

Appendix I

Description on China Construction Bank Hong Kong Branch's 2021 Sustainability-Linked Bonds

China Construction Bank (the "Bank") has prepared *China Construction Bank Green, Social, Sustainability and Sustainability-Linked Bond Framework* (the "Framework"). This Framework has been prepared to demonstrate the Bank will issue Sustainability-Linked Bonds in accordance with the *Sustainability-Linked Bond Principles 2020* published by International Capital Market Association (ICMA), which defined the selection of key performance indicators, calibration of sustainability performance targets, bond characteristics, reporting as well as verification.

I. Selection of Key Performance Indicators

The Bank has selected the percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers as the key performance indicator (KPI) in connection with the issuance of the Sustainability-Linked Bonds.

"Balance of Green Loans" is the line item with the corresponding caption of the Bank as of 31 December of each year in the Bank's corporate social responsibility report as published annually on the website of The Stock Exchange of Hong Kong Limited and as prepared by the Bank in accordance with, and recognised by CBIRC under, the Green Credit Statistics System.¹

"Adjusted Gross Loans and Advances to Customers" means the line item with the caption "Gross Loans and Advances to Customers" in the notes to the published audited financial statements of the Bank as of 31 December of each year under the section entitled "Risk Management", as audited by the Bank's independent auditors in accordance with the International Financial Reporting Standards and for references purposes only, as further adjusted to deduct the loans and advances to customers attributable to the Subsidiaries and the Bank's branches located outside the PRC.

Baseline Values:

¹ "Green Credit Statistics System" means the regulatory framework as set out in the Notice of the General Office of China Banking Regulatory Commission on the Submission of Green Credit Statistics Form (《中国银行业监督管理委员会关于报送绿色信贷统计表的通知》)(银监办发[2013]185号) and the Notice on the Submission of Green Credit Statistics Form 《关于报送绿色信贷统计表的通知》(银监统通[2014]60号) and the Notice on Work Related to Green Financing Statistics Rules (《中国银保监会办公厅关于绿色融资统计制度有关工作的通知关于绿色融资统计制度有关工作的通知》) issued by CBIRC as amended, novated, supplemented, restated or replaced by any other notices, directives or official interpretation as published by CBIRC from time to time.

	As at 31 December
	2017
Balance of Green Loans (RMB100 million) ¹	10,025
Adjusted Gross Loans and Advance to Customers (RMB100 million) ¹	117,599
Percentage of Balance of Green Loans to Adjusted Gross Loans and Advance to Customers.....	8.52%

II. Calibration of Sustainability Performance Targets

The Bank will calibrate selected sustainability performance targets (SPT) that are consistent with the Bank's sustainable development strategy, and provide plans for meeting the sustainability performance targets, relevant controls, critical factors and force majeure events.

The Bank's SPT in connection with the issuance of the Series A Notes will be measured as a percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers. The Bank's SPT will be of an amount equal to or higher than 9.5% by 31 December 2022, an increasing of 0.98 percentage points compared with the 2017 baseline.

The Bank's SPT in connection with the issuance of the Series B Notes will be measured as a percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers. The Bank's SPT will be of an amount equal to or higher than 10% by 31 December 2023, an increasing of 1.48 percentage points compared with the 2017 baseline.

III. Bond Characteristics

If the selected KPI for Series A Notes has not been reached the predefined SPT, the Sustainability-Linked Bond's financial characteristics will change, then the coupon of the Sustainability-Linked Bond will step up by 25 bps with effect from (and including) the Interest Payment Date in October 2023 to (but excluding) the date of redemption of the Series A Notes, provided that such increase in the interest rate may occur no more than once. If, following an increase in the interest rate after a Trigger Event, the Group achieves the Sustainability Performance Target and the Trigger Event is no longer continuing, the interest rate of the Series A Notes will remain unchanged and, there will be not be any decrease to the interest rate of the Series A Notes.

If the selected KPI for Series B Notes has not been reached the predefined SPT, the Sustainability-Linked Bond's financial characteristics will change, then the coupon of the Sustainability-Linked Bond will step up by 25 bps with effect from (and including) the Interest Payment Date in October 2024 to (but excluding) the date of redemption of the Series B Notes, provided that such increase in the interest rate may occur no more than once. If, following an increase in the interest rate after a Trigger Event, the Group achieves the Sustainability Performance Target and the Trigger Event is no longer continuing, the interest rate of the Series B Notes will remain unchanged and, there will be not be any decrease to the interest rate of the Series B Notes.

IV. Reporting

The Bank will publish a Sustainability-Linked Bonds Report ("Sustainability-Linked Bond Report") in respect of the sustainability-linked bonds issued, which will include the following information:

- transaction details in respect of the relevant sustainability-linked bonds, including the transaction date, net amount of proceeds, maturity date, coupon rate, pricing date and the ISIN number;
- up-to-date information on the performance of the selected KPI, including baselines where relevant; and
- any information enabling investors to monitor the ambition level of the SPT.

The Sustainability-Linked Bonds Report will be updated annually and made available on the official website of the Bank (<http://www.ccb.com/>).

V. Verification

The Bank will engage an independent third party to verify its performance level against each SPT for each KPI, at least once a year, throughout the duration of any sustainability-linked bond. The relevant report will be publicly available on the official website of the Bank (<http://www.ccb.com/>).

China Construction Bank Hong Kong Branch

12 April 2021

