

IMPORTANT INFORMATION FOR THE PROSPECTIVE NOTE PURCHASERS

Proposed issuance by China Opportunity International Limited (the "**Issuer**") of notes of multiple series (each, a "**Series**") up to a maximum aggregate principal amount of U.S.\$5,000,000,000 (or its equivalent in other currencies) (the "**Notes**"), the proceeds of which will be used by the Issuer to purchase bonds issued by Local Governments or the Ministry of Finance (each as defined herein), in each case traded on the Chinese interbank bond market (the "**PRC Bonds**").

In connection with the purchase or placement of the Notes described in the attached base prospectus (the "**Base Prospectus**") or any supplemental prospectus distributed from time to time in relation thereto (each, a "**Supplemental Prospectus**") by Bank of China Limited Singapore Branch ("**BOC Singapore**"), Bank of China (Hong Kong) Limited ("**BOCHK**") or Standard Chartered Bank ("**SCB**", together with BOC Singapore and BOCHK, the "**Joint Lead Arrangers**") or any dealer named in the Base Prospectus or any Supplemental Prospectus (each, a "**Dealer**"), each purchaser of the Notes (each, a "**Note Purchaser**"), by purchasing the Notes of any Series, is deemed to agree to and acknowledge the following:

- (a) no Note Purchaser may rely, and no Note Purchaser has relied, on any investigation that the Joint Lead Arrangers or any Dealer (or their affiliates or any person acting on their behalf) may have conducted with respect to the Notes, the Issuer, the PRC Bond Issuers or the PRC Bonds and none of the Joint Lead Arrangers nor any Dealer (or their affiliates) has made any representation to any Note Purchaser, express or implied, with respect to the Notes, the Issuer, the PRC Bonds, the PRC Bond Issuers or the accuracy, completeness or adequacy of any information disclosed in the Base Prospectus or any Supplemental Prospectus related to the Notes (including any draft, preliminary or final versions or any amendments or supplements thereto), any information provided by the Issuer or the Joint Lead Arrangers or any Dealer (and/or their affiliates) to the Note Purchasers, and such information includes, but is not limited to, accounting and other financial statements, financial models, investor presentations, due diligence reports, valuation reports and expert reports or any other information which may be publicly available (together, the "**Available Information**");
- (b) the Note Purchaser has had access to such financial and other information concerning the Notes, the Issuer, the PRC Bond Issuers and the PRC Bonds as it has deemed necessary and has received all information that it believes is necessary or appropriate in connection with its investment decision to purchase the Notes, including the opportunity to ask questions of and request information from the Issuer, the Joint Lead Arrangers and any Dealer (and/or their affiliates);
- (c) the Note Purchaser has conducted its own investigation with respect to the Notes, the Issuer, the PRC Bond Issuers and the PRC Bonds;
- (d) the Note Purchaser has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Notes and the subsequent acquisition of the PRC Bonds by the Issuer;
- (e) the Note Purchaser has sufficient knowledge, sophistication and experience in financial and business matters and that it is capable of evaluating the merits and risks of its prospective investment in the Notes, it is aware of and has considered the financial risks and financial hazards of investing in the Notes and it is, and any accounts for which it is acting are each, able to bear the economic risks of the investment, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in the Notes, and is able to sustain a complete loss of its investment in the Notes;
- (f) the Notes are being purchased for investment purposes and not with a view to distribution within the meaning of the United States securities laws;
- (g) the Note Purchaser satisfies any and all standards and requirements for investors in investments of the type subscribed for herein as imposed by the jurisdiction of its residence or otherwise;
- (h) the Note Purchaser is a "professional investor" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and not a U.S. person (as defined in Regulation S of the United States Securities Act of 1933, as amended);
- (i) the Note Purchaser will not hold the Joint Lead Arrangers, any Dealer or any of their affiliates, directors, officers, shareholders, principals, employees, agents or representatives responsible for any misstatements in or omissions from any written information, including the Available Information, provided by the Issuer, a Joint Lead Arranger and/or any Dealer (and/or their affiliates) or other publicly available information concerning the Issuer, the PRC Bonds or the PRC Bond Issuers and waives any claims against the Joint Lead Arrangers or any Dealer (or any of their affiliates, directors, officers, shareholders, principals, employees, agents or representatives) arising from or relating to its investment in the Notes and agrees not to pursue, commence, initiate, or knowingly encourage or permit another person to pursue, commence or initiate, any action, suit, claim or other legal, equitable or arbitration proceeding of any nature, directly or indirectly, against the Joint Lead Arrangers or any Dealer (or any of their affiliates, directors, officers, shareholders, principals, employees, agents or representatives);
- (j) the Note Purchaser is fully aware that the Notes are an illiquid investment and none of the Joint Lead Arrangers and nor the Dealers (and/or their affiliates) intend, and are not required, to make a market in the Notes;
- (k) neither of the Joint Lead Arrangers nor any Dealer (and none of their affiliates) are acting as broker, agent or advisor of any Note Purchaser in connection with its investment in the Notes; and
- (l) none of the Joint Lead Arrangers nor any Dealer (and none of their affiliates) has any fiduciary duty towards any Note Purchaser and assumes no responsibility to advise on, and make no representations as to the appropriateness or possible consequences of, the prospective transaction. Each Note Purchaser is strongly advised to consult its own legal, regulatory, tax, business, investment, accounting and other professional advisers before making an investment in the Notes.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached document. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached document. In accessing the attached document, 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 the Issuer (as defined in the attached document), or Bank of China Limited Singapore Branch, Bank of China (Hong Kong) Limited and Standard Chartered Bank (each, a "**Joint Lead Arranger**" and a "**Dealer**" and, together, the "**Joint Lead Arrangers**" and the "**Dealers**") as a result of such access.

Confirmation of Your Representation: The attached document 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 the Joint Lead Arrangers and the Dealers that (1) you and any customers you represent are, and the e-mail address that you gave us and to which this e-mail has been delivered is, located outside the United States (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")), and (2) you consent to delivery of the attached document and any amendments or supplements thereto by electronic transmission.

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 Joint Lead Arrangers, the Dealers or any of their affiliates, directors, officers, employees, representatives, agents and each person who controls either a Joint Lead Arranger or any of its 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. A hard copy version will be provided to you upon request.

Restrictions: The attached document is being furnished in connection with an offering outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES 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 ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

Nothing in this electronic transmission constitutes an offer to sell, a solicitation of an offer to buy or an invitation by or on behalf of any of the Issuer, the Joint Lead Arrangers or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute, in the United States or elsewhere, general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or 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 the Joint Lead Arrangers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached document on the basis that you are a person into whose possession the attached document 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 document.

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

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT 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.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CHINA OPPORTUNITY INTERNATIONAL LIMITED

(incorporated with limited liability under the laws of the Cayman Islands)

U.S.\$5,000,000,000 Secured Medium Term Note Programme

China Opportunity International Limited (the "**Issuer**") has established a secured medium term note programme (the "**Programme**") pursuant to the terms of a principal trust deed (the "**Principal Trust Deed**") dated 21 December 2016 (the "**Programme Date**") between, among others, the Issuer and Citicorp International Limited (the "**Trustee**"), under which the Issuer may issue multiple series (each, a "**Series**") of notes (the "**Notes**") pursuant to a supplemental trust deed in respect of each Series of Notes (each, a "**Supplemental Trust Deed**") up to a maximum aggregate principal amount of U.S.\$5,000,000,000 (or its equivalent in other currencies) (the "**Programme Limit**"). The Programme Limit may be increased from time to time in accordance with the terms of the Dealer Agreement (as defined below). The Notes of each Series will constitute secured limited recourse obligations of the Issuer in respect of such Series.

The Notes of a Series may either be (a) unrated or (b) rated by one or more of Moody's Investors Service Limited ("**Moody's**"), Fitch Ratings, Inc., or one of its subsidiaries that issue ratings under the trade name of Fitch Ratings ("**Fitch**") or another international rating agency (each, a "**Rating Agency**"), in which case the rating to be assigned and the rating agency assigning such rating will be specified in the applicable Supplemental Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation.

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 13 and the "Additional Risk Factors" in the relevant Supplemental Prospectus.

This Base Prospectus may be used to offer and sell any of the Notes only if accompanied by the Supplemental Prospectus for the related Series.

IMPORTANT: If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The transactions relating to the Programme are arranged by Bank of China Limited Singapore Branch, Bank of China (Hong Kong) Limited and Standard Chartered Bank (together, the "**Joint Lead Arrangers**").

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Notes are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act ("Regulation S").

For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Base Prospectus, see "*Subscription and Sale*".

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or in any Supplemental Prospectus. Admission of any Notes to the Official List of the SGX-ST or quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or such Notes. There can be no assurance that such listing will be obtained or maintained. The Supplemental Prospectus in respect of each Series of Notes will specify whether or not such Series of Notes will be listed.

The Notes of each Series will be issued in registered form in the minimum denomination of U.S.\$200,000 (or its equivalent in another currency) and integral multiples of U.S.\$10,000 (or its equivalent in another currency) thereafter. The Notes of each Series will be exchangeable, and transfers thereof will be registrable, at the offices of the Note Registrar (as defined herein). The Notes of each Series will be issued in registered form and will initially be represented by a permanent registered global note certificate (the "**Global Note**") without interest coupons, and which are expected to settle in book-entry form through the facilities of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") against payment therefor in immediately available funds or may be deposited on the relevant issue date with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU Service**"), operated by the Hong Kong Monetary Authority (the "**HKMA**").

Joint Lead Arrangers and Dealers



Bank of China



Standard Chartered Bank

The date of this Base Prospectus is 21 December 2016.

OVERVIEW OF THE INFORMATION IN THIS BASE PROSPECTUS AND EACH SUPPLEMENTAL PROSPECTUS

This Base Prospectus provides general information about the Notes to be issued by the Issuer, some of which may not apply to a particular Series of Notes. The Issuer will issue a supplemental prospectus in relation to each Series of Notes (each, a "**Supplemental Prospectus**"). A Supplemental Prospectus will contain the final terms (the "**Final Terms**") in relation to the relevant Series of Notes offered under that Supplemental Prospectus. The relevant Supplemental Prospectus will supplement this Base Prospectus in relation to that particular Series of Notes. Any reference to "Base Prospectus" in this document in the context of a particular Series of Notes shall, unless the context otherwise requires, include a reference to the Supplemental Prospectus for that Series. Noteholders and prospective Noteholders of a Series should rely on the information in the Supplemental Prospectus for that Series to the extent that the information in the applicable Supplemental Prospectus is different from, and/or supplements, the information in this Base Prospectus.

The Supplemental Prospectus issued for a particular Series will set out specific information relating to the Series and to the Notes of that Series, including:

- **Series Overview:** an overview of the structure of the Series, including a list of persons who entered into agreements with the Issuer, in respect of the Series;
- **Additional Risk Factors:** any risk factors in addition to or in substitution for the matters set out under "*Risk Factors*" in this Base Prospectus;
- **Description of the Major Series Documents:** a description of the provisions of the major Series Documents in respect of the Series;
- **Other Information:** any other information in relation to the Series required to supplement this Base Prospectus, including in relation to taxation and subscription and sale information; and
- **Final Terms:** the Final Terms for the Series will be incorporated into and form part of the Supplemental Prospectus.

Capitalised terms used but not defined in this Base Prospectus will have the meanings given to such terms in the "*Master Definitions Schedule*" set out below.

IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to the Joint Lead Arrangers and the Dealers (as defined herein) that this Base Prospectus contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

None of the Joint Lead Arrangers, any Dealer, the Trustee or any Note Agent (as defined herein) has verified the information contained herein. Accordingly, no representation, warranty or undertaking,

express or implied, is made and no responsibility or liability (whether arising in tort or contract or otherwise) is accepted by any Joint Lead Arranger, any Dealer, the Trustee or any Note Agent or any of their respective affiliates or advisers as to the accuracy or completeness of the information contained in this Base Prospectus or as to the future performance of the Notes. Nothing contained in this Base Prospectus is, or shall be relied upon as, a promise, representation or warranty by any Joint Lead Arranger, any Dealer, the Trustee or any Note Agent, or any of their respective affiliates or advisers.

No person is or has been authorised in connection with the issue, offering, subscription or sale of the Notes to give any information or to make any representation not contained in this Base Prospectus and any information or representation not contained in this Base Prospectus must not be relied upon as having been authorised by the Issuer, any Joint Lead Arranger, any Dealer, the Trustee or any Note Agent or any other person. Neither the delivery of this Base Prospectus at any time nor any sale or allotment made in connection with the issue of the Notes shall under any circumstances constitute a representation or create any implication that the information contained herein is correct at any time subsequent to the date hereof or that there has been no change in the affairs of any party herein mentioned since that date.

Potential investors of the Notes should determine for themselves the relevance of the information contained in this Base Prospectus or any part thereof and their purchase of any Notes should be based upon such investigation as they themselves deem necessary. Each Joint Lead Arranger, each Dealer, the Trustee and each Note Agent and their respective affiliates have not undertaken, do not undertake and will not undertake to review the financial condition or affairs of the Issuer, the Trustee, the Note Agents, the Programme Transaction Administrator (as defined herein), the Series Transaction Administrator (as defined herein), the relevant Swap Provider (as defined herein) or any other party to the transaction on, prior to or after the date of this Base Prospectus and shall not advise any investor or potential investor in the Notes of any information coming to their attention after the date of this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any Joint Lead Arranger or any Dealer that any recipient of this Base Prospectus should purchase the Notes.

The contents of this Base Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

This Base Prospectus does not constitute an offer and may not be used for the purpose of an offer to or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or in which it is unlawful to make such offer or solicitation. No action has been or will be taken to permit a public offering of the Notes in any jurisdiction where action would be required for that purpose. The Notes may not be offered or sold, directly or indirectly, and this Base Prospectus may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Joint Lead Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

This Base Prospectus is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the "**Prospectus Directive**"). This Base Prospectus has been prepared on the basis that all offers of the Notes made to persons in any member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

The Notes of each Series will be issued in registered form and will initially be represented by a permanent registered global note certificate (each a "**Global Note**") without interest coupons, and

which are expected to settle in book-entry form through the facilities of Clearstream and Euroclear against payment therefor in immediately available funds or may be deposited on the relevant issue date with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU Service**"), operated by the Hong Kong Monetary Authority (the "**HKMA**"). Any Definitive Notes (as defined herein) issued in respect of the Notes of any Series will bear restrictive legends and will be subject to the restrictions on transfer as described herein. The provisions governing the exchange of interests in Global Notes for Definitive Notes are described in "Summary of Provisions Relating to Notes while in Global Form".

The Notes of each Series will constitute limited recourse obligations of the Issuer in respect of such Series and are not obligations or responsibilities of, or insured or guaranteed by, any person other than the Issuer. In particular, the Notes are not obligations or responsibilities of, or insured or guaranteed by, the Trustee, the Note Agents, the Programme Transaction Administrator, the Series Transaction Administrator, the Swap Provider, any Joint Lead Arranger, any Dealer or any affiliate of any of the foregoing entities.

PROGRAMME LIMIT

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be converted into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Percentages in the tables in this Base Prospectus may not add up to 100 per cent. because of rounding. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

All references in this Base Prospectus to "**U.S. dollars**", "**U.S.\$**", "**USD**" or "**\$**" are to the lawful currency for the time being of the United States of America and all references in this Base Prospectus to "**RMB**", "**Renminbi**" or "**CNY**" are to the lawful currency for the time being of the People's Republic of China (the "**PRC**").

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Base Prospectus constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause any future results, performance or condition expressed or implied by such forward-looking statements to differ materially from the information set forth herein. See "*Risk Factors*".

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forward-looking statements, opinions and expectations contained herein are based on fair and reasonable assumptions, the future results, performance or condition may differ materially from the projections set forth in any forward-looking statements herein. Investors should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to any forecasted periods contained in this Base Prospectus. No party to the offering undertakes any obligation to revise these forward-looking statements to reflect subsequent events or circumstances.

AVAILABLE INFORMATION

The Issuer will furnish to the Trustee and holders of the beneficial interests in each Global Note (as defined herein) as identified by the CMU Service or Euroclear and Clearstream, as the case may be, certain information on a periodic basis. Such information will be available during normal business

hours on any Business Day (upon prior appointment) at the specified office of Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**").

STABILISATION

In connection with the issue of any Series of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

TABLE OF CONTENTS

PROGRAMME OVERVIEW	7
RISK FACTORS	13
USE OF PROCEEDS	30
SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM.....	31
TERMS AND CONDITIONS OF THE NOTES	34
FORM OF FINAL TERMS	56
THE ISSUER.....	62
DESCRIPTION OF PRC BONDS	64
TAXATION.....	67
SUBSCRIPTION AND SALE	73
CLEARANCE AND SETTLEMENT	78
GENERAL INFORMATION.....	81
MASTER DEFINITIONS SCHEDULE.....	82

PROGRAMME OVERVIEW

The following is a broad overview of the Programme and does not contain all of the information that prospective Noteholders should consider in making an investment decision. All of the information set out in this overview is qualified by, and must be read in conjunction with, the further detailed information in (i) other parts of this Base Prospectus, (ii) in relation to any particular Series of Notes, the applicable Supplemental Prospectus and (iii) the Transaction Documents. In particular, prospective investors in the Notes should consider the matters set forth under "Risk Factors".

Reference to a "Note Condition" is to a numbered condition of the Terms and Conditions of the Notes, set forth under "Terms and Conditions of the Notes".

OVERVIEW OF THE PROGRAMME

The Issuer has established the Programme pursuant to the terms of the Principal Trust Deed, under which the Issuer may issue multiple Series of Notes up to a maximum aggregate principal amount of U.S.\$5,000,000,000 (or its equivalent in other currencies). The Programme Limit may be increased from time to time in accordance with the terms of the Dealer Agreement.

Each Series of Notes shall be constituted and secured by the Principal Trust Deed and a Supplemental Trust Deed relating to such Series. Each Series of Notes will be secured by certain Programme Security and Series Security (as further described below) and a PRC Pledge Agreement (as defined below).

Certain transaction parties (such as the Trustee, the Onshore Agent (as defined herein) and the Note Agents) will be appointed by the Issuer under the Programme to act in respect of each Series of Notes issued from time to time.

The net proceeds of the offering of a Series of Notes will be used by the Issuer to purchase and acquire bonds ("**PRC Bonds**") which are traded on the Interbank Bond Market (as defined below) and issued by any of the following entities (together, "**PRC Bond Issuers**"):

- (a) provincial governments in the PRC which are first-level local administrative and are subject to the authority of the State Council ("**Local Governments**"); or
- (b) the Ministry of Finance of the PRC ("**MOF**").

Pursuant to the Sourcing Agency Agreement (as defined herein), the Sourcing Agent (as defined herein) may source PRC Bonds for the Issuer to purchase from time to time in connection with the issuance of a Series of Notes. See "*Description of PRC Bonds—Purchase of PRC Bonds*" below.

The PRC Bonds purchased by the Issuer in respect of each Series will be managed by the Onshore Agent pursuant to an agreement dated on or about the Closing Date of such Series between, *inter alios*, the Issuer, the Trustee and the Onshore Agent (the "**Onshore Agency Agreement**") and an agreement dated on or about the Closing Date of such Series between, *inter alios*, the Issuer, the Trustee, the Asset Monitor (as defined herein) and the Enforcement Agent (as defined herein) (the "**Asset Monitoring Agreement**"). See "*Description of PRC Bonds—Management of PRC Bonds*" below.

Payments of interest and principal in respect of each Series of Notes will be limited to the proceeds from the PRC Bonds purchased in respect of each such Series.

PARTIES

The following parties shall apply to each Series of Notes issued under the Programme.

Issuer:	China Opportunity International Limited, an exempted company incorporated with limited liability in the Cayman Islands. Pursuant to the Declaration of Trust, the shares of the Issuer are held on trust for organisations which have been established for charitable, benevolent or philanthropic causes. The Issuer shall be administered by the Issuer Administrator pursuant to the Issuer Administration Agreement.
Issuer Administrator:	Walkers Fiduciary Limited.
Joint Lead Arrangers:	Bank of China Limited Singapore Branch, Bank of China (Hong Kong) Limited and Standard Chartered Bank.
Dealers:	Bank of China Limited Singapore Branch, Bank of China (Hong Kong) Limited and Standard Chartered Bank.
Trustee, Programme Transaction Administrator and CMU Lodging and Paying Agent:	Citicorp International Limited. Citicorp International Limited, in its capacity as Trustee under the Programme is acting as both note trustee for the Noteholders and security trustee for the benefit of itself and the other Secured Parties.
Principal Paying Agent, Principal Transfer Agent, Rate Determination Agent and Reference Agent:	Citibank, N.A., London Branch.
Registrar:	Citigroup Global Markets Deutschland AG.
Offshore Account Bank:	Citibank, N.A., Hong Kong Branch.
Onshore Account Bank:	Bank of China Limited Shanghai Branch, BOC Building Sub-branch.
Note Agents:	The Principal Paying Agent, the Principal Transfer Agent, the Rate Determination Agent, the Reference Agent, the Registrar, the CMU Lodging and Paying Agent and the Offshore Account Bank are together referred to as the " Note Agents ". The Note Agents are appointed by the Issuer pursuant to the Agency Agreement.
Singapore Listing Agent:	WongPartnership LLP.
Sourcing Agent:	Bank of China Limited. See " <i>Notes—Sourcing Agency Agreement</i> " below.
Onshore Agent:	Bank of China Limited. The Onshore Agent will perform certain duties in relation to the PRC Bonds purchased by the Issuer in respect of each Series as specified in the relevant Onshore Agency Agreement. See " <i>Description of PRC Bonds</i> ".
Settlement Agent:	Bank of China Limited. Pursuant to the Interbank Bond Market Agency Service Agreement dated 8 December 2016 between the Issuer and the Settlement Agent, the Settlement Agent has agreed to act as Interbank Bond Market settlement agent for the Issuer in respect of the PRC Bonds to be purchased by the Issuer from time to time. See " <i>Description of PRC Bonds</i> ".

Rating Agency (in respect of Rated Notes):

Moody's, Fitch and/or another international rating agency.

Other parties in respect of a specific Series of Notes, including the Arranger, the Swap Provider, the relevant Dealer(s) and the Series Transaction Administrator, will be described in the Supplemental Prospectus in respect of such Series.

NOTES

Issued in Series:

The Notes will be issued in Series. For each Series of Notes, a Supplemental Prospectus will be issued by the Issuer. Each Series of Notes will have its own unique identification number.

Status:

The Notes of each Series constitute secured, direct, general, limited recourse, unconditional and unsubordinated obligations of the Issuer. The Notes of a Series will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future, direct, general, unsubordinated and secured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Registered Global Form:

The Notes of a Series will be issued in registered global form only, without coupons attached, to non-U.S. persons in reliance on Regulation S under the Securities Act. The Notes of a Series will be initially be represented by interests in a registered Global Note which will be deposited either with a sub-custodian for the CMU Service or a nominee for the accounts of Euroclear and Clearstream. Definitive Note Certificates evidencing holdings of Notes are only issued in exchange for interests in a Global Note in certain limited circumstances. See "*Summary of Provisions Relating to Notes in Global Form*".

Currencies:

Subject to any applicable legal or regulatory restrictions, the Notes of a Series will be issued in such currencies as specified in the applicable Supplemental Prospectus.

Issue Price:

The Notes of a Series may be issued on a fully paid or partly paid basis and at an issue price which is at par or a discount from, or a premium over, par. The price and amount of such Notes will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturity Date:

The Maturity Date of the Notes of a Series shall be specified in the relevant Final Terms.

Security:

The obligations of the Issuer to, among others, the Noteholders of a specified Series are secured pursuant to the provisions of the Principal Trust Deed and the Supplemental Trust Deed for the relevant Series. Each Series of Notes will be secured by certain Programme Security and Series Security and the PRC Pledge Agreement for such Series entered into between, *inter alios*, the Issuer, the Trustee and the Pledgee (as defined herein) on or about the relevant Closing Date (the "**PRC Pledge Agreement**"). For a detailed description of the Programme Security and the Series Security, see Note Conditions 2(b), 2(c) and 2(d) in "*Terms and Conditions of the Notes*". For a detailed description of the PRC Pledge Agreement in respect of a Series, see the relevant Supplemental Prospectus.

Swap Agreements:	<p>The Issuer will enter into a swap agreement (each, a "Series Swap Agreement") with a the swap provider identified in the Final Terms in respect of the Notes of each Series (the "Swap Provider").</p> <p>Each Series Swap Agreement will be governed by English law and will be documented on standard forms published by the International Swaps and Derivatives Association, Inc. and shall include any related swap confirmation entered into in respect of each Series of Notes. A description of the Series Swap Agreement will be provided in each Supplemental Prospectus.</p>
Sourcing Agency Agreement:	<p>Pursuant to an agreement dated 21 December 2016 (the "Sourcing Agency Agreement") between, <i>inter alios</i>, the Issuer and Bank of China (the "Sourcing Agent"), the Issuer has appointed the Sourcing Agent to source PRC Bonds from time to time for the Issuer to consider purchasing in connection with the issuance of any Series of Notes. The Sourcing Agent may charge a fee for its services which will be set out in the Bond Purchase Instruction for the relevant Series of Notes. The Issuer will consult with the Sourcing Agent on the terms of any Series of Notes to be issued upon purchase of the relevant PRC Bonds. See "<i>Description of PRC Bonds—Purchase of PRC Bonds</i>".</p>
Distributions:	<p>Distributions on the Notes of a Series will be made on each Payment Date specified in the applicable Supplemental Prospectus. Payment Dates for a Series may be monthly, quarterly, annually or at another interval. The timing and priority of payment, interest rate and amount of, or method of determining payments of, interest (if any) and principal on the Notes of a Series will be described in the applicable Supplemental Prospectus. See Note Condition 3 in "<i>Terms and Conditions of the Notes</i>".</p>
Interest:	<p>Interest (if any) will accrue on the Notes of a Series from the Closing Date and at the interest rate described in the applicable Supplemental Prospectus. Such other provisions relating to interest may be specified in the applicable Supplemental Prospectus.</p>
Redemption on Maturity:	<p>Unless previously redeemed or purchased and cancelled as specified below, each Note of a Series will be redeemed by the Issuer on the relevant Maturity Date, to the extent of funds available therefor in accordance with the applicable Series Priority of Payments, at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms. See Note Condition 4(a) in "<i>Terms and Conditions of the Notes</i>".</p>
Redemption for Tax Reasons:	<p>The Notes of a Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, upon the giving of not less than 30 nor more than 60 days' notice to the Noteholders of such Series, at the Early Redemption Amount of such Notes, if the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay certain Taxes. See Note Condition 4(b) in "<i>Terms and Conditions of the Notes</i>".</p>
Events of Default:	<p>If any of the events set out in Note Condition 8 occurs in respect of the Notes of a Series (an "Event of Default"), then the</p>

Trustee will, upon the written instructions of the Noteholders of at least 66.66 per cent. in aggregate of the then Principal Amount Outstanding of the Notes of such Series, deliver a notice (a "**Series Enforcement Notice**") to the Issuer declaring the relevant Notes to be immediately due and repayable at the Early Redemption Amount without any further action or formality. See Note Condition 8 in "*Terms and Conditions of the Notes*".

OTHER TERMS OF THE NOTES

- Denominations:** In respect of the Notes of a Series, the denomination will be the Specified Denomination as specified in the applicable Supplemental Prospectus.
- Terms and Conditions:** The terms and conditions applicable to the Notes of a Series will be those set out in "*Terms and Conditions of the Notes*", as supplemented, modified or replaced by the applicable Final Terms, which will be incorporated into and form part of the Supplemental Prospectus for the relevant Series.
- Taxation:** All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any authority in any applicable jurisdiction having power to tax, unless such withholding or deduction is required by law. The Issuer will not be obliged to make any additional payments to the holders of the Notes in respect of any such withholding or deduction.
- Listing:** The Notes of each Series may or may not be listed. Application has been made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as the Notes of any Series are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies). The Supplemental Prospectus in respect of each Series of Notes will specify whether or not the Notes or such Series will be listed.
- Rating:** The Notes of a Series may either be (a) unrated or (b) rated by one or more Rating Agencies. If the Notes of a Series are Rated Notes, the relevant rating and the Rating Agencies will be specified in the Final Terms in respect of such Series.
- Clearance and Settlement:** Holders of the Notes may elect to hold their interest in a Global Note in book-entry form through the CMU Service or Euroclear and Clearstream, as the case may be. Transfers within the CMU Service or Euroclear and Clearstream, as the case may be, will be in accordance with the usual rules and operating procedures of the CMU Service or Euroclear and Clearstream, as the case may be. See "*Clearance and Settlement*".
- Governing Law:** The Notes will be governed by English law.
- Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the Cayman

Islands, the United Kingdom, Singapore, Hong Kong and the PRC, see "*Subscription and Sale*" below.

RISK FACTORS

The following is a summary of certain risks involved in an investment in the Notes, of which any prospective investor should be aware. Investors should carefully consider the following risk factors, together with all other information contained in this Base Prospectus and, in relation to any particular Series of Notes, in the relevant Supplemental Prospectus and in particular, if applicable, the section contained therein headed "Additional Risk Factors", before purchasing the Notes. The risks and uncertainties described below may not be the only ones involved. All risk factors described below are contingencies which may or may not occur and the parties involved are not in a position to express any view on the likelihood of any such contingency occurring. The following is not intended to be exhaustive and prospective purchasers of the Notes should also take independent tax, legal and other relevant advice as to the structure and viability of making an investment in the Notes.

Limitations of this Base Prospectus and any Supplemental Prospectus

Neither this Base Prospectus nor any Supplemental Prospectus contains, and does not purport to contain, all information that a prospective investor in the Notes may require in investigating the Issuer prior to making an investment decision in relation to the Notes. In particular, the relevant Supplemental Prospectus will contain limited information regarding the relevant PRC Bonds and PRC Bond Issuers (as defined herein).

Neither this Base Prospectus nor any Supplemental Prospectus or any document or information (or any part thereof) delivered or supplied under or in relation to the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any Joint Lead Arranger or any Dealer that any recipient of this Base Prospectus, and any Supplemental Prospectus or any such other document or information (or such part thereof) should subscribe for or purchase any of the Notes.

This Base Prospectus and any Supplemental Prospectus is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Base Prospectus and any Supplemental Prospectus acknowledges that such person has not relied on the Issuer, any Joint Lead Arranger, any Dealer or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

Any recipient of this Base Prospectus and any Supplemental Prospectus contemplating subscribing for any of the Notes should determine for itself the relevance of the information contained in this Base Prospectus and any Supplemental Prospectus and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

None of the Issuer, the Joint Lead Arrangers, the Dealers, the Note Agents or the Trustee has conducted any investigation into the financial condition, business operations, affairs or creditworthiness of the PRC Bond Issuers. A prospective investor in the Notes is expected to conduct its own independent investigation of the financial condition, business operations and affairs of the relevant PRC Bond Issuers and any other factors relevant to their decision, including the merits and risks involved.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus and any Supplemental Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms of the Notes; and
- (e) 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.

This Base Prospectus and any Supplemental Prospectus does not, and does not purport to, contain all information that a prospective investor in the Notes may require prior to making an investment decision in relation to the Notes.

Liability under the Notes

The payment obligations of the Notes will be the obligations of the Issuer and will not be obligations or responsibilities of any other person or entity. In particular, the Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Trustee, the Note Agents, the Joint Lead Arrangers, the Dealers or any company in the same group of companies as, or affiliated to, such parties or any other party. None of these persons will accept any liability to the Noteholders whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are limited recourse obligations of the Issuer

Notes of each Series are limited recourse obligations of the Issuer. Recourse of the Noteholders of any Series against the Issuer will be limited to amounts from time to time available from the relevant PRC Bonds which relate to that Series of Notes and the other relevant Series Secured Property following payment of all other senior fees and expenses of such Series. In particular, Noteholders of one Series will not have recourse to the PRC Bonds which relate to any other Series. If amounts available in respect of a Series are insufficient to pay in full all amounts due under the Notes of such Series after payment of all amounts having priority over such Notes, the Noteholders will have no further claim against the Issuer in respect of any unpaid amounts and the liability of the Issuer with respect to such unpaid amounts will be extinguished. No transaction party (other than the Issuer) will be obligated to make payments on the Notes of any Series.

Payments on the Notes of a Series depend on income derived from relevant PRC Bonds

Prospective investors should be aware that the ability of the Issuer to meet its obligations to pay interest and principal on the Notes of each Series will depend on timely payments with respect to the performance of, and amounts received in respect of, the PRC Bonds which relate to each such Series and on the due performance by the relevant PRC Bond Issuers in respect of such Series and the other parties to the Transaction Documents of their obligations thereunder.

Failure by the relevant PRC Bond Issuers in respect of a Series to comply with their respective obligations under the relevant PRC Bonds may cause the Issuer to default on its payment obligations under the Notes of such Series, giving rise to an Event of Default under such Notes. No assurance can be given that the relevant PRC Bond Issuers in respect of a Series will comply in a timely manner with their respective obligations under the relevant PRC Bonds, if at all.

Limited Security for the Notes

The Issuer has created Programme Security and Series Security in respect of the Notes pursuant to the Transaction Documents. In the event of enforcement of the Security, no assurance can be given that the Programme Secured Property or, as the case may be, the relevant Series Secured Property will be sufficient to pay the principal and interest on the relevant Notes in full.

Upon such enforcement, the Trustee will have a right to take control of the relevant Issuer Accounts and a right to direct the Programme Transaction Administrator under the Programme Transaction Administration Agreement and the relevant Series Transaction Administrator under the relevant Series Transaction Administration Agreement.

The Noteholders of each Series of Notes will have the benefit of security created by the Issuer in respect of obligations owed by it in respect of each such Series. In respect of each Series, the only assets available to the Issuer to support its obligations in respect of the Notes are (a) any funds received by the Issuer under the PRC Bonds relating to such Series and the relevant Series Documents, (b) all funds in the relevant Series Payment Account and relevant Series Reserve Account and (c) certain contractual rights against the parties to the relevant Series Documents. The Noteholders will not have the benefit of security over the Issuer Onshore Accounts.

If an event of default occurs in relation to a Series of Notes, the Noteholders of such Series can take action to enforce the security created in respect of such Series. However, prospective investors should note that in such circumstances, the Noteholders of such Series cannot take action to wind up or liquidate the Issuer unless the Noteholders of all other outstanding Series agree.

The Issuer is not obliged to compensate the Noteholders for any withholding tax on payments pursuant to the Notes

In the event that withholding taxes are imposed in respect of payments to the Noteholders of amounts due pursuant to the Notes, the Issuer is not obliged to gross up or otherwise compensate the Noteholders for the lesser amounts the Noteholders may receive as a result of the imposition of withholding taxes. See "Taxation" for a discussion of withholding taxes in respect of payments pursuant to the Notes to the Noteholders. Any rating to be assigned by the Rating Agencies will not address the likelihood of the imposition of withholding taxes.

Risks Relating to PRC Pledge Agreements

Pursuant to the PRC Pledge Agreement in respect of a Series, the Issuer will grant security in respect of the PRC Bonds related to such Series in favour of the Pledgee for the benefit of the relevant Series Secured Parties including the Noteholders of the relevant Series.

In respect of any Series in which the relevant PRC Bonds are cleared through CCDC, upon the service of a Series Enforcement Notice in respect of such Series, the Pledgee under the PRC Pledge Agreement (acting on the instructions of the Trustee) may serve a notice on CCDC to enforce the PRC Pledge Agreement in respect of such Series. On receipt of such a notice, CCDC will act on the instructions of the Pledgee (acting on the instructions of the Trustee) and realise the value of the PRC Bonds relating to such Series by way of public auction on the Interbank Bond Market in the PRC. The value realisable through such public auction will depend on the bid prices offered by the bidders in such auction, who have unfettered discretion to set and adjust their bid prices. It is beyond the knowledge and control of each of the Issuer, CCDC, the Pledgee and the Trustee as to how specific bidders would value the PRC Bonds. No assurance can be given that the proceeds of realisation of such PRC Bonds following the occurrence of an Enforcement Event will be in an amount sufficient to repay all amounts due under the Notes of such Series and the Issuer Series Obligations in respect of such Series.

In the event of the enforcement of the Series Security in respect of any Series of Notes, no assurance can be given that the relevant Series Secured Property will be sufficient to pay the principal and interest on the Notes of such Series in full.

Changes may occur to the current laws and regulations with respect to creation, perfection and enforcement of PRC law security interests

The creation, perfection and enforcement of security interests over dematerialised debt securities situated in the PRC are governed by the General Principles of the Civil Law of the PRC, the PRC Contract Law, the PRC Security Interest Law and the PRC Property Law. Some of such laws and regulations were promulgated relatively recently and are susceptible to conflicting interpretations by different courts and government agencies or different sub-divisions and regional offices of the same agencies. In addition, various legal reform programmes could be implemented by the PRC government with the result of the creation of new laws and regulations and abolishment of existing ones from time to time. These developments create uncertainty over the validity of any future security interests to be held by the Pledgee pursuant to the relevant PRC Pledge Agreement, the liquidation of the relevant PRC Bonds upon enforcement and enforcement proceedings in the PRC generally. Under the terms of the Principal Trust Deed, the Trustee has the right (but not the obligation) to require the Issuer to do all such acts and things necessary to perfect the Security constituted by the Transaction Documents and to ensure that the Security is a legal, valid, binding and enforceable obligation of the Issuer.

An example of such uncertainty is the lack of express provision under the PRC Property Law with respect to the nature of amounts payable under bonds which are subject to a pledge. In the absence of express statutory provision, the amounts payable under the pledged bonds, such as scheduled interest payments and principal payment upon redemption or repurchase by the bond issuer, there is uncertainty whether a PRC court or regulator would treat such cash as within the scope of the pledge. To address such uncertainty, the pledge to be created under the PRC Pledge Agreement in respect of each Series of Notes will encompass the PRC Bonds relating to such Series as well as the benefits derived from such PRC Bonds, including all amounts payable under the relevant PRC Bonds subsequent to the enforcement of the pledge. In addition, CCDC will agree under the relevant Asset Monitoring Agreement to hold such amounts ultimately for the account of the Pledgee (acting on the instructions of the Trustee) and release the same to the Pledgee (acting on the instructions of the Trustee). Nonetheless, there exists uncertainty as to how a PRC court or regulator would treat such contractual arrangements and whether they would view such cash proceeds as forming part of the security.

Limited Liquidity of the Notes

The Notes of each Series comprise a new issue of securities for which there is no current public market. If a Series of Notes is allocated to a limited group of investors and a limited group of investors hold a significant proportion of a Series of Notes, liquidity will be restricted. There can be no assurance that a secondary market in the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will be sustained. The market value of the Notes may fluctuate depending on factors including, among others:

- (a) prevailing interest rates;
- (b) the credit quality of the relevant PRC Bonds in respect of such Series; and
- (c) market conditions for similar securities.

Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount from the original purchase price of such Notes and an investor in the Notes must be prepared to hold the Notes for an indefinite period of time or until their maturity.

Rating of the Notes

The Notes of a Series may either be (a) unrated or (b) rated by one or more Rating Agencies. Any rating assigned to any Series of Notes by a Rating Agency is based primarily on:

- (a) the credit quality of the relevant PRC Bonds in relation to such Series;
- (b) assessment of relevant structural features of the transaction; and

(c) the likelihood of the timely payment of interest and the ultimate payment of principal on the Notes of such Series in a full and timely manner.

A rating is not a recommendation to purchase, hold or sell such Notes, as such rating does not comment as to market price or suitability for a particular investor. There is no assurance that a rating will be sustained for any given period of time or that a rating will not be lowered or withdrawn entirely by an assigning rating agency if, in its judgment, circumstances in the future so warrant. Any decline in the financial condition of the Issuer or the insolvency of the Issuer may impair the ability of the Issuer to make payments to the Noteholders under the Notes and/or result in the rating of the Notes being lowered, suspended or withdrawn entirely.

There is no specific obligation on the part of the Issuer, the Joint Lead Arrangers, the Dealers, the Trustee, the Note Agents or any other person or entity to maintain or procure maintenance of any rating of the Notes. Any reduction or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Notes. Any reduction or withdrawal of a rating will not constitute an Event of Default or an event requiring the Issuer to redeem the Notes.

The rating assigned to a Series may not reflect the potential impact of all risks related to structure, market and additional factors described in this Base Prospectus and any Supplemental Prospectus, and other factors that may affect the value of the Notes.

The Issuer may be unable to redeem the Notes

On certain dates, pursuant to the Note Conditions, the Issuer may be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash and may be unable to procure the liquidation of the relevant PRC Bonds to obtain funds to redeem the Notes in time, or on acceptable terms, or at all. Failure to redeem the Notes by the Issuer would constitute an Event of Default under the Notes.

Dependence on Collections and Performance of Contractual Obligations

The ability of the Issuer to meet its obligations to pay interest and principal when due on the Notes of a Series will depend on the timely payment of amounts due on the relevant PRC Bonds by the relevant PRC Bond Issuers and the relevant Swap Provider pursuant to the relevant Series Swap Agreement and the due performance by the other parties to the relevant Transaction Documents of their obligations thereunder. In particular, the Issuer will be exposed to the relevant PRC Bond Issuers in respect of their creditworthiness and the performance of their obligations in respect of the relevant PRC Bonds. Failure by the relevant PRC Bond Issuers and/or the relevant Swap Provider to comply with their respective obligations under the relevant PRC Bonds and the Series Swap Agreement may cause the Issuer to default on its payment obligations under the Notes of a Series, giving rise to an Event of Default under such Notes.

The acquisition by the Issuer of the relevant PRC Bonds will only occur after the Closing Date in respect of each Series and is subject to settlement risk

The Notes of each Series will be issued on the Closing Date in respect of such Series but the Issuer will not acquire the relevant PRC Bonds until the Business Day immediately following such Closing Date (each, a ***Bond Settlement Date***). No assurance can be given that the Issuer will acquire the relevant PRC Bonds on the relevant Bond Settlement Date or at all.

The PRC Bonds will be held by the relevant PRC Bond Seller (as defined herein) in its custody account with CCDC. The purchase price for the PRC Bonds (the ***PRC Bond Purchase Price***) will always be denominated in RMB and will be notified to the Issuer by the Sourcing Agent. The Issuer's acquisition of the relevant PRC Bonds will be settled by the Settlement Agent on behalf of the Issuer through CCDC.

The proceeds of issuance of the Notes of each Series are denominated in foreign currencies. On the Closing Date, the Issuer will remit the net proceeds of issuance of the Notes of the relevant Series to the relevant foreign currency account held in the PRC (each, an "***Onshore Foreign Currency Account***"). Each Onshore Foreign Currency Account will be designated for a specific currency (such as U.S. dollars) and will be held in the name of the Issuer with the Onshore Account Bank and will not be subject to any

charge, pledge or other security interest in favour of the Series Secured Parties. The amounts on deposit in each Onshore Foreign Currency Account on the relevant Closing Date will be subject to overnight exposure to the credit risk of the Onshore Account Bank. On the relevant Bond Settlement Date, the Onshore Account Bank will remit the amounts on deposit in the Onshore Foreign Currency Account to the Swap Provider in payment of the Issuer's obligation to pay an initial exchange amount to the Swap Provider under the relevant Series Swap Agreement.

Under the terms of the relevant Series Swap Agreement, on the relevant Bond Settlement Date, the relevant Swap Provider will exchange the foreign currency denominated net proceeds of issuance of the relevant Series of Notes received from the Issuer into RMB at the relevant initial exchange rate set out in the relevant Series Swap Agreement and deposit the resulting RMB amount into the Issuer's Onshore RMB Account.

The Issuer, the Sourcing Agent, the Settlement Agent and the Trustee will execute a purchase agreement on or about the relevant Closing Date (the ***PRC Bond Purchase Instruction***) pursuant to which the Issuer will agree to purchase PRC Bonds on the relevant Bond Settlement Date if the purchase price for the relevant PRC Bonds is not greater than the amounts available to the Issuer under the relevant Series Swap Agreement. The instruction to settle the PRC Bonds (if such condition is satisfied) will be given to the Settlement Agent under the terms of the Interbank Bond Market Agency Services Agreement. The Issuer will procure that all funds deposited by the relevant Swap Provider into the Issuer's Onshore RMB Account on the relevant Bond Settlement Date are immediately transferred to the settlement account of the PRC Bond Seller with CCDC and to procure that CCDC credits the PRC Bonds to the bond account of the Issuer with CCDC.

If the PRC Bonds are not credited to the Issuer's bond account with CCDC on the relevant Bond Settlement Date, the Issuer will redeem the Notes of the relevant Series. See Note Condition 4(c).

If settlement of any PRC Bonds fails to take place in accordance with the PRC Bond Purchase Instruction on the relevant Bond Settlement Date, unless the failure to settle is caused by CCDC, the Sourcing Agent will indemnify the Issuer for all losses, liabilities, costs and expenses incurred by the Issuer, including the costs associated with redeeming the relevant Series of Notes and terminating the relevant Series Swap Agreement. If the failure to settle the purchase of any PRC Bonds is caused by a failure of CCDC, the Issuer may seek an indemnity from CCDC unless such failure to settle was caused by a *force majeure* event. Accordingly, no assurance can be given that the Issuer will have sufficient funds available to redeem the Notes of the relevant Series.

Although the PRC Pledge Agreement in respect of each Series will be executed on or about the Closing Date of such Series, the pledge created pursuant to such agreement will only become effective upon the purchase of the relevant PRC Bonds and the transfer of such PRC Bonds into the Issuer's account with CCDC.

No assurance can be given that the relevant Swap Provider will perform its obligations under the relevant Series Swap Agreement to exchange the foreign currency-denominated proceeds of issuance of the Notes of a Series into RMB in a timely manner or at all, or that the relevant PRC Bonds will be purchased from the relevant PRC Bond Seller in a timely manner or at all.

The Issuer may have insufficient funds to settle the purchase of the PRC Bonds and may unwind the transaction

The Sourcing Agent will source PRC Bonds for the Issuer at an agreed price on the relevant Closing Date. However, the Issuer's ability to settle the purchase price of the PRC Bonds on the related Bond Settlement Date will be dependent on the Issuer having sufficient Renminbi funds available to make such payment at the price at which the relevant PRC Bond Seller is willing to sell the relevant PRC Bonds. In addition, the market price of such PRC Bonds may fluctuate between the pricing date in respect of each Series of Notes and the relevant Closing Date.

The Issuer will agree the applicable exchange rate under the relevant Series Swap Agreement on the pricing date in respect of the relevant Series of Notes. Accordingly, there is no assurance that the amount of Renminbi that the Issuer will receive from the relevant Swap Provider at such applicable exchange rate on the relevant Bond Settlement Date will be sufficient to settle the purchase price of the PRC Bonds on such date or that each relevant PRC Bond Seller will be agreeable to sell the PRC Bonds to the Issuer at a price equivalent to the amount of Renminbi that the Issuer has access to. In that event, the Issuer will not instruct the Settlement Agent to settle the purchase of the relevant PRC Bonds and will not issue the relevant Series of Notes to investors.

Risks in relation to the PRC Bonds

PRC Bond Issuers subject to PRC economic and political risk

The PRC Bond Issuers will be subject to economic risk and may be affected by political changes in PRC government policies and other developments in the legal and regulatory climate of the PRC generally, which may in turn adversely affect the ability of a PRC Bond Issuer to make payments when due under the relevant PRC Bond. See "*—Risks Relating to the PRC*".

If a PRC Bond Issuer fails to make a payment when due on a PRC Bond or otherwise defaults on its obligations under a PRC Bond or becomes insolvent, the ability of the Issuer to meet its obligations to pay interest and principal when due on the Notes of the relevant Series will be adversely affected and the Issuer may default on its payment obligations under such Notes, giving rise to an Event of Default. No assurance can be given that one or more PRC Bond Issuers will not default on their obligations under the PRC Bonds or that the Issuer will be able to recover any amounts due but unpaid by such PRC Bond Issuers under the relevant PRC Bonds.

The PRC government does not guarantee the PRC Bonds issued by Local Governments

Certain PRC Bonds are issued by, and are obligations of, various Local Governments and MOF in the PRC. Although the Local Governments are first level local administrative organs of the PRC government, such PRC Bonds are not guaranteed by the PRC government.

The PRC Bonds issued by Local Governments do not contain specific provisions relating to events of default, enforcement and remedies. Accordingly, there is uncertainty regarding the remedies available to holders of such PRC Bonds if the relevant PRC Bond Issuers were to default on the PRC Bonds issued by them. Moreover, China's local government bond market is still in its infancy and the laws and regulations governing municipal bond issuances and enforcement of defaults in respect of such bonds are still relatively less developed compared to other more mature bond markets. Consequently, investors in the Notes may not be able to fully assess the legal position of the Issuer as holder of such PRC Bonds under PRC law.

Protections under PRC bankruptcy laws are unclear for bondholders

The existing bankruptcy legal regime in the PRC does not contemplate clear protections for bondholders in the event of a default by a bond issuer. In more developed bond markets, when negotiation fails to solve the problem, bankruptcy liquidation means bondholders may at least recover some losses. Although a PRC bankruptcy law has existed since 2006, it is seldom used in practice and has never been applied to a bond default case. According to the "*Notice Concerning The Plan for Establishing Liquidation and Bankruptcy Trial Divisions in Intermediate Courts*" issued by the PRC Supreme People's Court in June 2016, China intends to implement a wide-reaching plan to install specialised bankruptcy divisions in the intermediate courts of provinces and municipalities but it may nonetheless be some time before a deep pool of specialised judges to handle complex bond default cases is established. If a Local Government defaults on bonds issued by it and bondholders are unable to reach agreement regarding repayment through negotiation, they may have difficulties pursuing debt restructuring or similar options through the PRC courts. Further, as Local Governments are political sub-divisions of a sovereign state, bondholders may not be able to initiate legal proceedings or claims against such PRC Bond Issuers. No assurance can be given that the Issuer, as holder of PRC Bonds, will be able to recover any amounts due but unpaid by the PRC

Bond Issuers under the relevant PRC Bonds in the event of a default or insolvency of the relevant PRC Bond Issuer.

There is limited financial data publicly available for investors to assess the creditworthiness of Local Governments

Historically, it has been difficult for investors in Local Government bonds to conduct independent, bottom-up analysis of Local Governments as debt issuers because of the low level of transparency generally among government issuers. Local Governments in the PRC, including those at the provincial level, are not required to publicly disclose their fiscal fundamentals such as revenues, expenditures and debt. The revision to the PRC Budget Law in 2014, however, ushered in higher fiscal transparency to allow investors to better assess each Local Government's credit. Local Governments that intend to issue bonds directly have to prepare and issue a disclosure document containing financial data such as their operating revenue and expenditure, capital revenue and expenditure and most critically, their outstanding debt. However, this issuance requirement does not extend to Local Governments issuing bonds through the Ministry of Finance.

In addition, the most common means of evaluating creditworthiness in the bond market is credit ratings assigned by independent, third-party credit rating agencies. Unfortunately, these ratings can be less than enlightening in the context of China's on-shore credit market and, by extension, its emerging municipal bond market. The Issuer may purchase PRC Bonds which are rated or unrated. However, considering that local ratings in China do not provide significant credit differentiation with most ratings issued by domestic agencies in China between "AA" and "AAA", the level of guidance investors can obtain from them is limited. Furthermore, proxy issuances such as the PRC Bonds which are issued through MOF on behalf of Local Governments do not require credit ratings and compounded by the fact that no fiscal disclosure is mandated for such issuances, investors may experience difficulties in assessing the underlying Local Governments' creditworthiness, especially when the publicly available economic statistics for such Local Governments differ greatly.

Holders (including the Issuer) of the PRC Bonds will be relying upon the relevant PRC Bond Issuer's creditworthiness. There is no assurance that the creditworthiness of the PRC Bond Issuers will not decline as a result of either internal or external factors, such as internal fiscal budgetary measures or general macroeconomic factors. If a Local Government becomes insolvent or defaults on its obligations under the PRC Bonds, holders of such PRC Bonds can only claim against the defaulting Local Government as an unsecured creditor. In the worst case scenario, a holder of a PRC Bond issued by a Local Government (including the Issuer) may lose all of the value of its investment.

The economic performance of the PRC Bond Issuers is subject to general economic conditions in the PRC and to decisions and measures adopted by the PRC government

The economic performance and public finances of the PRC Bond Issuers are subject to general economic conditions in the PRC and may be significantly affected by national events and by decisions and measures adopted by the PRC government, including those related to inflation, monetary policy and taxation. In particular, in respect of Local Governments, their interests may not always be aligned with those of the PRC government. As a result, there can be no assurance that economic decisions or measures adopted by the PRC government will not have an adverse effect on the relevant provincial economies and the Local Governments' ability to service their outstanding debt, including the PRC Bonds.

In respect of the Local Governments, they can offer no assurance that their respective economies will continue to grow at current rates, or at all, in the future. Economic growth is dependent on a variety of factors, including (but not limited to) international demand for provincial exports, the stability and competitiveness of the Renminbi against foreign currencies, confidence among consumers and foreign and domestic investors and their rates of investment in the province, the willingness and ability of businesses to engage in new capital spending and a stable and relatively low rate of inflation. In most cases, these factors are outside the Local Government's control. If a relevant province's growth slows, stops or contracts, its revenues may decrease materially, and the Local Government's ability to service its public debt, including the PRC Bonds, may be impaired which may adversely affect the ability of the Issuer to make payments under the Notes.

Performance risk of custodians

CCDC is authorised by the People's Bank of China (the "PBOC") to carry out clearing and custodian functions for debt securities traded in the Interbank Bond Market in the PRC. The Issuer has appointed Bank of China Limited as its Settlement Agent pursuant to the Interbank Bond Market Agency Service Agreement. All of the PRC Bonds purchased by the Issuer are cleared through either CCDC and held in their custody. In the event that any such custodian fails to discharge its duties in relation to the PRC Bonds in a timely manner, payments of interest, principal and any other amounts payable under the relevant PRC Bonds, and in turn on the Notes, may be affected

Funds of the Issuer relating to multiple Series may be commingled in the Issuer Onshore Accounts

The Issuer will not maintain a separate onshore RMB account or a separate foreign currency-denominated bank account for each Series of Notes. All amounts received in respect of all PRC Bonds will be credited and debited to the Issuer RMB Account. All foreign-currency denominated proceeds of issuance of any Series of Notes, or amounts converted into a foreign currency from RMB, will be held in an Onshore Foreign Currency Account denominated in the relevant currency. Therefore amounts relating to a specified Series of Notes may be commingled with amounts relating to other Series of Notes. The Issuer will not grant any security over the Issuer Onshore Accounts in favour of the Trustee. The Issuer is not obliged under the Transaction Documents to maintain separate accounts in the PRC in respect of proceeds from the PRC Bonds in respect of each Series. While it is the intention of the Issuer to ensure that the funds in relation to each Series are properly recorded and operationally segregated, in the event of an insolvency or liquidation of the Issuer, identification and separation of funds in respect of each Series may not be achieved on a timely basis.

Limited representations and warranties on the PRC Bonds

As the Issuer is acquiring the PRC Bonds in the Interbank Bond Market, it will not enter into a purchase agreement with the relevant PRC Bond Seller and will not obtain any representations or warranties as to the relevant PRC Bond Seller's title to the PRC Bonds. In addition, the Issuer will not obtain any representations or warranties from any party in respect of the underlying performance of the PRC Bonds, the effectiveness or validity of the sale of the PRC Bonds, the existence of any liens on the PRC Bonds, existing defaults or any waived events of default or other modifications to the PRC Bonds. In each PRC Bond Purchase Instruction, the Sourcing Agent will represent and warrant that the relevant issuer of the PRC Bonds is solvent and not in liquidation. Counsel to the Sourcing Agent will opine that upon the acquisition of the PRC Bonds, the Issuer will have full, sole and valid legal title to and ownership in the PRC Bonds held in its bond custody account with CCDC and to all cash held in its cash settlement account with CCDC as a bona fide purchaser of the PRC Bonds.

Risks relating to the Issuer

No Operating History

The Issuer is a newly formed entity with no operating history and no material assets other than the PRC Bonds in relation to each Series. The Issuer will not engage in any business activity other than the establishment of the Programme, the issuance of the Notes, certain activities conducted in connection with the payment of amounts in respect of the Notes and other activities incidental or related to the foregoing. Income derived from the PRC Bonds in relation to each Series will be the Issuer's principal source of funds.

No Investigation

No investigation, and limited searches and enquiries, have been made by or on behalf of the Issuer, the Joint Lead Arrangers and the Dealers, and no investigations, searches and enquiries have been made by or on behalf of the Trustee or the Note Agents, in respect of the Issuer or any PRC Bonds. Prospective investors should take their own tax, legal, accounting and other relevant advice as to the structure and viability of the Notes and the collateral therefor and their investment therein.

U.S. source withholding taxes and information reporting

Under provisions of U.S. law commonly referred to as "**FATCA**", the Issuer may be subject to a 30 per cent. withholding tax on its income from U.S. sources and, beginning 1 January 2019, on the gross proceeds from the sale, maturity, or other disposition of certain of its assets that generate U.S.-source income. However, the Cayman Islands have entered into an intergovernmental agreement (the "**US IGA**") with the United States and have entered into a similar intergovernmental agreement (the "**UK IGA**") with the United Kingdom (together with the US IGA, the "**IGAs**"). The Issuer will be required to comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law that give effect to the IGAs. To the extent the Issuer is a "Reporting Cayman Islands Financial Institution" (as defined in the IGAs), the Issuer will be required to undertake due diligence procedures that generally provide for the identification of certain direct and indirect U.S. and UK investors and reporting to the Cayman Islands Tax Information Authority (the "**TIA**") certain information with respect to such investors. The Cayman Islands Tax Information Authority will exchange such information with the U.S. Internal Revenue Service ("**IRS**") or Her Majesty's Revenues and Customs in the United Kingdom ("**HMRC**"), as the case may be, under the terms of the relevant IGA. Provided the Issuer complies with its obligations under the IGAs and the Cayman Islands implementing authorities, the Issuer generally will not be subject to withholding under FATCA, either on payments it makes or receives. The Issuer will endeavour to comply with these requirements and expects it will be able to do so.

On 29 October 2014, the Cayman Islands along with 50 other jurisdictions signed a Multilateral Competent Authority Agreement (the "**Multilateral Agreement**") to demonstrate its commitment to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"). The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015, which require extensive due diligence to be undertaken on new and pre-existing accounts, were enacted on 16 October 2015 with a view to commencing reporting on such accounts during 2017. With more than 80 countries having since agreed to implement the CRS, which will impose similar reporting and other obligations as the IGAs with respect to the Noteholders who are tax resident in other signatory jurisdictions, the scope of the Issuer's reporting obligations to the TIA will significantly increase in 2017, as will the level of dissemination of account information by the Cayman Islands Tax Information Authority to tax authorities around the globe. The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt CRS, which will likely further increase the reporting and/or withholding obligations of the Issuer.

The Cayman Islands implementation process is not yet complete, and it is not certain that the Issuer will be able to comply with all of these requirements. Moreover, the US IGA provides that the United States and the Cayman Islands will develop an alternative approach to address "foreign passthru payments". It is unclear what approach will be taken, and it is possible, for example, that entities such as the Issuer will be required to withhold on payments that are treated as foreign passthru payments as early as 1 January 2019.

Whilst the Notes are in global form and held within Euroclear Bank or Clearstream (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain from (but excluding) the Issuer to (but including) the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. However, it should be noted that information relating to Noteholders and their investments in the Notes may need to be reported under regulations made pursuant to FATCA and/or CRS by financial institutions through which Noteholders collect payments made to them under the Notes.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA and similar reporting regimes are particularly complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the powers of or incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Joint Lead Arrangers, the Dealers or any of the other parties to the transaction makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment in the Notes on the relevant Closing Date or at any time in the future.

Such regulation includes Articles 404-410 of the Capital Requirements Regulation (the "CRR"), which provide that an EU credit institution shall only be exposed to the credit risk of a securitisation position if (a) the originator, sponsor or original lender has represented that it will retain, on an on-going basis, a material net economic interest in the securitisation of not less than 5 per cent. and (b) it is able to demonstrate to its regulator on an on-going basis that it has a comprehensive and thorough understanding of the key terms, risks and performance of each securitisation position in which it is invested. Failure by an EU credit institution investor to comply with the requirements of Articles 404-410 of the CRR in relation to any applicable investment will result in an increased capital charge to or increased risk-weighting applying to such investor in respect of that investment. Similar requirements to those set out in Articles 404-410 of the CRR have been implemented for EU-regulated alternative investment fund managers by Articles 50-56 of Regulation (EU) No. 231/2013 (the "AIFMR") prohibiting investment by alternative investment funds they manage in non-compliant securitisations and are expected to be implemented for other EU-regulated investors, including insurance or reinsurance undertakings and UCITS investment funds.

No representation of the sort referred to in the preceding paragraph has been made in relation to this transaction. The Issuer is of the opinion that the requirements of Articles 404-410 of the CRR and Articles 50-56 of the AIFMR should not apply to investments in the Notes. However, investors should be aware that the regulatory capital treatment of any investment in the Notes will be determined by the interpretation which an investor's regulator places on the provisions of the CRR and the AIFMR. Prospective investors should therefore be aware that should the relevant investor's regulator interpret the regulations such that Articles 404-410 of the CRR and Articles 50-56 of the AIFMR do apply to an investment in the Notes, significantly higher capital charges may be applied to the relevant credit institution's holding and investment by the relevant AIF may be prohibited.

Investors in the Notes are responsible for analysing their own regulatory position and independently assessing and determining whether or not Articles 404-410 of the CRR or Articles 50-56 of the AIFMR will be applied to their exposure to the Notes and therefore prospective investors should not rely on the Issuer's interpretation set out above. Further, the Joint Lead Arrangers and the Dealers and their respective affiliates do not make any representations in respect of the application of Articles 404-410 of the CRR and Articles 50-56 of the AIFMR to any investment in the Notes. Investors should consult their regulator should they require guidance in relation to the regulatory treatment that their regulator would apply to an investment in the Notes.

Articles 404-410 of the CRR and Articles 50-56 of the AIFMR and/or any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of the individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. No assurance can be given that further changes will not be made to the CRR or AIFMR or other regulatory provisions which could impact holders of the Notes.

Changes to the Basel II Framework may affect the capital and/or the liquidity requirements associated with a holding of the Notes for certain investors

In 1988, the Basel Committee adopted capital guidelines that explicitly link the relationship between a bank's capital and its credit risks. In June 2006, the Basel Committee finalised and published new risk adjusted capital guidelines ("**Basel II**").

More recently, the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**") including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the changes include new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**" respectively). Member countries have been required to implement the new capital standards from January 2013, and will be required to implement the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The Basel Committee is also considering introducing additional capital requirements for systemically important institutions. The European authorities have implemented Basel III via a new capital requirement directive (the "**CRD4**") and the CRR. The requirements of CRD4 and the CRR are taking effect in stages beginning on 1 January 2013, with full implementation by 1 January 2019. Basel III, the CRD4 and the CRR may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisors as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of Basel III, the CRD4, the CRR and any implementing measures. No predictions can be made as to the precise effects of the matters on any investor or otherwise.

CRA3

Prospective investors are responsible for ensuring that an investment in the Notes is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings. In this context, prospective investors should note the provisions of Regulation 462/2013 (EU) which amends Regulation (EC) 1060/2009 on Credit Rating Agencies (together "**CRA3**") which became effective on 20 June 2013. CRA3 addresses the use of credit ratings for regulatory purposes and requires, among other things, issuers or related third parties intending to solicit a credit rating or a structured finance instrument (as defined in CRA3) to appoint at least two credit rating agencies to provide credit ratings independently of each other.

The Issuer is incorporated in the Cayman Islands and an application has been made to list the Notes on the SGX-ST. Prospective investors are required to independently assess and determine the relevance of CRA3 and, as the case may be, whether the Notes and the investors' investment in the Notes are in compliance with the requirements of CRA3.

Developments in other markets may adversely affect the market price of the Notes

The market price of the Notes may be adversely affected by declines in the PRC financial markets, the international financial markets and world economic conditions. The market for the Notes is, to varying degrees, influenced by economic and market conditions in other markets, especially those in the PRC. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issues in other countries, including the PRC. Since the subprime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

Risks related to the structure of a particular Series 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:

Dual Currency Notes

The Issuer may issue Dual Currency Notes where principal and/or interest are payable in one or more currencies which may be different from the currency in which such Notes are denominated. Potential investors in such Notes should be aware that, depending on the terms of the Notes, (a) they may receive no interest or a limited amount of interest, (b) payment of principal or interest may occur at a different time or in a different currency than expected, and (c) they may lose a substantial portion of their investment. Movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices, and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable are dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption maturity date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions. The value of any currency, including those currencies specified in any indicative transaction, may be affected by complex political and economic factors.

Fixed Rate Notes

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

Partly Paid Notes

The Issuer may issue Notes of a Series where the issue price is payable in one or more instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment in respect of such Partly Paid Notes.

Zero Coupon Notes

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

Index Linked Redemption Notes and Index Linked Interest Notes

The value of an index or a basket of indices to which any Index Linked Redemption Notes or Index Linked Interest Notes relate may be affected by the number and type of indices or securities underlying the relevant index or indices included in such basket. Investors in such Notes are subject to the risk that other risks relating to the relevant indices which adversely affect the value of such Notes will be exacerbated due to the number of and/or type of securities underlying an index or the indices in a basket. If a particular index or a basket of indices relate to companies which are all in or connected with a particular industry, the value of such index or basket will be affected to a greater extent by the economic, financial and other factors affecting that industry than if the securities underlying such index or indices included in the basket relate to various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

Risks Relating to the PRC

Economic, political and social conditions in the PRC and government policies could affect the business, financial condition, results of operations and prospects of the PRC Bond Issuers

Each of the PRC Bond Issuers is located in the PRC and, accordingly, substantially all of the revenue of each PRC Bond Issuer is derived from the PRC. Accordingly, the business, financial condition, results of operations and prospects of each PRC Bond Issuer are subject to, to a significant degree, to the economic, political and legal developments of the PRC.

The PRC economy differs from the economies of developed countries in many respects, including, among other things, government involvement, level of economic development, growth rate, foreign exchange controls and resources allocation. While the PRC economy has been transitioning from a planned economy to a more market-oriented economy for more than three decades, a substantial portion of productive assets in the PRC is still owned by the PRC government. The PRC government also exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC government has implemented measures emphasising the utilisation of market forces in economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adjusted or modified, or applied inconsistently from industry to industry or across different regions of the country. As a result, certain of the PRC Bond Issuers may not benefit from some of these measures.

The PRC government has the power to implement macroeconomic measures affecting the PRC economy. For example, to mitigate the negative impact of the global financial crisis and economic downturn in 2008, the PRC government implemented a series of macroeconomic measures and a moderately loose monetary policy between September 2008 to the end of 2009, which included announcing an RMB4.0 trillion economic stimulus package and reducing benchmark interest rates. In 2010 and 2011, the PRC government introduced a number of monetary tightening measures to curb the overheated real estate markets and increasing inflation in the PRC. The PBOC announced several increases in benchmark interest rates for general lending and the deposit reserve ratio for commercial banks in the PRC. For another example, in September 2014, the PRC State Council issued the Opinions on Strengthening the Administration of Local Government Debt (Guofa (2014) No.43) (關於加強地方政府性債務管理的意見(國發(2014)43 號) which requests Local Governments to control their indebtedness size and restrict their financing procedures and use of proceeds.

In recent years, the PRC has been one of the world's fastest-growing economies as measured by GDP growth. However, the PRC may not be able to sustain historical growth rates. For example, the sub-prime mortgage crisis that originated in the U.S. in 2008 affected global financial markets and caused significant turmoil in the global financial and credit markets. From the second half of 2008 to mid-2009, the world's largest economies, including the U.S., Europe and Japan, fell into severe economic recession, and economic growth in the PRC, India and other emerging economies also experienced a slowdown. The GDP growth in the PRC declined from 14.2 per cent. in 2007 to 9.2 per cent. in 2009, and further to 7.7 per cent. in 2013. Future uncertainties in the PRC and in the global economy may materially and adversely affect the financial condition and results of operations of the PRC Bond Issuers and the PRC Bond Issuers may be sensitive to any general downturn in the overall PRC economy.

Uncertainties with respect to the PRC legal system could materially and adversely affect the PRC Bond Issuers

Each PRC Bond Issuer is located in the PRC and is subject to regulation by PRC laws and regulations. The PRC legal system is a civil law system based on written statute. While prior court decisions may be cited for reference, they have limited precedential value. Since 1979, the PRC government has promulgated laws, rules and regulations dealing with economic matters, such as foreign investment, taxation and trade. However, as these laws and regulations are still evolving, and because of the limited number and non-binding nature of published cases, there exist uncertainties about their interpretation and

enforcement and implementation may vary from region to region, and such uncertainties may have a negative impact on the financial condition, results of operations and prospects of the PRC Bond Issuers.

There is no guarantee that the relevant PRC Bond Issuers will meet their repayment obligations in respect of the PRC Bonds. As the PRC Bonds are governed by PRC law, any proceedings taken by or on behalf of the Trustee in relation to any such default must be conducted under PRC law. No assurance can be given that any such proceedings will be successful.

The PRC imposes foreign exchange control and its current policies allowing purchasing of foreign exchange with Renminbi may alter in the future

The payment obligations of the Issuer under the Notes will be denominated in foreign currencies (such as U.S. dollars) and the sole source of income of the Issuer under the PRC Bonds is denominated in Renminbi. As Renminbi is not a freely convertible currency, the Issuer will enter into a cross-currency swap agreement with the relevant Swap Provider in respect of each Series of Notes to exchange the relevant foreign currency for Renminbi. At present, the PRC government regulates conversion between the Renminbi and foreign currencies and remittance of foreign currency out of the PRC.

Although the Issuer currently is permitted under current PRC regulation to exchange Renminbi for a foreign currency and remit such foreign currency out of the PRC, no assurance can be given that such regulatory permission will be maintained or that new PRC regulations will not be promulgated which have the effect of restricting or eliminating the Issuer's purchase of foreign exchange with Renminbi and remittance of foreign exchange into or outside the PRC.

The payment of amounts due under the Notes will depend upon the future ability of the Issuer to convert the payments made by the PRC Bond Issuers in respect of the PRC Bonds into sufficient amounts of the relevant currency to make all the payments required offshore. Delays in the conversion of Renminbi amounts into such foreign currency could reduce the amount of such foreign currency received by the Issuer which could have an adverse effect on the Issuer's ability to make payments on the Notes promptly or at all.

If a Series Swap Agreement is terminated, it may be difficult for the Issuer to enter into a replacement currency exchange or swap agreement

In order to mitigate the currency fluctuation, transferability and convertibility risks described above, the Issuer will enter into a cross-currency swap agreement with the relevant Swap Provider in respect of each Series of Notes. There can be no assurance that the swap arrangements will be sufficient in all circumstances (including following any default by a Swap Provider) to hedge the currency fluctuation, transferability and convertibility risks fully.

Furthermore, a Series Swap Agreement may be terminated before its scheduled termination date if an "Event of Default", "Termination Event" or "Additional Termination Event" (each as defined in the relevant Series Swap Agreement) occurs, including a default by a Swap Provider. If a Series Swap Agreement is so terminated before its scheduled termination date, swap breakage costs may be payable by the Issuer to the relevant Swap Provider under the relevant Series Swap Agreement and the Issuer may attempt to enter into swap arrangements on substantially similar terms to the relevant Series Swap Agreement. However, no assurance can be given that the Issuer will be able to find a third party willing to enter into replacement swap arrangement or that, even if it were able to enter into replacement swap arrangements, the terms of any such replacement swap arrangements would not be significantly less favourable to the Issuer and, ultimately, to the Noteholders.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the PRC may materially and adversely affect the PRC Bond Issuers' business, financial condition and results of operations

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, and swine influenza caused by the

H1N1 virus or H1N1 influenza or H7N9, may materially and adversely affect the PRC Bond Issuers' business, financial condition and results of operations. In 2009, there were reports of the occurrence of H1N1 influenza in certain regions of the world, including the PRC. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of activities in affected areas, which may, in turn, materially and adversely affect the operations of the PRC Bond Issuers. Moreover, the PRC has experienced natural disasters like earthquakes, floods and droughts in the past few years. Any future occurrence of severe natural disasters in the PRC may materially and adversely affect its economy and therefore the financial condition of the PRC Bond Issuers. No assurance can be given that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, H1N1 influenza or other epidemics, or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt the operations of the PRC Bond Issuers, which may adversely affect the ability of the relevant PRC Bond Issuers to pay amounts due under the relevant PRC Bonds, giving rise to an Event of Default under the Notes of the relevant Series.

Certain income and profits of the Issuer may be subject to PRC taxes

Interest income of the Issuer which is derived from the PRC Bonds is exempt from any income or turnover taxes levied in the PRC. See "*Taxation—PRC Taxation*" below.

However, in certain circumstances, the Issuer may be subject to Enterprise Income Tax ("**EIT**") in the PRC on any capital gains derived from the sale of the PRC Bonds or on any termination amounts payable to the Issuer by a Swap Provider under the terms of a Swap Agreement. Such EIT, if levied, is currently payable at a rate of 10 per cent. or 25 per cent. on such profits or income. See "*Taxation—PRC Taxation—PRC Taxes on Gains Derived from Transfer of PRC Bonds*", "*Taxation—PRC Taxation—PRC Taxes relating to the Swap Agreements*" and "*Taxation—PRC Taxation—PRC Tax Exposure to an Establishment or Premises*" for further analysis of this tax. No assurance can be given that the Issuer will not be subject to EIT on such profits or income.

Additionally, the Issuer may be subject to value-added-tax ("**VAT**") at a rate of 6 per cent. on any capital gains derived from the sale of PRC Bonds or on any termination amounts payable to the Issuer by a Swap Provider under the terms of a Swap Agreement, as well as local surcharges at a rate of 12 per cent. on the VAT payment. See "*Taxation—PRC Taxation—PRC Taxes on Gains Derived from Transfer of PRC Bonds*" and "*Taxation—PRC Taxation—PRC Taxes relating to the Swap Agreements*" for further analysis of this tax.

Other than the taxes discussed above and herein, payments made by, or on behalf of, the Issuer from the PRC to its bank accounts in Hong Kong will be free of any withholding taxes levied in the PRC.

Other Risks

The Notes of each Series will initially be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing systems

Records of the beneficial interests in each Global Note will be maintained either by the CMU Service or Euroclear and Clearstream (the "**Clearing Systems**"). While the Notes of a Series are represented by the Global Note, investors will be able to trade their beneficial interests only through the relevant Clearing System. While the Notes of a Series are represented by a Global Note the Issuer will discharge its payment obligations under such Notes by making payments to the sub-custodian for the CMU Service or, as the case may be, to the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System to receive payments under the Notes of the relevant Series. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in a Global Note. Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes of the relevant Series. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Performance risk of the Transaction Parties

Each of the Swap Provider, the Onshore Agent and the Series Transaction Administrator in respect of a Series plays a critical role in ensuring that sufficient proceeds are received under the PRC Bonds in respect of such Series for the purposes of making payments of interest, principal and any other amounts payable under the Notes of such Series. In the event that any such party fails to discharge its duties in a timely manner, payments of interest, principal and any other amounts payable under the Notes may be affected.

Moreover, Bank of China Limited and its subsidiaries and affiliates are acting, and may act, as transaction parties in a number of roles in connection with the Programme and each Series of Notes, including as Joint Lead Arranger and Dealer, PRC Bond Seller, Onshore Account Bank, Onshore Agent, Settlement Agent, Enforcement Agent, Sourcing Agent and Swap Provider. In such capacities, Bank of China Limited or its subsidiaries and affiliates may have an interest or interests that conflict with those of the Issuer and/or the Noteholders and no assurance can be given that the interests of the Issuer or the Noteholders will prevail in such circumstances.

The Trustee may not take action on behalf of Noteholders if it is not indemnified

The Trustee may request the holders of the Notes of a Series to provide an indemnity and/or security to the Trustee's satisfaction in certain circumstances before it takes action. The Trustee shall not be obliged to take any such actions on behalf of the holders of such Notes if it is not indemnified and/or secured to its satisfaction. Negotiating and agreeing such an indemnity and/or security may be a lengthy process and may impact when such actions can be taken.

USE OF PROCEEDS

The net proceeds of the offering of a Series of Notes will be used by the Issuer to purchase and acquire one or more PRC Bonds.

SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

The Notes of a Series will be initially in the form of a global note (each, a "**Global Note**") which will be deposited on or around the Closing Date in respect of such Series either with the common depository for Euroclear and Clearstream or with a sub-custodian for the CMU Service, in each case as described below.

Euroclear and Clearstream

A Global Note deposited with Euroclear or Clearstream will become exchangeable in whole, but not in part, for Notes in definitive certificated form (the "**Definitive Note Certificates**") at the request of the holder of such Global Note against presentation and surrender of such Global Note to the Principal Paying Agent if either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so (an "**Exchange Event**").

If a Global Note is to be exchanged for Definitive Note Certificates, the Issuer will procure the prompt delivery (free of charge to the holder) of such Definitive Note Certificates, duly authenticated, in an aggregate principal amount equal to the principal amount of the relevant Global Note to the holder of such Global Note against the surrender of such Global Note at the Specified Office of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, a Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to such Global Note. The following is a summary of certain of those provisions:

*Holder*s: For so long as the Notes are represented by a Global Note and the relevant Global Note is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, as the case may be, as the holder of a particular aggregate principal amount of such Notes (each, a "**Holder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, as the case may be, as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "**Noteholders**" and references to holding of Notes and to holder of Notes shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested, as against the Issuer and the Trustee solely in the nominee for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the relevant Global Note. Each Holder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

Payments: All payments in respect of a Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of such Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. A record of each payment made on such Global Note, distinguishing between any payment of interest and principal will be endorsed on such Global Note by the Principal Paying Agent for the purpose of making such payment and such record will be *prima facie* evidence that the payment in question has been made.

Registration of Title: Registration of title to Notes in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, as the case may be, notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with the relevant Global Note or, a successor clearing system approved by the Trustee is not appointed by the Issuer within 90 days after receiving such notice from Euroclear or Clearstream. In these circumstances title to a Note may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Note Conditions, except that certificates in respect of Notes so transferred may not be available until 21 days after the request for transfer is duly made. The Registrar will not register title to the Notes in a name other than that of the Relevant Nominee for a period of seven calendar days preceding the due date for any payment of principal, or interest in respect of the Notes.

Transfers: For so long as the Notes are represented by a Global Note, the Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, or, as the case may be, Clearstream and the Issuer, the Principal Paying Agent and the Trustee may treat each person who is for

the time being shown in the records of Euroclear or of Clearstream as the holder of a particular principal amount of the Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the principal amount of the Notes standing to the account of any person will be conclusive and binding for all purposes) and as the holder of such principal amount of such Notes for all purposes, other than with respect to the payment of interest and repayment of principal on such Notes, the right to which will be vested solely in the holder of the relevant Global Note and in accordance with its terms.

The CMU Service

A Global Note may be registered in the name of the HKMA in its capacity as operator of the CMU, and shall be delivered to and held by a sub-custodian nominated by the HKMA as operator of the CMU. The Global Notes will be held for the account of the CMU members who have accounts with the CMU operator, or the CMU participants.

The Global Notes will become exchangeable in whole, but not in part, for Definitive Note Certificates if the CMU is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Since the CMU operator can act only on behalf of the CMU participants, who in turn may act on behalf of persons who hold interests through them, or indirect participants, the ability of persons having interests in a Global Note to pledge such interests to persons or entities that are not CMU participants, or otherwise take action in respect of such interests, may be affected by the lack of individual bonds.

While each Global Note representing the Notes of each Series is held by or on behalf of the CMU operator, payments of interest or principal will be made to the persons for whose account a relevant interest in the Global Note is credited as being held by the CMU operator at the relevant time, as notified to the CMU Lodging and Paying Agent by the CMU operator in a relevant CMU instrument position report (as defined in the rules of the CMU) or in any other relevant notification by the CMU operator. So long as the Notes of a Series are represented by a Global Note held by or on behalf of the CMU operator, such payment by the Issuer will discharge the Issuer's obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

Payments, transfers, exchanges and other matters relating to interests in the Global Notes may be subject to various policies and procedures adopted by the CMU operator from time to time. None of the Issuer, the Joint Arrangers, the Trustee, the Note Agents or any of their respective directors, officers, employees or agents will have any responsibility or liability for any aspect of the CMU operator's records relating to, or for payments made on account of, interests in a Global Note, or for maintaining, supervising or reviewing any records relating to such interests.

Whenever a Global Note is to be exchanged for Definitive Note Certificates, such Definitive Note Certificates will be issued in an aggregate principal amount equal to the principal amount of such Global Note within five Business Days of the delivery, by or on behalf of the registered Noteholder of the relevant Global Note, to the Registrar of such information as is required to complete and deliver such Definitive Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the relevant Global Note at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Noteholder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Notes will contain provisions that modify the Note Conditions as they apply to the Notes evidenced by such Global Note. The following is a summary of certain of those provisions:

Payment Record Date: Each payment in respect of the Global Notes will be made to the person shown as the Noteholder in the Note Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Notes are being held is open for business.

Notices: Notwithstanding Note Condition 15, so long as the Global Notes are held on behalf of the CMU operator, notices to Noteholders of Notes represented by the Global Notes may be given by delivery of the relevant notice to the persons shown in a CMU instrument position report issued by the CMU operator on the business day prior to the date of dispatch of such notice as holding interests in the Global Notes for communication to the CMU participants.

The CMU operator is under no obligation to maintain or continue to operate the CMU and the CMU operator is under no obligation to perform or continue to perform the procedures described above. Accordingly, the CMU and such procedures may be discontinued or modified at any time. None of the Issuer, the Joint Lead Arrangers, the Trustee, the Note Agents or any of their respective directors, officers, employees or agents will have any responsibility for the performance by the CMU operator or the CMU participants of their respective obligations under the rules and procedures governing their operations.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which (subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms and, save for the italicised text in this paragraph) will be endorsed on the Global Note(s) representing any Series of Notes in registered form or on any Series of Notes in definitive form (if any) issued in exchange for the relevant Global Note. The applicable Final Terms in relation to any Series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace or modify the following terms and conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) shall be read in conjunction with, and incorporated by reference into, the terms and conditions of the applicable Series of Notes and will be endorsed on, or attached to, the relevant Global Note and Definitive Note Certificate.

The Notes are one of a Series of Notes issued by China Opportunity International Limited (the "**Issuer**") pursuant to the Principal Trust Deed and the Supplemental Trust Deed (each as defined below).

Unless the context requires otherwise, references herein to the "**Notes**" shall be references to the Notes of this Series only and shall mean:

- (a) in relation to any Notes represented by the Global Note (as defined below), units of each Specified Denomination in the Specified Currency; and
- (b) any Notes in definitive form issued in exchange for the Global Note.

Unless the context requires otherwise, references herein to a "**Noteholder**" or "**Holder**" are to a person in whose name a Note (of this Series) is registered.

The following terms and conditions relate to the Notes and are subject to the detailed provisions of the Principal Trust Deed, the Supplemental Trust Deed and the Agency Agreement (each as defined below).

Notes are constituted and secured by a principal trust deed (as amended and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**") dated 21 December 2016 between, *inter alios*, the Issuer and Citicorp International Limited in its capacity as trustee (the "**Trustee**", which expression shall include any successor or replacement thereto) as supplemented by a supplemental trust deed dated the Closing Date in respect of this Series (the "**Closing Date**") (as amended and/or supplemented and/or restated from time to time, the "**Supplemental Trust Deed**") between, *inter alios*, the Issuer and the Trustee.

The Notes are also secured by a pledge agreement (as amended and/or supplemented and/or restated from time to time, the "**PRC Pledge Agreement**") dated the Closing Date between, *inter alios*, the Issuer and the Trustee.

The Notes will have the benefit of an agency agreement (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated on or about the date of the Principal Trust Deed between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent, principal transfer agent, rate determination agent and reference agent (the "**Principal Paying Agent**", the "**Principal Transfer Agent**", the "**Rate Determination Agent**" and the "**Reference Agent**", each of which expression shall include any successor or replacement thereto), Citibank, N.A., Hong Kong Branch as offshore account bank (the "**Offshore Account Bank**", which expression shall include any successor or replacement thereto), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**", which expression shall include any successor or replacement thereto), Citicorp International Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**") and Walkers Fiduciary Limited as issuer administrator (the "**Issuer Administrator**", which expression shall include any successor thereto).

Certain final terms in relation to the Notes (or the relevant provisions thereof) are set out in the Final Terms incorporated by reference into, and endorsed on, the Notes and which supplement these terms and conditions of the Notes (the "**Note Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Note Conditions, replace or modify these

Note Conditions. References to the "**Final Terms**" or the "**applicable Final Terms**" are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

Capitalised terms used in these Note Conditions and not otherwise defined herein shall have the meanings ascribed to them in (i) the programme master schedule of definitions, interpretation and construction clauses relating to the Programme dated on or about the date of the Principal Trust Deed (as amended and/or supplemented and/or restated from time to time), (ii) the supplemental master schedule of definitions, interpretation and construction clauses relating to the Notes dated on or about the date of the Supplemental Trust Deed (as amended and/or supplemented and/or restated from time to time) and (iii) the applicable Final Terms (the absence of any such term indicating that such term is not applicable to the Notes).

Copies of the Principal Trust Deed, the Supplemental Trust Deed, the Agency Agreement, the other Programme Documents and the other Series Documents relating to this Series will be available for inspection at the Specified Office of the Principal Paying Agent and at the registered office of the Issuer upon prior request during business hours.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Principal Trust Deed, the Supplemental Trust Deed, the Agency Agreement, the other Programme Documents and the other Series Documents relating to this Series and applicable to them.

1. Form, Denomination and Title

(a) Form and denomination

The Notes are issued in registered form and in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

A Note may be (i) a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms or (ii) an Index Linked Redemption Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

The Notes will initially be represented by a registered global note in substantially the form set out in Schedule 3 to the Principal Trust Deed (the "**Global Note**"). A definitive note certificate (each, a "**Definitive Note Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes in the circumstances specified in the Global Note. Each Definitive Note Certificate will be serially numbered with an identifying number which will be recorded on the relevant Definitive Note Certificate and in the register of Noteholders (the "**Note Register**") which will be kept by the Registrar. Notwithstanding any other provision herein contained, so long as the Notes are evidenced by the Global Note, each holder of a beneficial interest in the Notes will be bound by, and will be deemed to have agreed to, the rules and procedures of the clearing system through which transfers of, and payments of principal of, interest on or other payments (if any) in respect of, the Notes are made.

(b) Title

Title to the Notes will only pass by registration in the Note Register. Interests in Notes represented by the Global Note will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream or, as the case may be, the CMU Service. The holder of the Global Note may (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated at all times by the Issuer, the Trustee and the Paying Agents as the absolute owner of the Global Note for the purposes of making payments thereon (regardless of any notice of ownership, trust or other interest therein) and none of the Issuer, the Trustee and the Paying Agents shall be liable for treating such holder. The Issuer, each Note Agent and the Trustee may deem and treat the registered holder of any Note as the absolute

owner thereof (whether or not overdue, and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

(c) ***Transfers***

A Note may be transferred by depositing the Definitive Note Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the Specified Office of the Registrar. No transfer of a Note will be valid unless and until entered on the Note Register.

(d) ***Delivery of Definitive Note Certificates***

Each new Definitive Note Certificate to be issued upon a transfer of Notes will, within seven business days of receipt by the Registrar of the original Definitive Note Certificate and a form of transfer, be mailed by uninsured mail at the risk of the Holder entitled to the Notes to the address specified in the form of transfer.

Where only some of the Notes in respect of which a Definitive Note Certificate is issued are to be transferred or redeemed, a new Definitive Note Certificate in respect of the Notes not so transferred or redeemed will, within seven business days of deposit or surrender of the original Definitive Note Certificate with or to the Registrar, be mailed by uninsured mail at the risk of the Holder of the Notes not so transferred or redeemed to the address of such Holder appearing on the Note Register.

For the purposes of this Note Condition 1, "**business day**" means any day on which banks are open for business in the place of the Specified Office of the Registrar.

(e) ***Registration of Definitive Note Certificates***

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as the Issuer or the Registrar may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(f) ***Closed Period***

No Noteholder may require the transfer of a Note to be registered during the period of ten days ending on the due date for any payment of any amount on the Notes.

(g) ***Agency Agreement***

All transfers of Notes and entries on the Note Register will be made in accordance with the provisions of the Agency Agreement.

2. Status and Security

(a) ***Status***

The Notes constitute secured, direct, general, limited recourse, unconditional and unsubordinated obligations of the Issuer. The Notes will at all times rank *pari passu* among themselves.

(b) ***Security***

The obligations of the Issuer to, *inter alios*, the Noteholders are secured pursuant to the provisions of the Principal Trust Deed, the relevant Supplemental Trust Deed and the relevant PRC Pledge Agreement.

(c) ***Programme Security***

Under the Principal Trust Deed, the Issuer has granted in favour of the Trustee (for the benefit of itself and the other Programme Secured Parties including the Noteholders):

(i) an assignment by way of first fixed security of all its rights, title, interest and benefit (present and future, actual and contingent) in, to and under each Offshore Programme Document to which it is a party, including in each case, without limitation, all its rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such action as is required to cause payments to become due and payable thereunder, all rights of action in respect of any breach thereof, and all rights to claim and receive damages or obtain other relief in respect thereof;

(ii) a charge by way of first fixed charge of all its rights, title, interest and benefit (present and future, actual and contingent) in and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Programme Expenses Account and any other bank account (other than the bank accounts referred to in paragraphs (iv) and (v) below, any Series Issuer Account, the Onshore RMB Account, any Onshore Foreign Currency Account or any other account with the Onshore Account Bank or a custodian of the PRC Bonds) in which the Issuer may at any time acquire any right, title or interest or benefit, together with all interest accruing from time to time thereon and the debts represented thereby;

(iii) an assignment by way of first fixed security of all its rights, title, interest and benefit (present and future, actual and contingent) in, to and under all other contracts, deeds and documents, present and future, to which the Issuer is or may become a party (other than any contract, deed or document effectively assigned pursuant to a Series Security Document);

(iv) a charge by way of first fixed charge of all its rights, title, interest and benefit (present and future, actual and contingent) in and to all other assets and property that it has acquired or may acquire (other than the proceeds of the Issuer's share capital, its transaction fees and the bank account where such amounts are deposited or any other assets or property effectively charged pursuant to a Series Security Document); and

(v) a charge by way of first floating charge of the whole of its undertaking and all of its property and assets, whatsoever and wheresoever situate, present and future (other than the proceeds of the Issuer's share capital, its transaction fees and the bank account where such amounts are deposited) to the extent not otherwise effectively charged by way of fixed charge or otherwise effectively assigned as security under paragraphs (i) to (iv) above or otherwise effectively encumbered by the Series Security created by or pursuant to a Series Security Document.

(d) ***Series Security***

Under the Supplemental Trust Deed, the Issuer has granted in favour of the Trustee (for the benefit of itself and the other Series Secured Parties including the Noteholders):

(i) an assignment by way of first fixed security of all its rights, title, interest and benefit (present and future, actual and contingent) in, to and under each Series Document relating to this Series to which it is a party, including in each case, without limitation, all its rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such action as is required to cause payments to become due and payable thereunder, all rights of action in respect of any breach thereof, and all rights to claim and receive damages or obtain other relief in respect thereof;

(ii) a charge by way of first fixed charge of all its rights, title, interest and benefit (present and future, actual and contingent) in and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Series Issuer Accounts of this Series and any other bank account (other than the bank accounts referred to in paragraphs (iv) and (v) below, the Onshore RMB Account, any Onshore Foreign Currency Account or any other account with the Onshore Account Bank or a custodian of the PRC Bonds or otherwise effectively encumbered pursuant to another Transaction Document) in which the Issuer may, in respect of the Notes, at any time

acquire any right, title or interest or benefit, together with all interest accruing from time to time thereon and the debts represented thereby;

(iii) an assignment by way of first fixed security of all its rights, title, interest and benefit (present and future, actual and contingent), in, to and under all other contracts, deeds and documents, present and future, to which the Issuer is or may become a party in respect of the Notes (other than the Programme Documents) to the extent not already effectively charged or assigned;

(iv) a charge by way of first fixed charge of all its rights, title, interest and benefit (present and future, actual and contingent) in and to all other assets and property that it has acquired or may acquire (other than the proceeds of the Issuer's share capital, its transaction fees and the bank account where such amounts are deposited) in respect of the Notes to the extent not already effectively charged; and

(v) a charge by way of first floating charge of the whole of its undertaking and all of its property and assets, whatsoever and wheresoever situate, present and future (other than the proceeds of the Issuer's share capital, its transaction fees and the bank account where such amounts are deposited) in respect of the Notes to the extent not otherwise effectively charged by way of fixed charge or otherwise effectively assigned as security under paragraphs (i) to (v) above or under the Principal Trust Deed, the relevant PRC Pledge Agreement or any Supplemental Trust Deed.

Under a PRC Pledge Agreement, the Issuer will grant in favour of the Pledgee (for the benefit of the Series Secured Parties including the Noteholders of that Series) a first priority pledge of the PRC Bonds in respect of the relevant Series as described in such PRC Pledge Agreement, including all rights to payments of principal and interest and all, rights, dividends, receivables, benefits and cash redemption proceeds derived from such PRC Bonds.

3. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Payment Date in respect of an Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by the Global Note, the aggregate Principal Amount Outstanding of the Fixed Rate Notes represented by the Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in

the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest, unless any other Day Count Fraction is specified in the Final Terms, in accordance with this Note Condition 3(a), "30/360", calculated by reference to the number of days in the period from (and including) the most recent Payment Date (or, if none, the Closing Date) to (but excluding) the relevant Payment Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(b) ***Interest on Floating Rate Notes and Index Linked Interest Notes***

(i) ***Payment Dates***

Each Floating Rate Note and Index Linked Interest Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date and such interest will be payable in arrear on each Payment Date.

(ii) ***Rate of Interest for Floating Rate Notes***

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified in the applicable Final Terms.

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

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **"ISDA Rate"** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Rate Determination Agent under an interest rate swap transaction if the Rate Determination Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (I) the Floating Rate Option is as specified in the applicable Final Terms;
- (II) the Designated Maturity is a period specified in the applicable Final Terms; and
- (III) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

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

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below or as otherwise set out in the Final Terms, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) 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 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Rate Determination 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 Rate Determination Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

(iii) *Rate of Interest for Index Linked Interest Notes*

The Rate of Interest payable in respect of Index Linked Interest Notes for each Interest Period shall be determined in the manner specified in the applicable Final Terms and interest will accrue by reference to an Index or Formula as specified in the applicable Final Terms.

(iv) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(v) *Determination of Rate of Interest and calculation of Interest Amounts*

The Rate Determination Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, (A) determine the Rate of Interest for the relevant Interest Period and (B) notify the Reference Agent of the Rate of Interest for the relevant Interest Period.

The Reference Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (I) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by the Global Note, the aggregate Principal Amount Outstanding of the Notes represented by the Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (II) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit

being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Note Condition 3(b), unless otherwise specified in the Final Terms:

(I) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(II) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(III) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(IV) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

(V) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D₂ will be 30; or

(VI) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest 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 Interest 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.

(vi) *Publication*

The Reference Agent will cause each Rate of Interest and each Interest Amount determined by it, together with the relevant Payment Date, to be notified by electronic transmission to the Issuer, the Trustee and the other Paying Agents as soon as practicable after such determination and in any

event by no later than the first day of each Interest Period. Notice thereof will also promptly be given to the Noteholders in accordance with Note Condition 15. The Reference Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Noteholders in accordance with Note Condition 15.

(vii) *Certificates to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Note Condition 3 by the Rate Determination Agent or the Reference Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Registrar, the Trustee and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Rate Determination Agent or the Reference Agent or (in the circumstances referred to in paragraph (viii) below) the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(viii) *Failure*

If the Rate Determination Agent fails at any time to determine a Rate of Interest or the Reference Agent fails at any time to calculate an Interest Amount as aforesaid, the Principal Paying Agent may determine such Rate of Interest or Interest Amount, as the case may be, in accordance with this Note Condition 3(b) and such determinations and/or calculations made by the Principal Paying Agent will be deemed to have been made by the Rate Determination Agent or the Reference Agent, as the case may be.

(c) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *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 principal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the seventh day after the date upon which notice is duly given to the Holder of such Note that the full amount of the moneys payable in respect of such Note will be paid.

4. Redemption and Purchase

(a) *Redemption on Maturity*

Unless previously redeemed and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer on the Maturity Date, to the extent of funds available therefor in accordance with the applicable Series Priority of Payments, at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency.

(b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (unless none of the provisions relating to Floating Rate Notes, Index Linked Interest Notes nor Dual Currency Interest Notes are specified in the relevant Final Terms as being applicable); or
- (ii) on any Payment Date (if the provisions relating to Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes are specified in the relevant Final Terms as being applicable),

upon giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), if:

- (x) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay (1) any Tax in the PRC on its income or profits or (2) any other Tax as a result of any change in, or amendment to, any applicable laws and regulations of the Cayman Islands, the PRC or any other jurisdiction through which payments in the Notes are made or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and
- (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Before the publication of any notice of such redemption, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in paragraph (x) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in paragraph (y) above in which event is shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Note Condition 4(b) will be redeemed at their Early Redemption Amount referred to in Note Condition 4(d).

(c) ***Mandatory Redemption***

- (i) To the extent that amounts of principal are received by the Issuer in respect of the relevant PRC Bonds, the Issuer will apply such amounts towards the redemption of the Notes (in whole or in part) on the immediately succeeding Payment Date in accordance with the applicable Series Priority of Payments on such Payment Date.
- (ii) If the purchase of the relevant PRC Bonds is not completed in accordance with the provisions of the relevant PRC Bond Purchase Instruction, the Issuer will redeem the Notes (in whole) on or before the date which falls 14 Business Days after such Bond Settlement Date (as defined in the relevant PRC Bond Purchase Instruction) at the relevant Early Redemption Amount on such date, to the extent of funds available therefor in accordance with the applicable Series Priority of Payments on such date.

(d) ***Early Redemption Amount***

For the purpose of Note Conditions 4(b), 4(c)(i) and 8, the Early Redemption Amount shall be calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note but including a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, the Principal Amount Outstanding of such Note; or

(iii) in the case of a Zero Coupon Note, an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Closing Date of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(e) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Note Condition 4 and the applicable Final Terms.

(f) ***No Purchase by Issuer***

The Issuer will not be permitted to purchase any of the Notes.

(g) ***Cancellation***

All Notes redeemed in full will be cancelled by the Paying Agents or the Registrar to whom such Notes are presented for redemption or surrender, and may not be resold or reissued.

(h) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Note Conditions 4(a) or 4(b) or upon its becoming due and repayable as provided in Note Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Note Condition 4(d) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) the seventh day upon which notice is duly given to the Holder of such Zero Coupon Note that the full amount of the moneys payable in respect of such Zero Coupon Note will be paid.

5. **Payments**

(a) ***Payments***

Payments of principal and interest on the Notes will be made to the person in whose name the Note is registered in the Note Register (or to the first-named of joint holders) at the close of business on the Clearing System Business Day immediately prior to the due date for such payment (the "**Record Date**") by electronic funds transfer to the registered account of each Noteholder or by cheque in the Specified Currency; *provided that* the Principal Paying Agent shall have received the required funds in full from the Issuer in accordance with the terms of the Agency Agreement. If Definitive Note Certificates have been issued, payments of the final amount due in respect of principal will only be made upon evidence of delivery of the Definitive Note Certificates to a Paying Agent. So long as any Notes are evidenced by the Global Note, payments of principal and interest in respect thereof will be made in accordance with the rules and procedures of the Principal Paying Agent, or the relevant clearing system, as the case may be, from time to time in effect.

"**Clearing System Business Day**" means a day on which each clearing system for which the Global Notes are being held is open for business.

(b) ***Registered Account and Registered Address***

For the purposes of this Note Condition 5, a Noteholder's "**registered account**" means the account denominated in the Specified Currency maintained by or on behalf of it, details of which appear on the Note Register at the close of business on the record date which is the Clearing System Business Day immediately prior to the due date for payment, where "**Clearing System Business Day**" means Monday to Friday (inclusive) in each week except 25th December and 1st January, and a Noteholder's "registered address" means its address appearing on the Note Register at that time.

(c) ***Payments Subject to Fiscal Laws***

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations.

(d) ***Business Day***

Where payment is to be made by electronic funds transfer to a Noteholder's registered account, payment instructions (for value on the due date or, if that date is not a Business Day, for value on the next Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the due date for payment (or if that date is not a Business Day, on the next Business Day) or, in the case of a payment of the final amount due in respect of principal on the Note, on the Business Day on which the relevant Definitive Note Certificate is surrendered at the Specified Offices of the Paying Agents or the Registrar.

"**Business Day**" has the meaning set out in the Supplemental Master Definitions Schedule relating to this Series.

(e) ***No Payment for Delay***

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount:

- (i) if the Noteholder is late in surrendering its Definitive Note Certificate (if required to do so);
- (ii) if a cheque mailed in accordance with paragraph (d) above arrives after the due date for payment; or
- (iii) if the due date is not a Business Day.

(f) ***Unpaid Amount***

If the amount of principal or interest, if any, which is due on the Notes is not paid in full, the Registrar will annotate the Note Register with a record of the amount of principal or interest, if any, in fact paid.

(g) ***Specified Offices of Paying Agents and Registrar***

The initial Paying Agents and the initial Registrar and their respective initial Specified Offices are set out at the end of each Definitive Note Certificate. The Issuer may, subject to the provisions of the Transaction Documents, vary or terminate the appointment of any of the Paying Agents or of any other Agent and appoint additional or other Agents. Notice of any such termination or appointment and of any changes in their Specified Offices will be given to the Noteholders in accordance with Note Condition 15.

(h) ***Partial Payments***

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Note Register and, in the case of partial payment upon presentation of a Definitive Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Definitive Note Certificate.

(i) ***Interpretation of Principal and Interest***

Any reference in these Note Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Note Condition 4(d)); and
- (iv) any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

6. Covenants

The Issuer will covenant in the Principal Trust Deed that, other than as set out in the Transaction Documents or with the written consent of the Trustee (acting on the instructions of the Majority Noteholders), and until the date on which all amounts payable in respect of the Notes have been paid in full, it shall, *inter alia*:

- (a) not engage in any activity or do anything whatsoever except:
 - (i) enter into and perform its obligations under the Transaction Documents, the Notes and any agreements contemplated by any of the foregoing;
 - (ii) enforce any of its rights, whether under any of the documents referred to in sub-paragraph (i) above or otherwise;
 - (iii) at all times comply with any direction given by the Trustee pursuant to the Transaction Documents; and
 - (iv) perform any act incidental to or necessary in connection with the above paragraphs;
- (b) not create any mortgage, charge, pledge, other security interest or encumbrances, except those security interests contemplated in the Principal Trust Deed, the Supplemental Trust Deed and the other Transaction Documents or otherwise arising by operation of law;

- (c) not have any subsidiaries (other than in connection with the substitution of the principal debtor under the Notes as described in the Principal Trust Deed);
- (d) not, subject to paragraphs (a) and (b) above, dispose of or otherwise deal with any of its property or other assets or any part thereof or interest therein;
- (e) not pay any dividend or make any other distribution to its shareholders;
- (f) not issue any shares (other than such equity as is already in issue on the date of the Principal Trust Deed);
- (g) not purchase, own, lease or otherwise acquire any real property (including office premises or like facilities) and/or movable property (including obligations or securities);
- (h) not consent to any variation of, or exercise any powers of consent or waiver pursuant to, the Notes, the Transaction Documents or any other agreement relating to the issue of the Notes or any related transactions;
- (i) not consolidate or merge with any other legal entity or convey or transfer its properties or assets substantially as an entirety to any person or legal entity or commingle assets with those of any other entity;
- (j) not amend or alter its constitutive documents;
- (k) not exercise any voting rights in respect of any Notes held or beneficially owned by it;
- (l) not take any action permitting the Security not to constitute a valid first priority security interest over the Secured Property;
- (m) not open or have an interest in any account whatsoever with any bank or other financial institution (other than the Issuer Accounts and the account referred to in Clause 5 of the Principal Trust Deed); and
- (n) not have any employees.

7. Taxation

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any authority in any applicable jurisdiction having power to tax, unless such withholding or deduction is required by law. If any such withholding or deduction is required by law, the Issuer shall make such payments in accordance with Note Condition 5 after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any of the Paying Agents will be obliged to make any additional payments to the holders of the Notes in respect of such withholding or deduction.

8. Events of Default

The Trustee shall, upon the written instructions of the Series Majority Noteholders, (subject to being indemnified, pre-funded and/or secured to its satisfaction) promptly give notice (a "**Series Enforcement Notice**") to the Issuer at any time on or after the occurrence of any of the following events (each, an "**Event of Default**"), declaring the Notes of this Series to be immediately due and repayable at the Early Redemption Amount whereupon the Notes shall accordingly immediately become due and repayable at the Early Redemption Amount without any further action or formality:

- (a) default is made by the Issuer in the payment in the Specified Currency of (i) interest or principal in respect of any of the Notes of this Series, (ii) any Tax or (iii) any fee, expense or other sum payable to the

Trustee, any Note Agent or the Issuer Administrator, in each case when due unless such failure to pay is caused by administrative or technical error and payment is made within two Business Days of its due date;

(b) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it under these Note Conditions and the Transaction Documents to which it is a party (other than any obligation for the payment of any amount referred to in (a) above) which default, if capable of remedy, continues for 30 days after written notice is delivered by the Trustee to the Issuer;

(c) an order is made by any competent court or an effective resolution is passed for the winding-up or dissolution of the Issuer;

(d) (i) the Issuer stops payment of its debts (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due; or

(ii) the Issuer ceases or, through an official action of the board of directors, or meeting of the shareholders, of the Issuer, threatens to cease, to carry on all or any substantial part of its business;

(e) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, re-organisation or other similar laws including, for the avoidance of doubt, presentation to the court of an application for an administration order, or an administrative receiver or other receiver, administrator or other similar official is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer or a distress, execution, attachment, sequestration, diligence or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Issuer and, in any of the foregoing cases, it shall not be discharged, annulled or withdrawn within 14 days;

(f) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally (or any class of its creditors) or enters into an arrangement or composition with its creditors generally (or any class of its creditors);

(g) any representation or warranty made by the Issuer in any of the Transaction Documents proves to be incorrect or misleading in any material respect when made;

(h) one or more final judgments from a court from which no further appeal or judicial review is permissible under applicable Law are awarded against the Issuer in an aggregate amount in excess of U.S.\$10,000;

(i) it becomes unlawful for the Issuer to perform any of its obligations under, or observe any condition or provision binding upon it in, the Transaction Documents;

(j) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Notes on behalf of the Issuer and the performance of the Issuer's obligations under the Notes or any of the Transaction Documents is withdrawn or modified or otherwise ceases to be in full force and effect or the Issuer contests the validity or enforceability of or repudiates any of its obligations under the Notes or any of the other Transaction Documents;

(k) the occurrence of an event of default or acceleration event (or other analogous event) in relation to any PRC Bond in respect of the Notes of this Series; and

(l) failure to complete all required registrations and filing in connection with the pledge created pursuant to the relevant PRC Pledge Agreement within 45 Business Days of the relevant Closing Date.

9. Enforcement

(a) *Enforcement Proceedings – Series Security*

The relevant Series Security will become enforceable upon delivery by the Trustee (acting on the instructions of the Series Majority Noteholders) to the Issuer of a Series Enforcement Notice under Note Condition 8. The Trustee:

(i) shall, acting on the written instructions of the Series Majority Noteholders, take such proceedings and/or other action as it may think fit against the Issuer or any other person to enforce the Issuer's obligations under the Notes and the other Transaction Documents and, after the Series Security has become enforceable, take such action as it may think fit to enforce the Series Security; and

(ii) shall not be bound to take any such proceedings or action or give any such directions as are referred to in sub-paragraph (i) above, unless the Trustee is indemnified, pre-funded and/or secured to its satisfaction.

In these Note Conditions, "**Series Majority Noteholders**" means, at any time, those Persons who together hold not less than 66.66 per cent. in aggregate of the Principal Amount Outstanding of the Notes of such Series outstanding at such time.

(b) *Following Series Enforcement Notice*

Following the service of a Series Enforcement Notice, all amounts received by the Trustee under Note Condition 9(a) shall be applied in accordance with the applicable Series Priority of Payments.

(c) *Limitation on Noteholders*

Enforcement of the Security will be the only remedy against the Issuer available to the Trustee for the repayment of any sums due in respect of the Notes. No Noteholder will be entitled to proceed directly against the Issuer or enforce the Security unless the Trustee, having become bound so to enforce the Security, fails to do so within a reasonable period and such failure will be continuing.

10. Indemnification of the Trustee

(a) *Indemnity*

Subject to the provisions of the Transaction Documents, the Trustee is entitled to be indemnified by the Issuer and relieved from responsibility and from taking enforcement proceedings unless indemnified, pre-funded and/or secured to its satisfaction (subject to the provisions of the Transaction Documents).

(b) *Business Transactions*

The Trustee and any of its affiliates is entitled to enter into business transactions with any of the parties to the Transaction Documents or any other person without accounting to the Noteholders for any profit resulting therefrom.

(c) *Trustee not Responsible for Loss*

The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, the Principal Trust Deed, the Supplemental Trust Deed or any deeds or documents relating thereto or to the Notes being held by any banker, banking company or any company whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers on behalf of the Trustee unless such loss, expense or liability shall be directly caused by its own negligence, fraud or wilful misconduct.

(d) **Note Agents not Agents of Noteholders**

In acting under the Agency Agreement and in connection with the Notes, the Note Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationships of agency or trust with or for any of the Noteholders.

11. Meetings of Noteholders

The Principal Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Note Conditions or the provisions of any of the Transaction Documents.

The quorum at any meeting of Noteholders for passing an Extraordinary Resolution shall be one or more persons being or representing Noteholders holding at least 66.66 per cent. of the then Principal Amount Outstanding of the Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the aggregate Principal Amount Outstanding of the Notes so held or represented by such persons(s), except that, at any meeting the business of which is:

- (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of such Notes on redemption or maturity or the date for any such payment;
- (ii) to effect the exchange or sale of the Notes for or the conversion of such Notes into or the cancellation of such Notes in consideration of shares, stock, notes, Notes and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, Notes and/or other obligations and/or securities and aforesaid and partly for or into or in consideration of cash;
- (iii) to change the currency in which amounts due in respect of the Notes are payable;
- (iv) to change the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution;
- (v) to amend paragraph 5.2 of Schedule 1 to the Principal Trust Deed, the Priority of Payments, the provisos to paragraph 6 of Schedule 1 to the Principal Trust Deed or this Note Condition 11;
- (vi) to alter the priority of the Security or the priority of the application of any proceeds of enforcement of the Security under the Principal Trust Deed or any relevant Supplemental Trust Deed; or
- (vii) to modify the provisions of Note Condition 9, or any other provision which has the effect of restricting or limiting the rights of the Trustee to take any action under or in connection with the Note Conditions or any Transaction Document or to give any notice, consent or approval for the purposes of the Note Conditions or any Transaction Documents, unless in any such case, in the opinion of the Trustee, such modification would not be materially prejudicial to the interests of the Noteholders; *provided that* no such modification shall have any effect unless made with the written consent of the Trustee,

(each, a "**Basic Terms Modification**"), such resolution shall be an Extraordinary Resolution, and the necessary quorum for passing such resolution shall be one or more persons being or representing Noteholders holding at least 66.66 per cent. in aggregate of the then Principal Amount Outstanding of the Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all Noteholders whether or not they are present at the meeting. The majority required for an Extraordinary Resolution shall be 66.66 per cent. of the votes cast on the resolution.

Subject as provided in the Principal Trust Deed, the Issuer is entitled to receive notice of and to attend meetings of the Noteholders.

12. Modification and Waivers

(a) **Power of Trustee to Modify and Waive:** Subject to the conditions and qualifications set forth in the Principal Trust Deed, the Supplemental Trust Deed and these Note Conditions, the Trustee may make:

(i) any modification of these Note Conditions or any of the Transaction Documents (other than a Basic Terms Modification) which in the sole opinion of the Trustee it may be proper to make; *provided that* the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders;

(ii) any modification of these Note Conditions or any of the Transaction Documents which, in the sole opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature; or

(iii) any waiver or authorisation of any breach or proposed breach of these Note Conditions or any of the Transaction Documents if, in the sole opinion of the Trustee, such modification, waiver or authorisation is not materially prejudicial to the interests of the Noteholders.

Any such modification, waiver or authorisation shall be binding on all Noteholders and each other Series Secured Party and, if the Trustee so requires, notice thereof shall be given by the Issuer to the Noteholders in accordance with Note Condition 15 as soon as practicable thereafter.

(b) **Trustee not Liable for Consequences:** Subject to the provisions of the Principal Trust Deed and the Supplemental Trust Deed, where the Trustee is required in connection with the exercise of its powers, trusts, authorities, duties and discretions to have regard to the interests of the Noteholders, it shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

13. Replacement of Definitive Note Certificates

If any Definitive Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (in such capacity, the "**Replacement Agent**") upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and/or the Replacement Agent may reasonably require. Mutilated or defaced Definitive Note Certificates must be surrendered to the Registrar before replacements will be issued.

14. Substitution of Principal Debtor

The Trustee may agree to the substitution of any person in place of the Issuer as principal debtor under the Transaction Documents and the Notes; *provided that* any such substitution shall be binding on the Noteholders. Such substitution shall be subject to the relevant provisions of the Principal Trust Deed and the Supplemental Trust Deed and to such amendments thereof as the Trustee may deem appropriate.

15. Notices

All notices to Noteholders will be valid if mailed to them at their respective addresses in the Note Register maintained by the Registrar. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the date of publication.

For so long as any of the Notes are represented by the Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream or, as the case may be, by a sub-custodian on behalf of the CMU Service, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream or, as the case may be, the CMU Service for communication to the relevant accountholders.

The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

The Trustee shall be at liberty to approve an alternative method of giving notice to Noteholders if, in its opinion, such alternative method is reasonable having regard to market practice then prevailing and *provided that* notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

16. Prescription

Claims for payment of principal and interest will not be enforceable unless a Note is presented for payment within a period of ten years in respect of principal, or five (5) years in respect of interest, from the payment dates relating thereto.

17. Limited Recourse and No Petition

(a) **Limited Recourse:** The Noteholders agree (i) that, notwithstanding any other provision of the Notes or any other Transaction Document which imposes on the Issuer an obligation at any time to make any payment to any Noteholder, the rights of recourse of the Noteholders against the Issuer, and the liability of the Issuer, shall be limited to (A) the amounts from time to time available in accordance with the applicable Series Priority of Payments and (B) in respect of the obligations of the Issuer under any Transaction Document, the amounts due from time to time received or recoverable in respect of the Series Secured Property. Accordingly, the Noteholders shall not have any claim or recourse against the Issuer in respect of any amount which is or remains, or will remain, unsatisfied when no further amounts are receivable or recoverable in respect of the Series Secured Property and all funds comprising the Series Secured Property and/or representing the proceeds of realisation thereof have been applied in accordance with the applicable Series Priority of Payments, and any unsatisfied amounts shall be waived and extinguished; *provided that*, for the avoidance of doubt, such extinguishment shall not in any way affect the other obligations of the Issuer to the Noteholders pursuant to the Notes or any other Transaction Documents and (ii) that the Issuer's obligations are corporate obligations of the Issuer and that the Noteholders shall not have any recourse against any of the directors, officers, shareholders or employees of the Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with the Notes other than in respect of fraud, negligence or wilful misconduct.

(b) **No Petition:** Each of the Noteholders further undertakes to the Issuer that it will not petition a court for, or take any other action or commence any proceedings for, the liquidation, examination, winding-up or reorganisation of the Issuer, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Issuer or of all or any of the Issuer's revenues and assets, until one (1) year and a day after the unconditional and irrevocable payment and discharge in full of all sums outstanding and owing in respect of the Notes of each Series and all other Issuer Obligations; *provided that*, nothing in this paragraph (b) shall:

- (i) prevent the Trustee (acting on the instructions of the Majority Noteholders of all Series of Notes) from initiating any such action as aforesaid for the purpose of enforcing the Issuer

Obligations or from obtaining a declaratory judgment as to the obligations of the Issuer under the Transaction Documents owed to a Noteholder of any Series (*provided that* no action is taken to enforce or implement such judgment); or

(ii) prevent any Noteholder from lodging a claim in any action as aforesaid which is initiated by any Person (other than the Trustee acting on the instructions of the Majority Noteholders of all Series of Notes).

18. Provision of Documents

Each Noteholder (which for the purpose of this Note Condition 18 shall include any beneficial owner of an interest in a Note) shall timely furnish the Issuer, the Trustee, the Series Transaction Administrator or any other authorised delegate of the Issuer any U.S. federal income tax form or certification (such as IRS Form W-9 (Request for Taxpayer Identification Number and Certification), IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individual)), IRS Form W-8BEN-E (Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)), IRS Form W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting), IRS W-8EXP (Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting), or IRS Form W-8ECI (Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States), or any successors to such forms) that the Issuer, the Trustee or the Series Transaction Administrator or any such delegate may reasonably request, and any documentation, agreements, certifications or information that is reasonably requested by the Issuer, the Trustee, the Series Transaction Administrator or any such delegate (a) to permit the Issuer, the Trustee, a Note Agent, the Series Transaction Administrator or any other authorised delegate of the Issuer to make payments to it without, or at a reduced rate of, deduction or withholding, (b) to enable the Issuer, the Trustee, the Series Transaction Administrator or their respective agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (c) to enable the Issuer, the Trustee or their respective agents to satisfy reporting and other obligations under the Code, FATCA or any other law and shall update or replace such documentation and information as appropriate or in accordance with its terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation or information may result in the imposition of withholding or back-up withholding upon payments to such Noteholder. Amounts withheld pursuant to applicable tax laws shall be treated as having been paid to such Noteholder by the Issuer. In addition, each Noteholder agrees that the Issuer may provide information to the IRS, the Tax Information Authority of the Cayman Islands or any other non-U.S. taxing authority regarding such Noteholder's investment in the Notes, including any information relevant to the Issuer's FATCA Compliance.

In this Note Condition 18, "**FATCA Compliance**" means compliance with FATCA as necessary so that (a) no tax, fines or other penalties will be imposed or withheld pursuant thereto in respect of payments to or for the benefit of the Issuer, the Trustee, the Series Transaction Administrator or their respective agents and (b) the Issuer can comply with an agreement entered into under section 1471(b) of the Code and/or any applicable Cayman Islands law or other Law enacted in connection with FATCA.

19. Contracts (Rights of Third Parties) Act 1999 and Trustee Act 2000

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

The Principal Trust Deed contains provisions which have the effect of giving priority, to the extent permitted by law, to the provisions of the Principal Trust Deed over the relevant provisions of the Trustee Act 1925 and/or the Trustee Act 2000.

20. Governing Law

These Note Conditions, the Notes and the Transaction Documents (other than the Issuer Administration Agreement, the Declaration of Trust, the PRC Pledge Agreement, the Asset Monitoring Agreement, the

Onshore Agency Agreement and the Interbank Bond Agency Services Agreement), and any non-contractual obligation arising out of or in connection with them, are each governed by, and will be construed in accordance with, English law. The Issuer has irrevocably submitted to the exclusive jurisdiction of the Hong Kong courts for all purposes in connection with such documents and has designated a person in England to accept service of any process on its behalf.

The Issuer Administration Agreement and the Declaration of Trust are governed by and will be construed in accordance with the laws of the Cayman Islands.

The PRC Pledge Agreement, the Asset Monitoring Agreement, the Onshore Agency Agreement and the Interbank Bond Agency Services Agreement are governed by and will be construed in accordance with the laws of the PRC.

FORM OF FINAL TERMS

CHINA OPPORTUNITY INTERNATIONAL LIMITED

Issue of Series [] Notes under the U.S.\$5,000,000,000 Secured Medium Term Note Programme

The following terms (the "Final Terms") shall apply to, and be incorporated by reference into, the Series [] Notes (the "Notes") issued by China Opportunity International Limited (the "Issuer") under the U.S.\$5,000,000,000 secured medium term note programme constituted by the principal trust deed dated 21 December 2016 (as amended and/or supplemented and/or restated from time to time, the "Principal Trust Deed") between, *inter alios*, the Issuer and Citicorp International Limited (the "Trustee") as supplemented by a supplemental trust deed dated [] (as amended and/or supplemented and/or restated from time to time, the "Supplemental Trust Deed") between, *inter alios*, the Issuer and the Trustee, and shall be read together with the Principal Trust Deed and the relevant Supplemental Trust Deed and terms and conditions of the Notes. These Final Terms supplement the Note Conditions and shall be endorsed on, or attached to, the Global Note and each Definitive Note Certificate issued in respect of the Notes. These Final Terms shall be read together with the Base Prospectus and the relevant Supplemental Prospectus.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

1. Series Number: []
2. Specified Currency(ies): []
3. Nominal Amount: []
4. Issue Price: [] per cent. of the Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. (a) Specified Denomination(s): []
(b) Calculation Amount: []
6. Closing Date: [day/month/year]
7. Payment Date(s): [[] in each year [adjusted in accordance with []]/*[specify other]*]
8. Maturity Date: [day/month/year]
[For *Floating Rate* Notes, the Payment Date falling in or nearest to *[specify month and year]*]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Interest Period: []

11. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[specify other]
12. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Relevant PRC Bonds:
- (a) Description of PRC Bonds: [insert details]
- (b) PRC Bond Payment Date: [insert details]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable[annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (b) Fixed Coupon Amount(s): [] per Calculation Amount
- (c) Broken Amount(s): [] per Calculation Amount, payable on the Payment Date falling [in/on] []
- (d) Day Count Fraction: [30/360 or [specify other]]
- (e) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/Give details]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) [Business Day Convention:] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (b) Additional Business Centre(s): []
- (c) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/ specify other]
- (d) Party responsible for calculating the Rate of Interest and/or the Interest Amount (if different from those specified in the Note Conditions): []

- (e) Screen Rate Determination:
- Reference Rate:
(Either LIBOR, EURIBOR or other (specify))
 - Interest Determination Date(s):
 - Relevant Screen Page:
- (f) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
- (g) Margin(s): [+/-] per cent. per annum
- (h) Minimum Rate of Interest: per cent. per annum
- (i) Maximum Rate of Interest: per cent. per annum
- (j) Day Count Fraction:
 [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360
 30E/360
 30E/360 (ISDA)
 Other]
 (See Note Condition [3] for alternatives)
- (k) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
16. Zero Coupon Note Provisions
 [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: per cent. Per annum
 - (b) Reference Price:
 - (c) Any other formula/basis of determining amount payable:
 - (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Note Conditions [4(d)(iii)] and [4(h)] apply/specify other]
17. Index Linked Interest Note Provisions
 [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Index/Formula/method calculating the Rate of Interest and Interest Amount: [give or annex details]
- (b) Party responsible for calculating the Rate of Interest and Interest Amount (if different from those specified in the Note Conditions): [_____]
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) [Business Day Convention:] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (e) Additional Business Centre(s): [_____]
- (f) Minimum Rate of Interest: [_____] per cent. per annum
- (g) Maximum Rate of Interest: [_____] per cent. per annum
- (h) Day Count Fraction: [_____]
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Method of calculating the principal and/or interest due: [give or annex details]
- (c) Party, if any, responsible for calculating the principal and/or interest due: [_____]
- (d) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Person at whose option Specified Currency(ies) is/are payable: [_____]

PROVISIONS RELATING TO REDEMPTION

19. Final Redemption Amount: [[The Principal Amount Outstanding of the Notes on the Maturity Date]/specify other]
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Note Condition 4(d)): [As set out in Condition 4(d)/specify other]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: Registered
22. U.S. Selling Restrictions: Regulation S, Category 2
23. 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 of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Global Note may be required for Partly Paid issues]
24. Joint Lead Manager(s): [_____]
25. Rating: [Not Applicable/To be assigned [a/an] "[_____]" by [Moody's Investors Service Limited/ Fitch (Hong Kong) Limited/ Fitch Ratings Japan Limited/[_____]]
26. Listing: [Not Applicable/[Insert name of stock exchange on which the Notes will be listed].]
27. Other final terms: [Not Applicable/give details]
28. Swap Provider: [_____]

OPERATIONAL INFORMATION

29. [CMU Instrument Number:] [_____]
30. [ISIN:] [_____]
31. [Common code:] [_____]
32. Delivery: Delivery [against/free of] payment
33. Name(s) and address(es) of additional Paying Agent(s) (if any): [_____]
34. Date on which the Issuer must put the Principal Paying Agent in funds to pay interest and principal: [_____] Business Days prior to Payment Date

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

35. Names and addresses of Dealers: [_____]
36. Stabilising Manager(s) (if any): [Not Applicable]
37. Sourcing Agent fees (if any): [Not Applicable]/[_____]

38. [Save for any fees payable to the Dealers and as otherwise disclosed in the Base Prospectus and the Supplemental Prospectus in respect of the Series [_____] Notes, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business / *Amend as appropriate if there are other interests.*]

The Issuer accepts responsibility for the information contained in these Final Terms.

CHINA OPPORTUNITY INTERNATIONAL LIMITED

as *Issuer*

By:

Name:
Title:

THE ISSUER

General

China Opportunity International Limited (the "**Issuer**") was registered and incorporated in the Cayman Islands as an exempted limited liability company on 28 November 2016. The registration number of the Issuer is 317402. The Issuer has been incorporated for an indefinite period. The registered office of the Issuer is at the offices of Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands, telephone number: +1-345-814-7600.

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1 each, of which 250 ordinary shares are fully paid up and held by Walkers Fiduciary Limited (the "**Share Trustee**"). The Share Trustee holds the 250 shares on trust for charitable purposes pursuant to a Declaration of Trust dated 2 December 2016.

The Issuer is a special purpose vehicle established for the purpose of issuing securities.

Principal Activities

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the issue of the Notes under the Programme and the entry into and performance of the Transaction Documents to which it is or will be a party and the other transactions and documents referred to or contemplated in this Base Prospectus and each Supplemental Prospectus and matters which are incidental or ancillary to the foregoing.

The objects of the Issuer are set out in Clause 3 of its Memorandum and Articles of Association. As an exempted company, the Issuer may not trade in the Cayman Islands with any person except in furtherance of the business of the Issuer carried on outside the Cayman Islands. The Issuer will covenant to observe certain restrictions on its activities which are described in Note Condition 6.

Directors

The Directors of the Issuer are as follows:

Name	Principal Occupation
Dianne Farjallah	Business Person
Gennie Bigord	Business Person

The business address of the Directors is the same as the registered office of the Issuer at Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

Walkers Fiduciary Limited of Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands is the administrator of the Issuer (the "**Issuer Administrator**") pursuant to an Issuer Administration Agreement dated 16 December 2016 between the Issuer and Walkers Fiduciary Limited. Its duties include the provision of certain management, administrative and related services. The Issuer Administrator may retire at any time upon giving not less than 30 days' notice in writing of such retirement to the Issuer and the Trustee (*provided that* such retirement may not take effect until a replacement Issuer Administrator has been appointed with the approval of the Trustee in accordance with the Issuer Administration Agreement) or be removed from office upon the Issuer giving not less than 14 days' notice of such removal with the prior written approval of the Trustee. The Issuer Administrator may be removed from office by the Issuer without notice in circumstances including, among others, the occurrence of an insolvency event or if the Issuer Administrator has been negligent or fraudulent or there has been wilful misconduct on its part.

Financial Year

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

The Issuer is not required under Cayman Islands law to prepare annual financial statements or have its financial statements audited.

DESCRIPTION OF PRC BONDS

Purchase of PRC Bonds

The Issuer will apply the net proceeds of issuance of the Notes of each Series towards the purchase of certain Renminbi denominated PRC Bonds. The PRC Bonds offered for purchase by the Issuer in respect of the Programme will be sourced by Bank of China (the "**Sourcing Agent**") pursuant to an agreement dated the Programme Date entered into between, *inter alios*, the Issuer and the Sourcing Agent (the "**Sourcing Agency Agreement**").

Pursuant to the Sourcing Agency Agreement, the Sourcing Agent will agree to source PRC Bonds for the Issuer from time to time in connection with the issuance of a Series of Notes. The Sourcing Agent may charge a fee for such service which will be deducted from the proceeds of issuance of such Series.

Pursuant to each Series Swap Agreement, the Issuer will exchange the note issuance proceeds for Renminbi. In respect of each Series of Notes, pursuant to the terms of the relevant Supplemental Trust Deed, the Issuer shall instruct the Settlement Agent to purchase PRC Bonds using such Renminbi proceeds on its behalf in the Chinese interbank bond trading market (the "**Interbank Bond Market**") which is an over-the-counter bond trading market primarily regulated by the PBOC.

Each PRC Bond will be traded on the Interbank Bond Market. In accordance with the rules of the Interbank Bond Market, investors in bonds traded on the market may be required to appoint a settlement agent to provide trading and settlement agency and custodian services and to facilitate the opening of cash and bond accounts with the China Central Depository & Clearing Co., Ltd ("**CCDC**").

To facilitate such purchases of PRC Bonds cleared through CCDC, the Settlement Agent has agreed to act as interbank bond market settlement agent (the "**Settlement Agent**") for the Issuer pursuant to the Interbank Bond Market Agency Service Agreement dated 8 December 2016 between the Issuer and the Settlement Agent (the "**Interbank Bond Market Agency Service Agreement**").

On or about the Programme Date, the Settlement Agent will assist the Issuer in opening in the name of the Issuer (a) a bond account with CCDC (the "**CCDC Bond Account**") for the purpose of holding the PRC Bonds acquired from time to time in connection with the issuance of a Series of Notes and (b) an RMB-denominated cash account with CCDC (the "**CCDC Cash Account**") for the purpose of settling the purchase price of the PRC Bonds which are cleared through CCDC and for receiving distributions of interest and principal on such PRC Bonds from time to time. The PRC Bonds held in the Issuer's CCDC bond account will be legally segregated from the assets of CCDC and the Settlement Agent. The Settlement Agent will assist the Issuer in the operation of the CCDC Bond Account and the CCDC Cash Account in accordance with the Interbank Bond Market Agency Service Agreement. The Settlement Agent will receive a fee for providing services under the Interbank Bond Market Agency Service Agreement. Upon the closing of each issuance of a Series of Notes related to PRC Bonds cleared through CCDC, the Settlement Agent will procure that the relevant PRC Bonds are credited to the Issuer's CCDC bond account, and that the settlement proceeds are debited from the Issuer's CCDC Cash Account.

Management of PRC Bonds

In respect of PRC Bonds which are cleared through CCDC, pursuant to the relevant Onshore Agency Agreement, the Onshore Agent will, as agent on behalf of the Issuer, manage and administer the PRC Bonds purchased in respect of a Series on its behalf from time to time and held in its CCDC Bond Account.

In respect of PRC Bonds which are cleared through CCDC, pursuant to the relevant Asset Monitoring Agreement, CCDC (the "**Asset Monitor**" and the "**Enforcement Agent**") will, as agent on behalf of the Issuer, administer payments received into CCDC in respect of the PRC Bonds purchased in respect of a Series on its behalf from time to time and held in its CCDC Bond Account.

The Issuer shall procure that similar arrangements are established in relation to PRC Bonds which are not cleared through CCDC. See "*Description of Principal Series Documents—Onshore Agency Agreement*" and "*Description of Principal Series Documents—Asset Monitoring Agreement*" in the relevant Supplemental Prospectus.

Periodic payments of interest and principal in respect of the PRC Bonds relating to each Series of Notes receivable by the Issuer will be denominated in RMB. Pursuant to each Series Swap Agreement, the Settlement Agent will procure that such RMB amounts are paid to the relevant Swap Provider and the relevant Swap Provider shall receive foreign currency amounts in exchange for onward offshore remittance to the relevant Series Payment Account to fund payments of interest and principal in respect of the Notes of such Series.

The PRC Bonds

The PRC Bonds which may be purchased by the Issuer pursuant to the Programme are:

- (a) bonds issued by the Ministry of Finance; or
- (b) municipal bonds issued either directly by Local Governments or by the Ministry of Finance on behalf of Local Governments.

The Ministry of Finance

The Ministry of Finance of the People's Republic of China (the "**Ministry of Finance**") is the national executive agency of the PRC government which administers macroeconomic policies and the national annual budget. It also handles fiscal policy, economic regulations and government expenditure for the state. The Ministry of Finance is one of the governmental bodies that form the State Council, the executive body of the highest organ of state power and state administration.

Local Governments

Provincial governments are first-level local administrative organs in China and are subject to the authority of the State Council (the "**Local Governments**"). The State Council has the power to decide on the division of responsibilities between the PRC central government and provincial administrative organs. The State Council also has the power to annul or amend inappropriate decisions and orders of Local Governments. Local Governments implement national and local laws, regulations and decisions, and exercise authority over the work of governments at the levels of the cities, counties, townships and towns under their jurisdiction.

Under the current Chinese fiscal and tax system, the total fiscal revenue of local government consists of budgetary revenue (which includes general budget, transfers and bond proceeds), government managed funds ("**GMF**") and state-owned capital operations. GMF revenues are generated from grants of land use rights and fees charged for supporting public services like education and cultural activities, providing housing for government employees, maintenance of public transportation system, etc. Local levels of government in China also receive the portion of the central government's consolidated budget allotted to them. All financial processes are directly overseen, in theory, by the provincial finance department, but local governments decide their own budgets and develop methods and rules appropriate to local conditions.

Issuance of PRC Bonds by Local Governments

The PRC government, through the Ministry of Finance, has issued bonds totalling RMB1,173.8 billion on behalf of Local Governments since 2010. In 2011, the PRC government started a pilot programme called "*Pilot Measures for Local Self-issued Bonds*", under which four Local Governments started issuing general-purpose bonds in their own names: Shanghai, Zhejiang, Guangdong and Shenzhen. In July 2013, the pilot was expanded to include the Local Governments of

Shandong and Jiangsu, bringing the total number of participating Local Governments to six. A significant reform to such programme was implemented in 2014 when the PRC government announced the first revision to the PRC Budget Law in 20 years, lifting the ban on direct borrowing by provincial-level Local Governments. Following the announcement, the pilot programme was expanded to ten Local Governments by adding Beijing, Jiangxi, Ningxia, and Qingdao.

The difference between the original pilot programme operational between 2011 and 2013 and the reformed programme operational since May 2014 is that Local Governments now directly (not through the Ministry of Finance) service their own bonds. Previously, the Ministry of Finance is responsible for administering payment of the principal amount of and interest on the bonds to bond holders in accordance with applicable circulars issued by the Ministry of Finance relating to measures for issue and redemption of municipal bonds issued by the Ministry of Finance as agent. The relevant Local Government remains primarily responsible for ensuring that sufficient funds are remitted to the Ministry of Finance by the applicable dates to facilitate the payments to bondholders. In the event of any shortfall amount in funds remitted to the Ministry of Finance by a Local Government, the Ministry of Finance will finance the shortfall amount using its own funds so that bondholders are paid in full. In addition to repayment of any amounts advanced by the Ministry of Finance in such circumstances, the relevant Local Government is required to pay penalty interest for each day the shortfall amount remains outstanding. Bondholders are entitled to penalty interest if there is any delay in the Ministry of Finance's fulfilment of its payment obligation.

As a result of the Local Governments' obligation to service their bonds resulting from the reforms in 2014 described above, requirements for increased financial transparency were introduced. Local Governments that issue bonds directly are required to provide financial disclosure of their actual fiscal situation and seek credit ratings. However, without any obligation under PRC law to prepare and issue an offering document common to bond issues, terms and conditions of the bonds are often sparsely documented and may not contain certain key provisions, such as those relating to defaults, and there remains uncertainty about bondholders' rights and remedies under such bonds. See "*Risk Factors – Risks relating to the PRC Bonds*".

TAXATION

PRC Taxation

The following is a general discussion of certain PRC tax considerations for prospective investors in the Notes. The discussion is based upon present law and interpretations of present law, both of which are subject to prospective and retroactive changes. The discussion does not consider any investor's particular circumstances and it is not intended as tax advice. Each prospective investor is urged to consult its tax adviser about the tax consequences of an investment in the Notes under the laws of the PRC, jurisdictions from which the Issuer may derive its income or conduct its activities, and jurisdictions where the investor is subject to taxation.

PRC Taxes on Interest Income

Value-added Tax

Entities and individuals engaged in sales of services within the PRC are subject to value-added tax ("VAT"). "Sales of services within the PRC" is the situation where either the seller or the buyer of a taxable service is located within the PRC. Provision of loan services is a type of taxable service and interest income derived during the period (up to, and including, the date of maturity) of holding financial products is subject to VAT at a rate of 6 per cent. for a general or an offshore VAT taxpayer. However, interest income derived from treasury bonds and bonds issued by Local Governments of the PRC are exempt from VAT.

In light of above rules, the Issuer would not be subject to VAT in the PRC on the interest income derived from holding treasury bonds and bonds issued by Local Governments of the PRC.

Enterprise Income Tax

A non-resident enterprise (as defined below) which has no establishment in the PRC, or has an establishment in the PRC but the income derived is not effectively connected with such an establishment, shall be subject to Enterprise Income Tax ("EIT") at a rate of 10 per cent. on its income sourced from the PRC. The source of interest income shall be determined based on the location of the payer or the party bearing such interest. Therefore, a non-resident enterprise without an establishment in the PRC is subject to EIT at a rate of 10 per cent. on the interest paid by a Chinese payer or borne by a party located in the PRC. See "*—PRC Tax Exposure to an Establishment or Premises*" below.

Certain exemptions from EIT are available for interest income derived from treasury bonds issued by the Ministry of Finance under the State Council of the PRC and bonds issued and payable by the governments of PRC provinces, autonomous regions or municipalities directly under central PRC government control and cities under separate state planning, in each case approved by the State Council and issued after 2012.

Accordingly, the interest income derived by the Issuer from the PRC Bonds would be exempt from EIT.

PRC Taxes on Gains Derived from Transfer of PRC Bonds

VAT and Local Surcharges

Entities and individuals engaged in sales of services within the PRC shall be subject to VAT. "Sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. Accordingly, the transfer of financial products, including transfer of the ownership of marketable securities, will be subject to VAT at 6 per cent. on the taxable turnover (which is the balance of the sales price upon deduction of the purchase price), for a general or an offshore VAT taxpayer. An exemption on VAT may apply to income derived by an overseas

institution approved by PBOC from investment into the interbank local currency market of the PRC (including currency market, bond market and derivatives market).

With respect to the transfer of PRC Bonds by the Issuer, if the transferee is located outside of the PRC, since both the seller and the buyer of the taxable service are located outside of the PRC, the Issuer, technically, would not be subject to VAT on such transfers; however, if the transferee is located in the PRC, Issuer would be subject to 6 per cent. VAT on the taxable turnover.

A VAT taxpayer will also be subject to urban maintenance and construction tax at 7 per cent., an education surcharge at 3 per cent. and a local education surcharge at 2 per cent. (collectively, "**Local Surcharges**") on any such VAT payment.

EIT

For gains derived from the transfer of movable property, the source of income is determined based on the location of the enterprise that transfers such property.

Therefore, the Issuer, as a non-resident enterprise, would not be subject to EIT on the gains derived from the transfer of the PRC Bonds if it does not have an establishment or premises in the PRC or such gains would not be effectively connected with such an establishment or premise. However, in certain circumstances, the Issuer may be deemed to have an establishment or premises in the PRC. see "*—PRC Tax Exposure to an Establishment or Premises*" below. If that was held to the case, then such gains derived from the transfer of the PRC Bonds may be subject to EIT at a rate of 25 per cent.

PRC Taxes relating to Offshore Remittances

Other than the taxes discussed herein, the remittance of funds (including interest and principal payments on the PRC Bonds or payments made by the Swap Provider under the relevant Swap Agreement) by or on behalf of the Issuer to bank accounts in Hong Kong or elsewhere would not be subject to any other taxes in the PRC.

PRC Taxes relating to the Swap Agreements

VAT and Local Surcharges

As stated above, entities and individuals engaged in sales of financial services within the PRC shall be subject to VAT. "Sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. The conversion of foreign currency within the PRC would not be subject to VAT.

However, any swap termination amounts payable by the Swap Provider to the Issuer upon any termination of a Swap Agreement would be subject to VAT at a rate of 6 per cent. if such amounts would be characterised as interest income.

Any such payment of VAT would also be subject to the Local Surcharges.

EIT

Any swap termination amounts received by Issuer upon the termination of a Swap Agreement from the Swap Provider may be characterised as interest income and would be subject to EIT at a rate of 10 per cent. However, in certain circumstances, the Issuer may be deemed to have an establishment or premises in the PRC. See "*—PRC Tax Exposure to an Establishment or Premises*" below. If that was held to be the case, then such income received from the Swap Provider would be subject to EIT at a rate of 25 per cent.

PRC Tax Exposure to an Establishment or Premises

Non-resident enterprises (as defined below) which have establishments or premises in the PRC are subject to EIT at a rate of 25 per cent. on the income derived from their establishments or premises from sources within the PRC, as well as the income derived outside of the PRC which is effectively connected with such establishments or premises. Non-resident enterprises which have no establishment or premises in the PRC, or which have establishments or premises in the PRC but the income derived is not effectively connected with such establishments or premises, shall be subject to EIT at a rate of 10 per cent. on income sourced from the PRC.

"Non-resident enterprises" are enterprises established in accordance with the laws of foreign countries (or regions) with their effective management located outside the PRC, which either have establishments or premises in the PRC or no establishments or premises in the PRC but have income sourced from the PRC.

An **"establishment or premise"** include production and business activities in the PRC such as: (a) a management establishment, a business establishment or a representative office; (b) a factory, a farm or a place for the exploitation of natural resources; (c) a place where labour services are provided; (d) a place where engineering operations are conducted; and (e) any other establishments or places wherein production and business activities are conducted. Furthermore, where a non-resident enterprise engages a business agent to conduct production and business activities in the PRC, including authorising an entity or individual to sign contracts frequently on its behalf, or to store and deliver goods, etc., the business agent shall be deemed to be an establishment or premise of the non-resident enterprise in the PRC, if the following conditions are met simultaneously:

- (a) the business agent may be a PRC entity or individual that concludes an agency agreement with the non-resident enterprise and conducts production and business activities on behalf of the non-resident enterprise in the PRC;
- (b) the agency activities must be conducted frequently; and
- (c) specific agency activities include the conclusion of contracts and the storage and delivery of goods on behalf of the non-resident enterprise.

In the absence of specific rules and a definition of "business agent", reference can be made to the interpretation of "permanent establishment" ("**PE**") under double tax treaties executed by the PRC. In this context, a business agent that is deemed to be a PE of a non-resident enterprise shall be a dependent agent, while an independent agent shall not constitute a PE. An independent agent is defined to be an agent specialised in agency businesses, which provides agency services not only to a specific enterprise but also to any other enterprises in general. Brokers, intermediaries and other general commission agents are independent agents. Specifically, an agent shall be regarded as an independent agent (of a non-resident enterprise) if the following two conditions can be met:

- (i) the agent is independent, both legally and financially, from the non-resident enterprise, by taking into account (1) the liberty of the agent in carrying out business activities; (2) the commercial risks assumed by the agent; (3) the number of enterprises represented by the agent; and (4) the degree of reliance of the non-resident enterprise on the professional knowledge of the agent; and
- (ii) in carrying out activities on behalf of the non-resident enterprise, the agent generally acts in the ordinary course of its business and does not carry out any activities which are economically attributable to the non-resident enterprise.

Under the Interbank Bond Market Agency Service Agreement entered into between Issuer and BOC, Issuer will appoint BOC to be its agent, as required by the applicable regulations issued by PBOC and SAFE, for trading and settlement activities. The Issuer will also appoint BOC as its agent under certain other Transaction Documents, including the Sourcing Agency Agreement. Based on the tax

rules discussed above, given the status of BOC and the activities conducted by BOC as the Issuer's agent under the various Transaction Documents, although it could not be entirely eliminated, the risk that BOC will be deemed as an establishment or premises of Issuer in the PRC is viewed by the Issuer as not a significant risk.

However, if BOC is deemed to be an establishment or premises of the Issuer, the Issuer would be subject to EIT at a rate of 25 per cent. on income attributable to the establishment or premises. As a result, the Issuer would be subject to such EIT on any capital gains derived from a transfer of the PRC Bonds and on any income derived from a termination of a Swap Agreement, if such gains and income are deemed to be effectively connected with the establishment or premises. Interest income derived from holding the PRC Bonds would be exempt from EIT as discussed above.

Cayman Islands Taxation

The following is a general discussion of certain Cayman Islands tax considerations for prospective investors in the Notes. The discussion is based upon present law and interpretations of present law, both of which are subject to prospective and retroactive changes. The discussion does not consider any investor's particular circumstances and it is not intended as tax advice. Each prospective investor is urged to consult its tax adviser about the tax consequences of an investment in the Notes under the laws of the Cayman Islands, jurisdictions from which the Issuer may derive its income or conduct its activities, and jurisdictions where the investor is subject to taxation.

Withholding Tax

No withholding tax is payable in the Cayman Islands in respect of payments of principal and interest on the Notes.

Stamp Duty

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the Notes unless they are executed in or brought within (for example, for the purposes of enforcement) the jurisdiction of the Cayman Islands, in which case stamp duty of 0.25 per cent. of the face amount thereof may be payable on each Note (up to a maximum of 250 Cayman Islands dollars ("CIS") (U.S.\$305) unless stamp duty of CI\$500 (U.S.\$610) has been paid in respect of the entire issue of Notes. The above conversions of Cayman Islands dollars to U.S. dollars have been made on the basis of U.S.\$1.22 to CI\$1.00. The holder of any Notes (or the legal personal representative of such holder) whose Notes are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Notes. Certificates evidencing registered Notes, to which title is not transferable by delivery, will not attract Cayman Islands stamp duty. However, an instrument transferring title to a registered Note, if brought to or executed in the Cayman Islands, would be subject to nominal Cayman Islands stamp duty.

Income Tax; Capital Gains Tax; Estate Duty

The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

Tax Status of the Issuer

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has received an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**"CAYMAN ISLANDS GOVERNMENT
The Tax Concessions Law
(2011 Revision)
Undertaking as to Tax Concessions**

In accordance with Section 6 of the Tax Concessions Law (2011 Revision) the Governor in Cabinet undertakes with:

China Opportunity International Limited (the "Company")

- (a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares debentures or other obligations of the Company;
or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

These concessions shall be for a period of TWENTY years from 13th day of December 2016".

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional Member States of the European Union may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Withholding

While the Notes are in global form and held within Euroclear and Clearstream, it is not expected that Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended, or regulations and other authoritative guidance thereunder (for purposes of this discussion, "**FATCA**") will affect the amount of any payment received by the clearing systems. However, FATCA may affect

payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA may also affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of FATCA withholding, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Prospective investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

However, the Cayman Islands have entered into an intergovernmental agreement (the "**US IGA**") with the United States and have entered into a similar intergovernmental agreement (the "**UK IGA**") with the United Kingdom (together with the US IGA, the "**IGAs**"). The Issuer will be required to comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law that give effect to the IGAs. To the extent the Issuer is a "Reporting Cayman Islands Financial Institution" (as defined in the IGAs), the Issuer will be required to undertake due diligence procedures that generally provide for the identification of certain direct and indirect US and UK investors and reporting to the Cayman Islands Tax Information Authority certain information with respect to such investors. The Cayman Islands Tax Information Authority will exchange such information with the United States Internal Revenue Service ("**IRS**") or Her Majesty's Revenues and Customs in the United Kingdom ("**HMRC**"), as the case may be, under the terms of the relevant IGA.

On 29 October 2014, the Cayman Islands along with 50 other jurisdictions signed a Multilateral Competent Authority Agreement (the "**Multilateral Agreement**") to demonstrate its commitment to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"). The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015, which require extensive due diligence to be undertaken on new and pre-existing accounts, were enacted on 16 October 2015 with a view to commencing reporting on such accounts during 2017. With more than 80 countries having since agreed to implement the CRS, which will impose similar reporting and other obligations as the IGAs with respect to noteholders who are tax resident in other signatory jurisdictions, the scope of the Issuer's reporting obligations to the Cayman Islands Tax Information Authority will significantly increase in 2017, as will the level of dissemination of account information by the Cayman Islands Tax Information Authority to tax authorities around the globe. The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt CRS, which will likely further increase the reporting and/or withholding obligations of the Issuer.

FATCA and similar reporting regimes are particularly complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

The Issuer complies with its obligations relating to FATCA and reserves the right to request from any investor or potential investor at any time such information as it deems necessary to comply with FATCA, any agreement entered into pursuant to FATCA from time to time in force, and other reporting regimes such as the CRS or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US IGA, the UK IGA and the Multilateral Agreement, relating to automatic exchange of information with any relevant competent authority. If an investor fails to provide the Issuer with information to allow it to comply with any of the above reporting requirements, or any similar requirements, adverse consequences may apply.

SUBSCRIPTION AND SALE

Nothing herein constitutes an offer to sell or a solicitation of an offer to buy or an invitation by or on behalf of any of the Issuer, the Joint Lead Arrangers or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute, in the United States or elsewhere, general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or 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 the Joint Lead Arrangers, the Dealers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer in such jurisdiction.

Dealer Agreement

Notes may be sold from time to time by the Issuer to any of the Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, the Dealers are set out in a dealer agreement dated 21 December 2016 (as amended, supplemented and/or restated from time to time) (the "**Dealer Agreement**") and made between, *inter alios*, the Issuer and the Dealers. In respect of each Series of Notes, there shall be a subscription agreement between the Issuer and one or more Dealers and the obligations of those Dealers to subscribe the relevant Notes will be several and not joint and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Series beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as stabilising manager in relation to that Series) will be set out in the relevant Supplemental Prospectus.

Any such agreement will, *inter alia*, make provision for the price at which such Notes will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Notes.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Therefore, it is possible that all or a significant portion of any Series of Notes will be held by a Dealer or its affiliate.

United States

The Notes have not been, and will not be, registered under the Securities Act or any applicable securities law of any state or other jurisdiction of the United States. No Notes will be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S under the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise, until 40 days after the completion of the distribution of the Notes comprising the relevant Series, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Series of Notes to or through more than one Dealer, by each Dealer as to the Notes of such Series purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons and such Dealer will have sent to each dealer to which it sells Notes in reliance on Regulation S under the Securities Act during such distribution compliance period, a confirmation or other notice setting forth the restrictions on offers and sales of the relevant Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of the Notes comprising any Series, any offer or sale of the relevant Notes within the United States by any dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each holder of the Notes will be deemed to have represented that such holder is aware that the sale of such Notes to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S and understands that the Definitive Note Certificates will bear the following legend:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY APPLICABLE SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT .

BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS NOT A U.S. PERSON AS IS DEFINED UNDER REGULATION S OF THE SECURITIES ACT AND IS ACQUIRING THE NOTES REPRESENTED HEREBY OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION, (2) AGREES THAT, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, SUCH NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED DIRECTLY OR INDIRECTLY TO ANY PERSON IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AND (B) IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES REPRESENTED HEREBY EXCEPT (X) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON, AND IN COMPLIANCE, WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (Y) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE NOTES REPRESENTED HEREBY ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed 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 have not circulated or distributed, nor will it circulate or distribute, this Base Prospectus 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 persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act (Cap. 289 of Singapore) ("SFA"), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Notes pursuant to an offer made under Section 275 of the SFA, except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Cayman Islands

No offer or invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Notes and no such invitation is made hereby. Each Dealer has represented and agreed that the public in the Cayman Islands will not be invited to subscribe for the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant 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 to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed that:

- (a) 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 Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; 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 or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 622) of Hong Kong; 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 the 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 Securities and Futures Ordinance and any rules made under that Ordinance.

People's Republic of China

Each Dealer has represented and agreed that the Notes have not been and will not be offered or sold directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by all relevant laws and regulations of the PRC.

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any Notes in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC.

The Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (a) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (b) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus, any Final Terms, any Supplemental Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Supplemental Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus, any Supplemental Prospectus or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

Any person who may be in doubt as to the restrictions set out in the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream or, as the case may be, the CMU Service (together, the "Clearing Systems") currently in effect.

The information in this section concerning Euroclear and Clearstream has been extracted from information available on the official websites of Euroclear and Clearstream that the Issuer believes to be reliable, but none of the Issuer and the Note takes any responsibility for the accuracy of this section. The Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published on the official websites of Euroclear and Clearstream, no facts have been omitted which would render the reproduced information inaccurate or misleading. 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.

The information in this section concerning the CMU Service has been extracted from sources the Issuer believes to be reliable, but none of the Issuer, the Joint Lead Arrangers, or any Dealer takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of the CMU Service are advised to confirm the continued applicability of the rules, regulations and procedures of the CMU Service.

None of the Issuer and any other party to the Transaction Documents 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 such beneficial ownership interests.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate 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 worldwide 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.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be evidenced by Global Notes, each registered in the name of a nominee of the common depository of Euroclear and Clearstream. Each Global Note will be held by a common depository for Euroclear and Clearstream. Beneficial ownership in the Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Notes. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders

of interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuer will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Interests in the Notes will be in uncertificated book-entry form. Noteholders electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Notes of a Series will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the relevant Closing Date against payment (for value on such Closing Date).

Secondary Market Trading

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional participants.

General

Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Joint Lead Arrangers, the Dealers, the Issuer, the Trustee, the Programme Transaction Administrator, the Series Transaction Administrator, the Note Agents, the Swap Provider, the Issuer Administrator or any of their agents or respective affiliates or any person by whom any of the foregoing is controlled will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

The CMU Service

The CMU Service is a central depository service provided by the Central Moneymarkets Unit (the "CMU") of the HKMA for the safe custody and electronic trading between the members of this service ("CMU Members") of capital markets instruments ("CMU Notes") which are specified in the CMU Reference Manual as capable of being held within the CMU Service. The CMU Service is only available to CMU Notes 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 Service is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong. Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Notes. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Notes are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of

CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU Service will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU Service.

General

The CMU Service is not is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Joint Lead Arrangers, the Dealers, the Issuer, the Trustee, the Programme Transaction Administrator, the Series Transaction Administrator, the Note Agents, the Swap Provider, the Issuer Administrator or any of their agents or respective affiliates or any person by whom any of the foregoing is controlled will have any responsibility for the performance by the CMU Service of its obligations under the rules and procedures governing its operations or the arrangements referred to above.

GENERAL INFORMATION

1. The establishment of the Programme has been authorised by resolutions of the board of directors of the Issuer passed on 16 December 2016 and 18 December 2016. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the execution of the Transaction Documents.
2. The Issuer has not since incorporation been involved in any governmental, legal or arbitration proceedings which may have or have had a significant effect on the financial position or profitability of the Issuer nor, so far as the Issuer is aware, is any such governmental, legal or arbitration proceedings involving it pending or threatened.
3. Since its date of incorporation, there has been (a) no material adverse change in the prospects of the Issuer; and (b) no significant change in the financial or trading position of the Issuer.
4. The Issuer has not commenced operations or published any audited financial statements to date. The Issuer is not required under Cayman Islands law to prepare annual financial statements or have its financial statements audited.
5. Application has been made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports herein or in any Supplemental Prospectus. Admission of any Notes to the Official List of the SGX-ST or quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Notes. There can be no assurance that such listing will be obtained or maintained. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in another currency) for so long as the Notes of any Series are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that a global certificate is exchanged for definitive certificates. In addition, in the event that a global certificate is exchanged for definitive certificates, an announcement of such exchange shall 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 certificates, including details of the paying agent in Singapore.
6. The Issuer does not intend to provide post-issuance transaction information regarding the securities being admitted to trading or the performance of the underlying asset.
7. Copies of the following documents may be inspected in physical form or electronic form at the specified office of the Principal Paying Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Programme:
 - (a) the Principal Trust Deed;
 - (b) the Agency Agreement;
 - (c) the Issuer Administration Agreement;
 - (d) the Programme Transaction Administration Agreement;
 - (e) the Principal Account Bank Agreement;
 - (f) the Master Definitions Schedule;
 - (g) the Interbank Bond Market Agency Service Agreement;
 - (h) this Base Prospectus; and
 - (i) the constitutional documents of the Issuer.

MASTER DEFINITIONS SCHEDULE

Except where the context otherwise requires, the following defined terms used in this Base Prospectus have the meanings set out below:

"**Accrual Yield**", in respect of a Zero Coupon Note, has the meaning given to it in the applicable Final Terms.

"**Agency Agreement**" means the agency agreement dated on or about the Programme Date among, *inter alios*, the Issuer and the Note Agents, and any other agreement for the time being in force appointing successor agents in relation to the Notes or in connection with their duties.

"**Amortised Face Amount**" has the meaning given to it in Note Condition 4(d).

"**Asset Monitoring Agreement**" means, in respect of a Series, the agreement relating to the Notes of such Series dated on or about the Closing Date in respect of such Series between the Issuer, CCDC and the Pledgee.

"**Basic Terms Modification**" is defined in Note Condition 11.

"**Broken Amount**", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"**Business Day**" (i) means in respect of the Programme Documents, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign currency deposits) in Hong Kong, London, Beijing and New York and (ii) in respect of any Series Documents, has the meaning set out in the Note Conditions or the relevant Supplemental Prospectus.

"**Calculation Amount**", in relation to the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"**CCDC**" means 中央国债登记结算有限责任公司 (China Central Depository & Clearing Co., Ltd), or any successor thereto.

"**CCDC Bond Account**" means the bond account in the name of the Issuer held with CCDC for the purpose of holding each PRC Bond acquired from time to time in connection with the issuance of a Series of Notes, and any replacement or successor account in relation thereto.

"**CCDC Cash Account**" means the RMB denominated cash account in the name of the Issuer held with CCDC for the purpose of settling the purchase price of each PRC Bond and for receiving distributions of interest and principal on each PRC Bond from time to time, and any replacement or successor account in relation thereto.

"**Citibank Fee Letter**" means the fee letter dated on or about the Programme Date among, *inter alios*, the Issuer, the Trustee, the Programme Transaction Administrator and the Note Agents in relation to the fees and expenses payable to the Note Agents, the Programme Transaction Administrator and the Trustee under the Transaction Documents.

"**CMU Lodging and Paying Agent**" means Citicorp International Limited, including any successor or replacement thereto.

"**CMU Member**" means any member of the CMU Service.

"**CMU Service**" means the Central Moneymarkets Unit Service, operated by the HKMA.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Clearing Systems**" means, together, Clearstream and Euroclear and the CMU Service.

"**Clearstream**" means Clearstream Banking S.A.

"**Closing Date**" means, in respect of each Series of Notes, the date specified in the relevant Final Terms or such other date as the Issuer and the relevant Joint Lead Manager(s) may agree.

"**Common Depository**" means Citibank Europe plc, or any successor or replacement thereto.

"**CRS**" means the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard.

"**Day Count Fraction**", in respect of a Series of Notes, is defined in the Note Conditions relating to such Series.

"**Dealer**" means, in respect of a specified Series, the Person(s) identified as such in the Final Terms in respect of such Series.

"**Dealer Agreement**" means the dealer agreement entered into between, *inter alios*, the Issuer and the Joint Lead Arrangers in respect of the Programme on or about the Programme Date.

"**Declaration of Trust**" means the declaration of trust dated 2 December 2016 executed by the Issuer Administrator.

"**Defaulting Party**", in respect of a Series Swap Agreement, means a party which an Event of Default is related to.

"**Dual Currency Interest Note**" means a Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as specified in the applicable Final Terms.

"**Dual Currency Note**" means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable.

"**Dual Currency Redemption Note**" means a Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as specified in the applicable Final Terms.

"**Early Redemption Amount**" is defined in Note Condition 4(d).

"**EURIBOR**" means the Euro-zone inter-bank offered rate.

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

"**Event of Default**" means, in respect of a specified Series, any of the events set out in the Note Conditions of such Series.

"**Expenses**" means all fees, costs, expenses, indemnities, claims, demands, legal fees, liabilities and other amounts specified in the Citibank Fee Letter as payable by the Issuer in accordance with the provisions of the Transaction Documents to, among others, the Trustee, the Note Agents, the Programme Transaction Administrator and the Series Transaction Administrator and any party as may be notified to the Programme Transaction Administrator by the Issuer from time to time.

"Extraordinary Resolution" means, in respect of the Notes of any Series, a resolution presented for consideration or passed (as the case may be) at a meeting of the Noteholders of such Series duly convened and held by a majority consisting of not less than 66.66 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than two thirds of the votes given on such poll (unless otherwise provided herein).

"FATCA" means sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such sections of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any such intergovernmental agreement.

"Final Redemption Amount" means, in respect of the Notes of any Series, the amount specified in the applicable Final Terms.

"Final Terms or applicable Final Terms" means, in respect of the Notes of any Series, the terms in respect of such Series which are supplemental to the Note Conditions in respect of such Series and which are set forth in the Supplemental Prospectus relating to such Series.

"Fitch" means Fitch Ratings, Inc. and/or its subsidiaries that issue ratings under the trade name of Fitch Ratings and its successors and assigns.

"Fixed Coupon Amount", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on one or more Payment Dates in each year as specified in the applicable Final Terms.

"Floating Rate Note" means a Note on which interest is calculated at a floating rate, payable in arrear on one or more Payment Dates as specified in the applicable Final Terms.

"Governmental Entity" means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
- (b) any subdivision, agent, commission, board or authority of any of the foregoing; or
- (c) any quasi-governmental or private body exercising any executive, legislative, judicial, administrative, regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"HKMA" means the Hong Kong Monetary Authority.

"Index Linked Interest Note" means a Note in respect of which the amount in respect of interest payable is calculated by reference to an index and/or a formula as specified in the applicable Final Terms.

"Index Linked Redemption Note" means a Note in respect of which the amount in respect of principal payable is calculated by reference to an index and/or a formula as specified in the applicable Final Terms.

"Initial Closing Date" means the Closing Date specified in the Final Terms relating to the initial Series of Notes, or such other date as the Issuer and the Joint Lead Arrangers may agree.

"Interbank Bond Market Agency Service Agreement" means the interbank bond market agency service agreement dated 8 December 2016 and entered into between the Issuer and the Settlement Agent.

"Interest Amount", in respect of Floating Rate Notes or Index Linked Interest Notes, is defined in Note Condition 3(b) in respect of the applicable Series of Notes.

"Interest Determination Date", in respect of Floating Rate Notes to which Screen Rate Determination applies, has the meaning given to it in the applicable Final Terms.

"Interest Period", in respect of a Series of Notes, has the meaning given to it in the applicable Final Terms.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by ISDA.

"ISDA Determination" means, if specified as applicable in the applicable Final Terms, the manner in which the Rate of Interest on Floating Rate Notes is to be determined in accordance with Note Condition 3(b)(ii)(A) of the applicable Series of Notes.

"ISDA Rate" has the meaning given to it in Note Condition 3(b).

"Issue Price" means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes are issued.

"Issuer" means China Opportunity International Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"Issuer Accounts" means, together, the Programme Expenses Account, the Series Issuer Accounts, the Onshore RMB Account, the Onshore Foreign Currency Accounts, the CCDC Bond Account and the CCDC Cash Account.

"Issuer Administrator" means Walkers Fiduciary Limited, and includes any successor thereto pursuant to the terms of the Issuer Administration Agreement.

"Issuer Administration Agreement" means the management agreement in respect of the Issuer dated 16 December 2016 among, *inter alios*, the Issuer and the Issuer Administrator.

"Issuer Expenses" means all fees, taxes, filing fees, administrative fees or other fees levied by any Governmental Entity in respect of the Issuer and the fees and other amounts payable to the Issuer Administrator under the Issuer Administration Agreement.

"Issuer Obligations" means the Issuer Programme Obligations and the Issuer Series Obligations.

"Issuer Programme Obligations" means all amounts owed by the Issuer under the Programme Documents to the Programme Secured Parties.

"Issuer Series Obligations" means all amounts owed by the Issuer under the Notes of a specified Series to the relevant Series Secured Parties.

"Joint Lead Arrangers" means together, Bank of China Limited Singapore Branch, Bank of China (Hong Kong) Limited and Standard Chartered Bank, the joint lead arrangers in respect of the Programme.

"Joint Lead Manager(s)" means, in respect of a specified Series, the Person(s) identified as such in the Final Terms in respect of such Series.

"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree, judgment, directive or award of any Governmental Entity.

"LIBOR" means the London inter-bank offered rate.

"Local Government" means a provincial government in the PRC which is first-level local administrative and is subject to the authority of the State Council of the PRC.

"Majority Noteholders" means, (a) in respect of the Notes of all Series, those Persons who together hold not less than 66.66 per cent. in aggregate of the Principal Amount Outstanding of all Notes outstanding at such time, and (b) in respect of the Notes of a specified Series, those Persons who together hold not less than 66.66 per cent. in aggregate of the Principal Amount Outstanding of all Notes of such Series outstanding at such time.

"Margin", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"Maturity Date", in respect of a Series of Notes, the date specified in the applicable Final Terms.

"Maximum Rate of Interest", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"Minimum Rate of Interest", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"MOF" means the Ministry of Finance of the PRC.

"Moody's" means Moody's Investors Service Limited and its successors and assigns.

"Noteholders" means, as the context may require, either (a) in respect of the Notes of any one Series or (b) the Notes of all Series, the several Persons whose names are entered as holders of such Notes in the relevant Note Register(s), which expression shall, whilst the Notes are represented by a Global Note, mean in relation to the Notes so represented each person who is for the time being shown in the records of a Clearing System as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by a Clearing System as to the principal amount of Notes represented by a Global Note standing to the account of any person shall be conclusive and binding) for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of such Global Notes in accordance with an subject to its terms and the terms of the Principal Trust Deed, and the words **"Holder"**, **"holder"**, **"Holders"** and **"holders"** shall (where appropriate) be construed accordingly.

"Notes" means, as the context may require, either (i) the Notes of all Series of Notes issued pursuant to the Principal Trust Deed from time to time or (ii) in respect of any one Series of Notes, the Notes of that Series.

"Note Agents" means, together, the Principal Paying Agent, the Principal Transfer Agent, the Registrar, the Rate Determination Agent, the Reference Agent, the CMU Lodging and Paying Agent and the Offshore Account Bank, including any successor or replacement thereto.

"Note Certificates" means, in respect of each Series of Notes, together, the Global Note and Definitive Note Certificates in respect of such Series.

"Note Conditions" means, in respect of each Series of Notes, the terms and conditions substantially in the form set out herein and incorporated by reference in the Notes of such Series as supplemented by the applicable Final Terms, and any reference to a numbered Note Condition shall be construed accordingly.

"Note Register" is defined in Note Condition 1.

"Offshore Account Bank" means Citibank, N.A., Hong Kong Branch, including any successor or replacement thereto.

"Offshore Programme Documents" means:

- (a) the Principal Trust Deed;
- (b) the Principal Account Bank Agreement;
- (c) the Agency Agreement;
- (d) the Issuer Administration Agreement;
- (e) the Declaration of Trust;
- (f) the Citibank Fee Letter;
- (g) the Dealer Agreement;
- (h) the Sourcing Agency Agreement;
- (i) the Programme Transaction Administration Agreement; and
- (j) any other agreements and documents delivered or executed in connection with any of the foregoing.

"Offshore Series Documents" means, in respect of the Notes of a Series, the following documents in respect of such Series:

- (a) the Series Subscription Agreement;
- (b) the Series Transaction Administration Agreement;
- (c) the Supplemental Trust Deed;
- (d) the Supplemental Account Bank Agreement;
- (e) the Series Swap Agreement;
- (f) the PRC Bond Purchase Instruction in respect of such Series;
- (g) the Series Closing Cashflow Letter Agreement; and
- (h) any other agreements and documents delivered or executed in connection with any of the foregoing.

"Onshore Account Bank" means Bank of China Limited Shanghai Branch, BOC Tower Sub-branch.

"Onshore Agency Agreement" means, in respect of a Series, the agency agreement relating to the Notes of such Series dated on or about the Closing Date in respect of such Series between, *inter alios*, the Onshore Agent and the Trustee.

"Onshore Agent" means Bank of China Limited, including any successor or replacement thereto.

"Onshore RMB Account" means the account in the name of the Issuer held with the Onshore Account Bank and specified in the Programme Transaction Administration Agreement.

"Partly Paid Note" means a Note in respect of which the issue price is paid in separate instalments in such amounts and on such dates as specified in the applicable Final Terms.

"pay, repay and redeem" shall each include both the others and cognate expressions shall be construed accordingly.

"Paying Agents" means:

(a) the several institutions (including where the context requires, the Principal Paying Agent) at their respective Specified Offices initially appointed as Paying Agents by the Issuer pursuant to the Agency Agreement; and/or

(b) such other or further paying agents in respect of the Notes of each Series as may from time to time be appointed by the Issuer; and/or

(c) such other or further Specified Offices as may from time to time be nominated, in each case, by the Issuer, and (except in the case of the initial Paying Agents) notice of whose appointment or of which nomination has been given to the Noteholders of each Series in accordance with Note Condition 15.

"Payment Date", in respect of a Series of Notes, is defined in the Final Terms applicable to such Series.

"Person" means an individual, partnership, limited liability company, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, firm, enterprise, Governmental Entity or any other entity.

"Pledgee" means CITIC Trust Co., Ltd. (together with any successors or replacements thereto) as pledgee under a PRC Pledge Agreement.

"PRC" means the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

"PRC Bonds" means bonds which are traded on the PRC interbank bond trading market and issued by any of the PRC Bond Issuers.

"PRC Bond Issuer" means a Local Government or the MOF, in its capacity as issuer of the PRC Bonds.

"PRC Bond Purchase Instruction" means, in respect of each Series, a letter dated on or about the Closing Date in respect of such Series among the Issuer, the Settlement Agent, the Sourcing Agent and the Trustee.

"PRC Bond Seller" means, in relation to any Series, the person specified in the PRC Bond Purchase Instruction in relation to such Series.

"PRC Pledge Agreement" means, in respect of a Series, the pledge agreement relating to one or more PRC Bonds in respect of a Series of Notes dated on or about the Closing Date in respect of such Series between, the Issuer, the Trustee and the Pledgee.

"PRC Programme Documents" means:

- (a) the Interbank Bond Market Agency Service Agreement; and
- (b) any other agreements and documents delivered or executed in connection with any of the foregoing.

"PRC Series Documents" means, in respect of the Notes of a Series, the following documents in respect of such Series:

- (a) the PRC Pledge Agreement;
- (b) the Onshore Agency Agreement;
- (c) the Asset Monitoring Agreement; and
- (d) any other agreements and documents delivered or executed in connection with any of the foregoing.

"Principal Account Bank Agreement" means the principal account bank agreement dated on or about the Programme Date between, *inter alios*, the Offshore Account Bank and the Issuer in relation to the Programme Expenses Account.

"Principal Amount Outstanding" means, on any date in relation to a Note of any Series, the principal amount of such Note on the Closing Date in respect of such Series *less* the aggregate amount of all payments of principal in respect of such Note which have been paid on such Note after such Closing Date and prior to such date.

"Principal Paying Agent" means Citibank, N.A., London Branch, including any successor or replacement thereto.

"Principal Transfer Agent" means Citibank, N.A., London Branch, including any successor or replacement thereto.

"Principal Trust Deed" means the principal trust deed dated on or about the Programme Date among, *inter alios*, the Issuer and the Trustee in relation to the Programme.

"Priority of Payments" means, as the context requires, the Programme Priority of Payments or the relevant Series Priority of Payments.

"Pro Rata Contribution" means, on any date of determination and in respect of a Series of Notes, the Pro Rata Share of such Series of Notes applied to the aggregate Programme Expenses payable in the immediately succeeding twelve-month period.

"Pro Rata Share" means, on any date of determination and in respect of the Notes of a specified Series, an amount equal to the ratio, expressed as a percentage, of the Principal Amount Outstanding of such Series of Notes on such date to the aggregate Principal Amount Outstanding of all Series of Notes on such date.

"Programme" means the medium term note programme established by and constituted in the manner contemplated in the Principal Trust Deed.

"Programme Documents" means together, the Offshore Programme Documents, the PRC Programme Documents and the Programme Master Definitions Schedule.

"Programme Expenses" means any amounts due from the Issuer to the Programme Secured Parties pursuant to the Programme Documents in respect of fees and expenses.

"Programme Expenses Account" means, in the name of the Issuer, a segregated USD denominated interest bearing account, or any account in replacement thereof, with the Offshore Account Bank, as specified in the Programme Transaction Administration Agreement.

"Programme Limit" means a maximum aggregate principal amount of U.S.\$5,000,000,000 (or its equivalent in other currencies).

"Programme Master Definitions Schedule" means the programme master schedule of definitions, interpretation and construction clauses entered into in relation to the Programme, as may be supplemented from time to time by any Supplemental Master Definitions Schedule.

"Programme Priority of Payments" means the priority of payments in which the Programme Transaction Administrator makes payments from the Programme Expenses Account in accordance with the Programme Transaction Administration Agreement.

"Programme Secured Parties" means the Trustee (in its capacity as trustee for the benefit of the Programme Secured Parties and in its individual capacity), the Noteholders of each Series of Notes, the Note Agents, the Programme Transaction Administrator, each Series Transaction Administrator and the Issuer Administrator.

"Programme Secured Property" means the property and assets of the Issuer which have been assigned or charged in favour of the Trustee and are subject to the Programme Security created under the Principal Trust Deed and, in general, all property for the time being mortgaged, charged or pledged in favour of the Trustee by or pursuant to the Principal Trust Deed.

"Programme Security" means the security assigned or charged to the Trustee pursuant to the Principal Trust Deed in order to secure the Issuer Programme Obligations.

"Programme Transaction Administration Agreement" means the programme transaction administration agreement dated on or about the Programme Date among, *inter alios*, the Issuer, the Trustee and the Programme Transaction Administrator.

"Programme Transaction Administrator" means Citicorp International Limited, in its capacity as Programme Transaction Administrator under the Programme Transaction Administration Agreement, including any permitted successors, replacements or assigns thereunder.

"Rate Determination Agent" means Citibank, N.A., London Branch, including any successor or replacement thereto.

"Rate of Interest", in respect of the Notes of any Series, has the meaning given to it in the applicable Final Terms.

"Rated Notes" means Notes of a Series which are specified in the Final Terms applicable to such Series as being rated one or more Rating Agency.

"Rating Agency" means any of Moody's, Fitch or another international credit rating agency.

"Reference Agent" means Citibank, N.A., London Branch, including any successor or replacement thereto.

"Reference Rate", in respect of a Floating Rate Note to which Screen Rate Determination applies, has the meaning given to it in the applicable Final Terms.

"Reference Price", in respect of a Zero Coupon Note, has the meaning given to it in the applicable Final Terms.

"Registrar" means Citigroup Global Markets Deutschland AG, including any successor or replacement thereto.

"Relevant Screen Page", in respect of a Floating Rate Note to which Screen Rate Determination applies, has the meaning given to it in the applicable Final Terms.

"Screen Rate Determination" means, if specified as applicable in the applicable Final Terms, the manner in which the Rate of Interest on Floating Rate Notes is to be determined in accordance with Note Condition 3(b)(ii)(B).

"Secured Parties" means the Programme Secured Parties and the Series Secured Parties.

"Secured Property" means, together, the Programme Secured Property and the Series Secured Property.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Security" means, together, the Programme Security and the Series Security in respect of each Series.

"Series" means each original issue of Notes which form a single series and accordingly, unless for any purpose the Trustee in its discretion otherwise determines, all the provisions of the Principal Trust Deed and the applicable Supplemental Trust Deed shall apply separately to each Series of Notes.

"Series Closing Cashflow Agreement" means, in respect of a Series of Notes, the agreement dated on or about the Closing Date of such Series between, *inter alios*, the relevant Joint Lead Manager(s), the Issuer and the Trustee.

"Series Documents" means, in respect of the Notes of a Series, the Offshore Series Documents, the PRC Series Documents, the Supplemental Master Definitions Schedule in respect of such Series and any other agreements and documents specified as such in such Supplemental Master Definitions Schedule.

"Series Enforcement Date" means, in respect of a specified Series, the date on which a Series Enforcement Notice is delivered.

"Series Enforcement Notice" means, in respect of a specified Series, the notice delivered by the Trustee in accordance with the Note Conditions of such Series.

"Series Issuer Accounts" means, together, each Series Payment Account and each Series Reserve Account.

"Series Majority Noteholders", in respect of a Series, is defined in Note Condition 9(a).

"Series Payment Account" means, in respect of a specified Series, the account in the name of the Issuer held with the Offshore Account Bank and specified in the Series Transaction Administration Agreement relating to such Series, and any replacement or successor account in relation thereto.

"Series Priority of Payments" means, in respect of the Notes of a specified Series, the priority of payments set out in the Supplemental Prospectus relating to such Series.

"Series Reserve Account" means, in respect of a specified Series, the account in the name of the Issuer held with the Offshore Account Bank and specified in the Series Transaction Administration Agreement relating to such Series, and any replacement or successor account in relation thereto.

"Series Secured Parties" means, in respect of the Notes of a specified Series, the Noteholders of such Series, the Trustee (in its capacity as trustee for the benefit of the Series Secured Parties and in its individual capacity), the Swap Provider, the Note Agents and each Series Transaction Administrator.

"Series Secured Property" means, in relation to any Series, the property and assets of the Issuer:

(a) which have been assigned or charged in favour of the Trustee and are subject to the Series Security created under the relevant Supplemental Trust Deed and, in general, all property for the time being mortgaged, charged or pledged in favour of the Trustee by or pursuant to such Supplemental Trust Deed; and

(b) which have been assigned, charged or pledged in favour of the Trustee (or for its benefit) and are subject to the Series Security created under the relevant PRC Pledge Agreement and, in general, all property for the time being mortgaged, charged or pledged in favour of the Trustee (or for its benefit) by or pursuant to such PRC Pledge Agreement.

"Series Security" means, in respect of the Notes of a specified Series, the security or rights assigned, charged or pledged to the Trustee (or for its benefit) in order to secure the relevant Issuer Series Obligations pursuant to the relevant Supplemental Trust Deed and the relevant PRC Pledge Agreement.

"Series Security Documents" means the Supplemental Trust Deed and the PRC Pledge Agreement in respect of a specified Series of Notes.

"Series Subscription Agreement" means, in respect of a Series of Notes, the subscription agreement dated on or about the Closing Date in respect of such Series among, *inter alios*, the Issuers and the Dealers pursuant to the Dealer Agreement.

"Series Swap Agreement" means the currency and interest rate swap agreement in respect of a Series of Notes dated on or about the Closing Date in respect of such Series among the Swap Provider as party A and the Issuer as party B (and shall include any confirmation relating thereto).

"Series Transaction Administration Agreement" means the transaction administration agreement in respect of a Series of Notes dated on or about the Closing Date in respect of such Series among, *inter alios*, the Issuer and the relevant Series Transaction Administrator.

"Series Transaction Administrator" means Citicorp International Limited, in its capacity as a Series Transaction Administrator under the Series Transaction Administration Agreement applicable to each Series of Notes, including any permitted successors, replacements or assigns thereunder.

"Settlement Agent" means Bank of China Limited pursuant to the Interbank Bond Market Agency Service Agreement, or any successor thereto.

"Shanghai Clearing" means Shanghai Clearing House, or any successor thereto.

"Sourcing Agency Agreement" means the agency agreement in relation to the Programme dated on or about the Programme Date between, *inter alios*, the Sourcing Agent and the Issuer.

"Sourcing Agent" means Bank of China Limited, including any successor or replacement thereto.

"Specified Currency" means, in respect of the Notes of any Series, subject to any applicable legal or regulatory restrictions, such currency or currencies as specified in the applicable Final Terms.

"Specified Denomination" means, in respect of the Notes of any Series, the denomination or denominations of such Notes specified in the applicable Final Terms.

"Specified Office" means, in relation to any Note Agent, the office specified as such in respect of such Note Agent in the Agency Agreement or, in respect of the Registrar, in the Note Certificates, or such other office as such Note Agent may specify in accordance with the provisions of the Agency Agreement, the Principal Trust Deed or a Supplemental Trust Deed.

"Subsidiary" means any corporation or other business entity of which a company owns or controls (directly or indirectly) 50 per cent. or more of the outstanding voting shares of such corporation or business entity.

"Supplemental Account Bank Agreement" means a supplement to the Principal Account Bank Agreement in respect of a Series of Notes dated on or about the Closing Date in respect of such Series between, *inter alios*, the Offshore Account Bank and the Issuer.

"Supplemental Master Definitions Schedule" means a supplement to the Programme Master Definitions Schedule in respect of a Series of Notes dated on or about the Closing Date in respect of such Series among, *inter alios*, the Issuer and the Trustee.

"Supplemental Prospectus" means a prospectus issued from time to time in relation to a Series of Notes.

"Supplemental Trust Deed" means a supplement to the Principal Trust Deed in respect of a Series of Notes dated on or about the Closing Date in respect of such Series among, *inter alios*, the Issuer and the Trustee.

"Swap Provider" means, in respect of a specified Series, the Person(s) identified as such in the Final Terms in respect of such Series.

"Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any jurisdiction, including, without limitation, deductions in respect of withholding taxes, stamp registration or other taxes.

"Transaction Documents" means, together, the Programme Documents and the Series Documents.

"Transfer Agents" means:

(a) the several institutions (including where the context requires, the Principal Transfer Agent) at their respective Specified Offices initially appointed as Transfer Agents by the Issuer pursuant to the Agency Agreement; and/or

(b) such other or further transfer agents in respect of the Notes as may from time to time be appointed by the Issuer; and/or

(c) such other or further Specified Offices as may from time to time be nominated, in each case, by the Issuer, and (except in the case of the initial Transfer Agents) notice of whose appointment or of which nomination has been given to the Noteholders of each Series of Notes.

"Trust Corporation" means a corporation entitled by rules made under the Public Trustee Act 1906, or entitled pursuant to any comparable legislation applicable to a trustee in any jurisdiction, to carry out the functions of a custodian trustee and shall include (for the avoidance of doubt) Citicorp International Limited.

"Trustee" means Citicorp International Limited, in its capacity as trustee for the Noteholders of each Series of Notes and the other Secured Parties, including any successor or replacement thereto.

"**U.S.**" means the United States of America.

"**US dollars**", "**U.S.\$**", "**USD**" and "**U.S. Dollars**" means the lawful currency of the United States of America.

"**Zero Coupon Note**" means a Note on which no interest is payable.

ISSUER

China Opportunity International Limited
c/o Walkers Fiduciary Limited
Cayman Corporate Centre, 27 Hospital Road, George Town
Grand Cayman KY1-9008, Cayman Islands

TRUSTEE AND PROGRAMME TRANSACTION ADMINISTRATOR

Citicorp International Limited
39/F Champion Tower, Three Garden Road
3 Garden Road, Central, Hong Kong

ISSUER ADMINISTRATOR

Walkers Fiduciary Limited
Cayman Corporate Centre, 27 Hospital Road, George Town
Grand Cayman KY1-9008, Cayman Islands

**PRINCIPAL PAYING AGENT, PRINCIPAL TRANSFER AGENT, CMU LODGING AND PAYMENT AGENT
REFERENCE AGENT AND RATE DETERMINATION AGENT**

Citibank, N.A., London Branch
Citigroup Centre, Canada Square, Canary Wharf
London, E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

OFFSHORE ACCOUNT BANK

Citibank, N.A., Hong Kong Branch
10/F, Citi Tower, One Bay East
83 Hoi Bun Road, Kwun Tong
Kowloon, Hong Kong

SINGAPORE LISTING AGENT

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982

LEGAL ADVISERS

**To the Joint Lead Arrangers
as to English law**

Jones Day
31st Floor, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

**To the Trustee
as to English law**

Jones Day
31st Floor, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

**To Bank of China
as to English law**

King & Wood Mallesons
13/F Gloucester Tower, The Landmark
15 Queen's Road Central
Hong Kong

**To the Issuer
as to Cayman Islands law**

Walkers
15/F Alexandra House
18 Chater Road Central
Hong Kong

**To Bank of China
as to PRC law**

King & Wood Mallesons
40/F, Office Tower A, Beijing Fortune Plaza
7 Dongsanhuan Zhonglu, Chaoyang District
Beijing 100020, P.R. China