topped up its investment in CNCB to maintain a 15 per cent. equity interest in CNCB's enlarged share capital.

On 9 February 2007, CIFH's shareholders gave approval for BBVA to become a 14.58 per cent. strategic investor in CIFH, and the transaction was duly completed on 1 March 2007.

On 16 October 2008, CIFH's independent shareholders gave approval for CITIC, through GIL, to take CIFH private by way of Scheme of Arrangement. On 5 November 2008, CIFH was delisted from the Hong Kong Stock Exchange, and on the same day, BBVA's stake in CIFH was increased to 29.68 per cent. The strategic investment in CNCB held by CIFH was proportionately transferred to CITIC and BBVA in December 2008.

The privatisation of CIFH was part of CITIC's Restructuring Strategy to create a single banking business platform within the CITIC Group. The intention of the privatisation was for the Bank to become CITIC's exclusive vehicle to develop commercial banking business in Hong Kong and a commercial banking platform for new business expansion for CITIC in Asia.

On 27 August 2015, CNCB successfully acquired the 29.68 per cent. stake in CIFH from BBVA and assumed full ownership of CIFH.

As at 31 December 2023, the CIFH Group's total assets, shareholders' funds, total loans and total deposits were HK\$473.9 billion (U.S.\$60.7 billion), HK\$37.9 billion (U.S.\$4.9 billion), HK\$226.3 billion (U.S.\$29.0 billion) and HK\$342.3 billion (U.S.\$43.8 billion), respectively.

As at the date of this Offering Circular, CIFH has 7,459,172,916 ordinary shares in issue, which are all fully paid.

Principal Activities of the CIFH Group

The CIFH Group currently engages in a wide range of banking and non-bank financial businesses through the following entities:

The Bank and its subsidiaries	retail banking (including home mortgage loans, consumer finance, credit cards, deposits, personal wealth management, distribution of insurance and investment products, hire purchase and leasing and small business loans), wholesale banking (including commercial mortgages, trade finance, corporate loans, syndicated loans, term loans and overdrafts, and structured finance) and treasury activities
CITIC International Assets Management Limited and its subsidiaries	private equity investment, asset management and investment holding

REGULATION AND SUPERVISION

The banking sector in Hong Kong is regulated by and subject to the provisions of the Banking Ordinance and the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only authorized institutions (that is, banks which have been granted a banking licence ("licence") 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 ("**authorized institutions**").

Supervision of Authorized Institutions in Hong Kong

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 authorized institutions through, *inter alia*, a regular information gathering process, the main features of which are as follows:

- (1) each authorized institution must submit a monthly return to the HKMA setting out the assets and liabilities of its operations in Hong Kong and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, although the HKMA has the right to allow returns to be made at less frequent intervals;
- (2) the HKMA may order an authorized institution, 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 to be submitted in the interests of the depositors or potential depositors of the authorized institution concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The HKMA may in certain circumstances also require such information or any return submitted to it to be accompanied by a certificate of the authorized institution's auditors (approved by the HKMA for the purpose of preparing the report) confirming compliance with certain matters;
- (3) authorized institutions may be required to provide information to the HKMA regarding companies in which they have an aggregate 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, a common name or a concert party arrangement to promote the authorized institution's business;
- (4) in addition, authorized institutions are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations or of the commencement of material civil proceedings applicable only to authorized institutions incorporated in Hong Kong;
- (5) the HKMA may direct an authorized institution to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the authorized institution or the adequacy of the systems of control of the authorized institution or other matters as the HKMA may reasonably require;
- (6) the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any authorized institution, and in the case of an authorized institution incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such institution. Such inspections are carried out by the HKMA on a regular basis; and
- (7) authorized institutions are required to give written notice to the HKMA immediately of any proposal to remove an auditor before the expiration of his term of office or replace an auditor at the expiration of his term of office.

Exercise of Powers Over Authorized Institutions

The HKMA may, after consultation with the Financial Secretary, exercise certain powers over the conduct of authorized institutions in any of the following circumstances:

- (1) when an authorized institution informs the HKMA that it is likely to become unable to meet its obligations, that it is insolvent, or that it is about to suspend payment;

- (2) when an authorized institution becomes unable to meet its obligations or suspends payment;
- (3) if, after an examination or investigation, the HKMA is of the opinion that:
 - (a) an authorized institution is carrying on its business in a manner detrimental to the interests of its depositors or potential depositors or of its creditors or of holders or potential holders of multi-purpose cards issued by it or the issue of which is facilitated by it;
 - (b) an authorized institution is insolvent or is likely to become unable to meet its obligations or is about to suspend payment;
 - (c) an authorized institution has contravened or failed to comply with any of the provisions of the Banking Ordinance;
 - (d) an authorized institution has contravened or failed to comply with any condition attached to its licence or certain conditions in the Banking Ordinance; or
 - (e) the HKMA's power under section 22(1) of the Banking Ordinance to propose to revoke the authorization of an authorized institution is exercisable (as discussed below); and
- (4) where the Financial Secretary advises the HKMA that he considers it in the public interest to do so.

In any of the circumstances described above, the HKMA, after consultation with the Financial Secretary, may exercise any of the following powers:

- (1) to require the authorized institution, by notice in writing served on it, forthwith to take any action or to do any act or thing whatsoever in relation to its affairs, business and property as the HKMA may consider necessary;
- (2) to direct the authorized institution to seek advice on the management of its affairs, business and property from an adviser approved by the HKMA;
- (3) to assume control of and carry on the business of the authorized institution, or direct some other person to assume control of and carry on the business of the authorized institution; or
- (4) to report to the Chief Executive in Council in certain circumstances (in which case the Chief Executive in Council may exercise a number of powers including directing the Financial Secretary to present a petition to the Court of First Instance for the winding-up of the authorized institution).

Revocation and Suspension of Banking Licence

The HKMA also has powers to recommend the revocation or suspension of a licence. Both powers are exercisable after consultation with the Financial Secretary and with a right of appeal of the authorized institution concerned except in the event of temporary suspension in urgent cases. The grounds for suspension or revocation include the following:

- (1) the authorized institution no longer fulfills the criteria for authorization and the requirements for registration;
- (2) the authorized institution is likely to be unable to meet its obligations or to suspend payment or proposes to make, or has made, any arrangement with its creditors or is insolvent;
- (3) the authorized institution has failed to provide material information required under the Banking Ordinance or has provided false information;
- (4) the authorized institution has breached a condition attached to its licence;
- (5) a person has become or continues to be a controller or chief executive or director of the authorized institution after the HKMA has made an objection;
- (6) the interests of the depositors require that the licence be revoked; or

- (7) the authorized institution is engaging in practices likely to prejudice Hong Kong as an international financial centre or in practices (specified in the HKMA guidelines) that it should not be engaged in.

Revocation or suspension of a licence means that the authorized institution can no longer conduct banking business (for the specified period in the case of a suspension).

Principal Obligations of Authorized Institutions

The obligations of an authorized institution under the Banking Ordinance, which are enforced by the HKMA through the system described above, include, but are not limited to, the following:

Capital Adequacy

An authorized institution incorporated in Hong Kong must at all times maintain a total capital adequacy ratio of at least 8 per cent., calculated as the ratio (expressed as a percentage) of its capital base to its risk-weighted amount as more fully described below. In relation to an authorized institution with subsidiaries, the HKMA may require the ratio to be calculated on a consolidated basis, or on both a consolidated and unconsolidated basis, or on a consolidated basis only in respect of such subsidiaries of the authorized institution as may be specified by the HKMA. The HKMA may, after consultation with the authorized institution concerned, increase the ratio for any particular authorized institution. An authorized institution is under a duty to inform the HKMA immediately of a failure to maintain the required capital adequacy ratio and to provide the HKMA with such particulars as it may require. It is an indictable offence not to do so, and the HKMA is entitled to prescribe remedial action.

The capital base of an authorized institution is, broadly speaking but not limited to, all its paid-up capital and reserves, its profit and loss account including its current year's profit or loss, together with perpetual and term subordinated debt meeting prescribed conditions, general provisions against doubtful debts subject to certain limitations and a portion of its latent reserves arising from the revaluation of long-term holdings of specified equity securities or its reserves on the revaluation of real property.

At a high-level, the risk-weighted exposure is determined by:

- (1) multiplying risk-weight factors to the book value of various categories of assets (including but not limited to notes and coins, Hong Kong government certificates of indebtedness and cash items in the course of collection);
- (2) multiplying the credit conversion factors to various off balance sheet items (including but not limited to direct credit substitutes, transaction-related contingencies, repurchase contracts, note issuance facilities and exchange rate contracts) to determine their credit equivalent amount;
- (3) aggregating the amounts determined pursuant to (1) and (2); and
- (4) subtracting from the amount determined pursuant to (3) the value of general provisions not included in the capital base of the authorized institution.

The capital adequacy standards described above are commonly known as Basel II, and there are four approaches under Basel II to calculate credit risks, namely the basic approach, the standardised approach, foundation internal rating based approach and the advanced internal ratings based approach. Authorized institutions in Hong Kong under Basel II can choose either one out of the four approaches, with the foundation internal rating based approach and advanced internal ratings based approach requiring approval from the HKMA.

In December 2010 and January 2011, the Basel Committee issued further capital requirements designed to raise the quality, consistency and transparency of banks' capital base and new global liquidity standards. These requirements are collectively known as Basel III. Among other things, Basel III will increase the minimum capital adequacy ratio requirements in relation to risk-weighted assets, with the common equity requirement rising from 2 per cent. to 4.5 per cent. and the Tier 1 capital requirements rising from 4 per cent. to 6 per cent. The total minimum capital requirement remains unchanged at 8 per cent. The Basel Committee expects its member jurisdictions to begin the implementation of Basel III from 1 January 2013. The HKMA has taken steps to implement Basel III in Hong Kong in accordance with the timetable of the Basel Committee and has effected the Basel III implementation from January 2013, and the full implementation of the reforms is expected to be completed by January 2025.

The Banking Ordinance was amended in 2012 to facilitate the implementation of the Basel III capital and disclosure requirements in Hong Kong. More specifically, the amendments made to the Banking Ordinance empowered the HKMA to:

- (a) prescribe capital requirements for authorized institutions incorporated in Hong Kong or elsewhere; and
- (b) issue and approve codes of practice for the purpose of providing guidance in respect of the requirements.

The Banking (Capital) Rules (Cap. 155L) of Hong Kong set out the capital requirements applicable to authorized institutions in Hong Kong. These capital requirements were phased in over several years and include:

- the imposition of three minimum risk-weighted capital ratios, namely CET1 capital ratio, Tier 1 capital ratio and total capital ratio, and a non-risk based leverage ratio requirement;
- the introduction of two capital buffers, namely the capital conservation buffers and countercyclical capital buffer, and in the case of authorized institutions considered by the HKMA as systemically important, higher loss absorbency requirements;
- the introduction of capital requirement for counterparty risk effect from 1 January 2013; and
- capital instruments issued on or after 1 January 2013 must meet all of the Basel III criteria to qualify as regulatory capital. Capital instruments prior to this date that no longer qualify for inclusion in capital base will be phased out during the 10-year period commencing 1 January 2013.

With effect from 30 June 2013, the Banking (Disclosure) Rules have been amended to implement Basel III capital and disclosure standards. The HKMA has also implemented the Basel III liquidity standards.

The Hong Kong "Resolution Regime"

In early 2014, the Hong Kong government launched the initial stage of a public consultation on establishing a "resolution regime" for authorized institutions and other financial institutions in Hong Kong. A second consultation was launched in early 2015. The Response Paper published concluded the two consultations and summarised the key comments received and the authorities' responses and proposals in relation to those comments. The Response Paper also discusses certain further issues which remain under development internationally. The Financial Institutions (Resolution) Ordinance (No. 23 of 2016) came into effect on 7 July 2017.

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 financial institution in Hong Kong. In particular, it has been envisaged that subject to certain safeguards, the relevant resolution authority would be 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 write off or convert all or a part of the principal amount of, or interest on, the Notes, which may *inter alia* be in addition to any write off pursuant to the contractual provisions relating to loss absorption of the Notes, and powers to amend or alter the contractual provisions of the Notes. Noteholders are subject to and bound by the Financial Institutions (Resolution) Ordinance.

Liquidity

Liquidity of an authorized institution is its ability to meet payment obligations as they fall due. Banks must maintain sufficient liquidity to handle daily operational activities such as cash withdrawal from depositors, interbank clearing, repayment of debts, etc. The liquidity requirements applicable to authorized institutions are provided mainly in the Banking (Liquidity) Rules ("BLR") issued by the HKMA under section 97H(1) of the Banking Ordinance.

Under the BLR, authorized institutions designated by the HKMA as "category 1 institutions" are required to comply with the requirements relating to the LCR and the NSFR. Usually category 1 institutions are either having significant international exposures or being significant to the general stability of the local

banking sector having regard to their size or complexity of business operations. Category 1 institutions are required to maintain a LCR not less than 100 per cent. and NSFR not less than 100 per cent.

Other authorized institutions are regarded as "category 2 institutions", which must comply with the requirements relating to the local liquidity maintenance ratio ("LMR"). Category 2A institutions in category 2 institutions must also comply with the requirements relating to the local core funding ratio ("CFR"). The designation of category 2A institutions is based on the business size and the liquidity risk associated with the institution. Category 2 institutions are required to maintain a LMR not less than 25 per cent., whereas category 2A institutions are required to maintain a LMR not less than 25 per cent. and CFR of not less than 75 per cent.

Financial Exposure to Any One Customer

The financial exposure of an authorized institution incorporated in Hong Kong to any one person or group of connected persons must not (subject to certain exceptions) exceed 25 per cent. of the capital base of the authorized institution. Subject to certain exclusions, the authorized institution's financial exposure to any one person or group of connected persons is taken to be the aggregate of:

- (1) all advances, loans and credit facilities granted to that person or group;
- (2) the value of the authorized institution's holdings of shares, debentures and other debt securities issued by that person or group; and
- (3) the principal amount, multiplied by a factor to be specified by the HKMA, for off-balance sheet items resulting from transactions between the authorized institution and that person or group.

For these purposes, persons shall be treated as connected if one company is the subsidiary of another, they have a common holding company, they have a common controller (not being a company) or if one (not being a company) is a controller of another (being a company).

The calculation of financial exposure does not include financial exposure to the Hong Kong government or authorized institutions or financial exposure generally to the extent it is secured by a cash deposit, a guarantee, an undertaking, certain specified securities or a letter of comfort accepted by the HKMA.

If a person or a company to whom an authorized institution is financially exposed is a trustee of more than one trust, the HKMA may by notice in writing extend the limit of the institution's financial exposure to that person or company.

Other Restrictions on Lending

The Banking Ordinance also provides that the amount of the facilities which a Hong Kong incorporated authorized institution may make available on an unsecured basis to its controllers, its directors, their relatives or certain of its employees and persons associated with any of them shall be subject to the restrictions set out therein.

The Banking (Exposure Limits) Rules also provides that:

- (1) authorized institutions may not provide a financial facility against the security of their own shares, capital-in-nature instrument or non-capital LAC debt instruments (or, except with the approval of the HKMA, that of their respective holding companies, subsidiaries or fellow subsidiaries of such holding companies); and
- (2) authorized institutions may not, except with the written consent of the HKMA, provide to any one of their employees any unsecured facility of an amount in excess of that employee's salary for one year.

Restrictions on Investments in Land

The Banking (Exposure Limits) Rules generally requires an authorized institution to maintain, at all times, a land exposure ratio (as defined in the Banking (Exposure Limits) Rules) not exceeding 50.0 per cent. and an adjusted land exposure ratio (as defined in the Banking (Exposure Limits) Rules) not exceeding 25.0 per

cent. There are exceptions for land held that in the opinion of the HKMA is necessary for the operation of the business or for providing housing or amenities for staff.

Equity Exposures in Other Companies

An authorized institution incorporated in Hong Kong may not acquire or hold the aggregate equity exposures which exceed 25 per cent. of the authorized institution's Tier 1 capital base except for shares held by way of security for facilities and by virtue of acquisitions in satisfaction of debts due to it (which must, however, be disposed of at the earliest suitable opportunity and not later than 18 months after their acquisition unless the HKMA agrees to a longer period). Shares held by virtue of underwriting and sub-underwriting commitments are, nevertheless, permitted provided the relevant shares are disposed of within 7 working days or such longer period as the HKMA may agree.

There are other exemptions for any holding of equity exposures approved by the HKMA in other banks and companies carrying on nominee, executor, trustee or other functions related to banking business, the business of deposit taking, insurance, investments or other financial services.

Charges

An authorized institution incorporated in Hong Kong is not permitted to create any charges over its assets if either the aggregate value of all charges existing over its total assets is five per cent. or more of the value of those total assets or creating that charge would cause the aggregate value of all charges over its total assets to be more than five per cent. of the value of those total assets.

Restrictions on Overseas Activities

An authorized institution which is incorporated in Hong Kong is subject to a condition that it shall not establish or maintain any overseas branch or overseas representative office without the approval of the HKMA. The HKMA is empowered by the Banking Ordinance to require financial and other information regarding any such overseas branch to be supplied to it.

Further, an authorized institution incorporated in Hong Kong or its Hong Kong incorporated holding company may not without the consent of the HKMA own a company incorporated outside Hong Kong which may (whether or not in or outside Hong Kong) lawfully take deposits from the public. The HKMA may at any time attach in respect of any such approved overseas companies any conditions as the HKMA may think proper.

Shareholders, Chief Executives and Directors

Limitations on Shareholders

The HKMA has the power to object, on certain specified grounds, to persons becoming or being "controllers" of authorized institutions incorporated in Hong Kong. "**Controller**" in this context means:

- (1) a person who, either alone or with any associate(s), is entitled to exercise, or control the exercise of, 10 per cent. or more, but not more than 50 per cent., of the voting power at any general meeting of the authorized institution or of another company of which it is a subsidiary; or
- (2) a person who, either alone or with any associate(s), is entitled to exercise, or control the exercise of, more than 50 per cent. of the voting power at any general meeting of the authorized institution or of another company of which it is a subsidiary; or
- (3) a person in accordance with whose directions or instructions the directors of the authorized institution or of another company of which it is a subsidiary are accustomed to act (but does not include any professional advisers or managers appointed by the HKMA to manage the authorized institution).

A person may not become a controller of an authorized institution incorporated in Hong Kong unless he has served a written notice on the HKMA of his proposal to that effect and the HKMA consents to his becoming such a controller or does not object within three months.

Within the three-month period, the HKMA may object to the applicant's proposal, unless it is satisfied that the applicant is a fit and proper person to become a controller; that depositors' or potential depositors' interests will not be threatened by that person being such a controller; and having regard to the applicant's likely influence on that institution as a controller, the authorized institution is likely to continue to conduct its business prudently or that the applicant is likely to undertake adequate remedial action to ensure that the authorized institution will conduct its business prudently.

The HKMA may also object to the continuation of a person as a controller on similar grounds as in respect of new controllers.

Where a person becomes a controller (by virtue of being able to exercise or control the exercise of certain voting power in an authorized institution) after a notice of objection has been served on him or otherwise in the contravention of the procedure prescribed by the Banking Ordinance, the HKMA may notify the controller that until further notice any specified shares are subject to one or more of the following restrictions:

- (1) any transfer of the shares or, in the case of unissued shares, any transfer of the right to be issued with them, and any issue of such shares, shall be void;
- (2) voting rights in respect of those shares shall not be exercisable;
- (3) no further shares in right or pursuant to any offer made to the shareholder shall be issued; or
- (4) except in a liquidation, no payments of any sums due from the authorized institution on the shares shall be paid.

In addition, the HKMA may apply to court for an order that the shares be sold. Once the shares are sold, the proceeds (less the costs of sale) shall be paid into court and held for the benefit of the persons beneficially interested in them.

In the case of an indirect controller who does not have the approval of the HKMA, the person concerned is prohibited from giving directions or instructions to the directors of the authorized institution or of another company of which it is a subsidiary.

Limitations on Persons Becoming Chief Executives or Directors

All authorized institutions must have a chief executive ordinarily resident in Hong Kong. A person requires the consent of the HKMA before becoming a chief executive and alternate chief executive.

The consent of the HKMA is also required for a person to become a director of a Hong Kong incorporated authorized institution.

Supervision of Securities Business

The SFO, which came into operation in April 2003, introduced a substantial change to the conduct of securities business by banks. Banks are no longer exempted from the relevant regulations when they engage in securities business. Instead, they are required to apply for registration with the SFC, which means they will have to meet the "Fit and Proper Criteria" set by the SFC. Likewise, staff engaged by banks in securities business will have to meet the "Fit and Proper Criteria" applicable to staff of brokerage firms. It is a statutory condition of registration for banks that each member of staff engaged by them in securities business is a fit and proper person. Banks will also have to comply with the various regulatory requirements set by the SFC in relation to their securities business, including the subsidiary legislation and the business conduct codes. Under the SFO, banks and their securities staff will be subject to the same range of disciplinary actions that are applicable to brokers and their staff in case they are guilty of misconduct or otherwise not fit and proper.

With the introduction of a licensing regime under the SFO, corresponding changes have been made to the Banking Ordinance by way of the introduction of the Banking (Amendment) Ordinance 2002. Such ordinance came into operation simultaneously with the SFO and has enabled the HKMA to enhance their regulatory functions in relation to securities businesses of banks and other authorized institutions that are registered under the SFO.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream or CMU (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the relevant Issuer and the Bank believes to be reliable, but none of the Issuers, the Bank or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Bank or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

BOOK-ENTRY SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, "**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or "redemption proceeds" (collectively, the "**income proceeds**") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within Euroclear, Clearstream and the CMU will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. Euroclear, Clearstream and the CMU have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among

accountholders of Euroclear, Clearstream and the CMU. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Bank, the Paying Agents, the Registrar and the Dealers will be responsible for any performance by Euroclear, Clearstream or the CMU or their respective accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

PRC CURRENCY CONTROLS

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The 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 item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. On July 2009, the PRC government promulgated Measures for the Administration of the Pilot Program of Renminbi Settlement of Cross-Border Trades (跨境貿易人民幣結算試點管理辦法) (the "**Pilot Program Measures**") and its implementation rules, pursuant to which designated and eligible enterprises are allowed to settle their cross-border trade transactions in Renminbi. Since July 2009, subject to the Pilot Program Measures and its implementation rules, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of cross-border trade 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. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), pursuant to which (i) the list of designated pilot districts was expanded to cover 20 provinces including Beijing, Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang, Liaoning, Shandong and Sichuan, and (ii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only be effected by approved pilot enterprises in 16 provinces within the designated pilot districts in the PRC). On 27 July 2011, the PRC government promulgated the Circular on the Expansion of the Regions of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算地區的通知), pursuant to which the list of designated pilot districts was expanded to the whole country. On 3 February 2012, the PRC government promulgated the Circular on the Relevant Issues Pertaining to Administration over Enterprises Engaging in RMB Settlement of Export of Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知), pursuant to which any enterprises in China which are qualified to engage in import and export trade are allowed to settle their goods export trade in Renminbi.

On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "**2015 PBOC Circular**"), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises within a pilot free trade zone in the PRC, such as the China (Shanghai) Pilot Free Trade Zone may establish an additional cash pool in the local scheme in such pilot free trade zone, but each onshore company within the group may only elect to participate in one cash pool.

Accordingly, offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items. Renminbi remittance for exports of goods from the PRC may only be effected by (a) enterprises with the foreign trading right and incorporated in a province which has already submitted a list of key enterprises subject to supervision (the "**Supervision List**") (for the avoidance of doubt, that PRC enterprise does not necessarily need to be included in the Supervision List) or (b) enterprises that have been approved as a pilot enterprise for using Renminbi for exports before the PBOC and five other PRC authorities have reviewed and approved the Supervision List submitted by relevant province.

On 10 April 2020, the SAFE issued Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知 (匯發[2020]8號)), which cancelling the registration of special refund of remittance, simplify the administration of registration of some businesses under the capital account and relaxing the purchase of foreign exchange with export background for repayments of domestic foreign exchange loans.

On 4 December 2023, the SAFE issued the Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知 (匯發[2023]28號)), which partly revised the 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)).

On 3 April 2024, the SAFE issued the Notice on Further Optimizing the Management of Trade and Foreign Exchange Service (國家外匯管理局關於進一步優化貿易外匯業務管理的通知 (匯發[2024]11號)), which was implemented on 1 June 2024. The requirement for each branch of the SAFE to approve the registration of the "Directory of Enterprises dealing with Foreign Exchange Receipts and Expenditures of Trade" shall be abolished, and the directory registration shall be handled directly by domestic banks.

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 the 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".

On the same day, the SAFE issued the 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)), based on which, for the revenue obtained by an enterprise from trade in goods, the enterprise may, on its own, decide whether to open a to-be-inspected account for export revenue ("**to-be-inspected account**"). If an enterprise has not opened a to-be-inspected account, the examined revenue from trade in goods by the bank in accordance with the existing provisions may be directly deposited into the foreign exchange account under current accounts or used for foreign exchange settlement.

On 29 April 2019, the SAFE issued Administrative Measures for the Foreign Exchange Service of Payment Institutions (支付機構外匯業務管理辦法), which facilitates domestic institutions and individuals to carry out e-commerce trade through the internet, standardizes the cross-border foreign exchange payment services provided by payment institutions, and prevents the risk of cross-border capital flows through the internet channel.

The foregoing measures and circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Pilot Program Measures 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, and/or registration or filing with, the relevant PRC authorities.

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 account item payments including proceeds from liquidation, transfer of shares, reduction of capital and principal repayment under foreign debt to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or 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 registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, the SAFE issued the Notice on Relevant Issues regarding Streamlining the Business Operation of Cross-border RMB Capital Account Items (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知), which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.

On 3 December 2013, the MOFCOM promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (關於跨境人民幣直接投資有關問題的公告) (the "**MOFCOM RMB FDI Circular**") which became effective on 1 January 2014. Pursuant to the MOFCOM RMB FDI Circular, the proceeds from foreign direct investment in Renminbi may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investment in PRC domestic listed companies under the PRC strategic investment regime with the approval of the MOFCOM pursuant to the Administrative Measures for Strategic Investment by Foreign Investors in Listed Companies (外國投資者對上市公司戰略投資管理辦法).

On 3 June 2011, the PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement (中國人民銀行關於明確跨境人民幣業務相關問題的通知) (the "**2011 PBOC Circular**"). The 2011 PBOC Circular provides instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment into the PRC. The 2011 PBOC Circular applies to all non-financial Renminbi foreign direct investment into the PRC, and includes investment by way of establishing a new enterprise, acquiring an onshore enterprise, transferring the shares, increasing the registered capital of an existing enterprise, or providing loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications to the relevant local PBOC authorities which include, *inter alia*, requisite approval letters issued by the relevant MOFCOM authorities.

On 13 October 2011, the PBOC issued the Measures on Administration of the RMB Settlement in relation to 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**") and amended it on 29 May 2015, to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the 2011 PBOC Circular is no longer necessary. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC RMB FDI Measures.

On 19 November 2012, the SAFE promulgated the Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the "**SAFE Circular on DI**"), which became effective on 17 December 2012 and was amended on 4 May 2015, 10 October 2018 and 30 December 2019. According to the SAFE Circular on DI, the 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 China 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 5 July 2013, the PBOC promulgated the Notice on Simplifying the Procedures of Cross-border Renminbi Business and Improving Relevant Policies (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 simplifies the operating procedures on current account cross-border Renminbi settlement, provision of Renminbi outbound loans and Renminbi cross-border security in favour of offshore entities by onshore non-financial institutions, and further published policies with respect to bank card related cross-border Renminbi clearing and issuance of offshore Renminbi bonds by onshore non-financial institutions. The 2013 PBOC Circular intends to improve the efficiency of cross-border Renminbi settlement and facilitate the use of cross-border Renminbi settlement by banks and enterprises.

On 30 March 2015, SAFE promulgated the Notices of Reformation on Administration of Settlement of Capital Foreign Exchange of Foreign-invested Enterprises (關於改革外商投資企業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 discretionary 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).

Interbank foreign exchange market is also opening-up. In 2018, the China Foreign Exchange Trade System 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 decentralisation of powers, combination of decentralisation and appropriate control, and optimisation of services". It cancelled restrictions on the use of funds in domestic asset realisation accounts for foreign exchange settlement and restrictions on the number of opened foreign exchange accounts under capital accounts.

On 3 April 2024, the SAFE issued the Notice on Promulgation of the Guidelines on Foreign Exchange Businesses under Capital Accounts (Edition 2024) (國家外匯管理局關於印發《資本項目外匯業務指引(2024年版)》的通知 (匯發[2024]12號)) in order to further optimise the workflow for handling of capital account transactions.

The foregoing circulars, notices and measures will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances are subject to the specific requirements or restrictions set out in the relevant SAFE rules.

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. The following summary does not purport to be a comprehensive description of all of 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 the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Investors should consult their own tax advisers regarding the tax consequences of an investment in the Notes.

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 corporation 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 corporation, 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).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the Bank is expected to constitute a deposit to which the above exemption from payment will apply.

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 addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the "**Amendment Ordinance**") came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

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, **provided that** either:

- (i) 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
- (ii) 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 Issuer 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.

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 relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the PRC) 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, proposed regulations have been issued that provide that 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 published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*General 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.

SUBSCRIPTION AND SALE

PROGRAMME AGREEMENT

Subject to the terms and on the conditions contained in the programme agreement dated 13 February 2025 (such programme agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") made between the Bank, the Arranger and the permanent Dealer, the Notes will be offered on a continuous basis by the relevant Issuer to the permanent Dealer. 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 relevant Issuer through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

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 except pursuant to an exemption from, or a transaction not subject to, 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) it will not offer or sell any Notes constituting part of its allotment in the United States except in accordance with Rule 903 of Regulation S under the Securities Act, and that 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. 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.
- (d) 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.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK 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 UK. For the purposes of this provision:

- (i) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (a) 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 EUWA; or
 - (b) a customer within the meaning of the provisions of 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;
or

- (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and
- (ii) 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.

PUBLIC OFFER SELLING RESTRICTIONS UNDER THE UK PROSPECTUS REGULATION

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK 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 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 UK except that it may make an offer of such Notes to the public in the UK:

- (i) 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 has been approved by the Financial Conduct Authority, **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 relevant Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (iii) 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 UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) shall require the relevant 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 the Prospectus Regulation 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 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 FSMA by the relevant 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 relevant 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.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Unless the Pricing Supplement in respect of any Notes specifies "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 MiFID II; or
 - (ii) a customer within the meaning of 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 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.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

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 except that it may make an offer of such Notes to the public in that Member State:

- (a) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specifies 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 relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) *Fewer than 150 offerees*: 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 relevant Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant 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 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

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 "**FIEA**") and, accordingly, each Dealer has represented and agreed that 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 or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) 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(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) 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 of 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" as defined in the SFO and any rules made under the SFO.

IMPORTANT NOTICE TO CAPITAL MARKET INTERMEDIARIES (INCLUDING PRIVATE BANKS) PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain

CMI's may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the relevant Issuer, the CMI or the relevant group company. CMI's should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the relevant Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMI's are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering may include institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMI's should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI's). CMI's should enquire with their investor clients regarding any orders which appear unusual or irregular. CMI's should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI's should not place "X-orders" into the order book.

CMI's should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI's (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the relevant Issuer. In addition, CMI's (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMI's are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMI's.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMI's (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) - (vi) to the extent that it will not result in violation of any sanctions by the CMI: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Macau

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes have been or will be registered or otherwise authorised for public offer under the Financial System Act of Macau (Law no.13/2023) (the "**Financial System Act**") or promoted, distributed, sold or delivered in Macau, and no document relating to any Notes will be distributed

or circulated in Macau, except by Macau licensed entities following notification to the Macau Monetary Authority and under the terms of, and in compliance with, the Financial System Act and any other laws, guidelines and recommendations in Macau that may apply from time to time to the offer and sale of any Notes in Macau.

THE 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.

GENERAL

Each Dealer has agreed and each further Dealers appointed under the Programme will be required to agree (to the best of its knowledge and belief) to 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 this 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 Issuers and any of the other Dealers shall have any responsibility therefor.

None of the Issuers 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 relevant Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

GENERAL INFORMATION

AUTHORISATION

1. The establishment of the Programme and the issue of the Notes thereunder have been duly authorised by the Board of Directors of the Issuer during the meeting of the Board of Directors held on 5 December 2024.

LISTING

2. Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes, the Issuer shall appoint and maintain a paying agent in Singapore, where such definitive Notes may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

NDRC APPROVAL

3. The Notes with maturity of more than one year will be issued in accordance with either (i) the requirements under the NDRC Administrative Measures issued by the NDRC and any implementation rules as issued by the NDRC from time to time or (ii) the annual applicable foreign debt quota granted by the NDRC to CITIC Group and its subsidiaries.
4. In the case of 3(i) above, the Bank will make 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 3(ii) above, the Bank is able to rely on such annual foreign debt quota granted by the NDRC and is not required to make any pre-issuance registration of the Notes with the NDRC, however, the Bank will be required to make a post-issuance filing with the NDRC within the prescribed time following issuance of the Notes.

CLEARING SYSTEMS

5. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. If the Notes will be cleared through an additional or alternative clearing system, the appropriate information will be specified in the relevant Pricing Supplement.

LEGAL ENTITY IDENTIFIER

6. The legal entity identifier of the Bank is 54930034UPFJV0NHXV95.

NO SIGNIFICANT CHANGE

7. There has been no significant change in the financial or trading position of the Group since 30 June 2024 and there has been no material adverse change in the financial position or prospects of the Group since 30 June 2024.

DOCUMENTS

8. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the relevant Issuer:
- (a) the constitutional documents of the relevant Issuer;
 - (b) the audited consolidated financial statements of the Bank in respect of the financial year ended 31 December 2022;
 - (c) the audited consolidated financial statements of the Bank in respect of the financial year ended 31 December 2023;
 - (d) the unaudited interim consolidated financial statements of the Bank in respect of the six months ended 30 June 2024;
 - (e) the most recent annual audited consolidated financial statements of the Bank and the most recently published unaudited consolidated interim financial statements of the Bank (if any);
 - (f) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
 - (g) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein; and
 - (h) 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 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.

THE BANK

China CITIC Bank International Limited

中信銀行（國際）有限公司

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Kowloon, Hong Kong

FISCAL AGENT

China CITIC Bank International Limited

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Kowloon, Hong Kong

CALCULATION AGENT

China CITIC Bank International Limited

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Kowloon, Hong Kong

**PRINCIPAL PAYING AGENT, TRANSFER
AGENT AND REGISTRAR**

China CITIC Bank International Limited

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Kowloon, Hong Kong

CMU LODGING AND PAYING AGENT

China CITIC Bank International Limited

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Kowloon, Hong Kong

LEGAL ADVISERS

To the Arranger as to Hong Kong law

Clifford Chance

27th Floor, Jardine House

One Connaught Place

Hong Kong

**AUDITOR (FOR THE YEARS ENDED 31
DECEMBER 2021 AND 2022)**

PricewaterhouseCoopers

22/F Prince Building

Central, Hong Kong

CURRENT AUDITOR

KPMG

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong