

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES AND TO NON-U.S. PERSONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached pricing supplement (the "**Pricing Supplement**"). 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 us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE CAPITAL SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE CAPITAL SECURITIES 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 REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAW.

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.

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Capital Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

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

Confirmation of Your Representation: In order to be eligible to view the attached document or make an investment decision with respect to the Capital Securities, investors must not be located in the United States or U.S. persons. This 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 each of the Issuer (as defined in the attached document) and the Managers (as defined in the attached document) that (1) you are not (a) a U.S. person or (b) in the United States, and the electronic mail address that you provided and to which this electronic mail has been delivered is not located in the United States and (2) that you consent to delivery of the attached and any amendments or supplements thereto by electronic transmission. To the extent you purchase the securities described in the attached document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S under the Securities Act.

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 Issuer, the Managers or any of their respective affiliates and their respective directors, officers, employees, representatives, agents and each person who controls the Issuer, any Manager or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer and the Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). The materials relating to the offering of securities to which this document relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and any Manager or any of their respective 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 this 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 or provide access to 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.

To the fullest extent permitted by law, none of the Managers or any of their respective affiliates and their respective directors, officers, employees, representatives, agents and each person who controls any Manager or any of their respective affiliates accept any responsibility for the contents of this document or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Capital Securities. Each Manager accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

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

You are 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.

PRICING SUPPLEMENT

15 July 2026

Application will be made to The Stock Exchange of Hong Kong Limited (the "**SEHK**") for the listing of, and permission to deal in, the Capital Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Capital Securities are intended for purchase by Professional Investors only and will be listed on the SEHK on that basis. Accordingly, the Issuer confirms that the Capital Securities are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Capital Securities on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Capital Securities, the Issuer (together with its subsidiaries, the "Group") or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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

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

UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Capital Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

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

CHINA CITIC BANK INTERNATIONAL LIMITED 中信銀行（國際）有限公司

**Issue of CNY1,330,000,000 2.30 per cent. Undated Non-Cumulative Subordinated
Additional Tier 1 Capital Securities (the "Capital Securities")**

**under the U.S.\$3,000,000,000
Medium Term Note Programme (the "Programme")**

This document constitutes the Pricing Supplement relating to the issue of the Capital Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the offering circular dated 10 July 2026 (the "**Offering Circular**"), as amended and supplemented by the terms and conditions of the Capital Securities set out in Schedule 1 hereto (the "**Terms and Conditions of the Capital Securities**"). The Capital Securities may be written-off in whole or in part upon the occurrence of a Non-Viability Event as defined in Condition 6C (*Non-Viability Loss Absorption*) of the Terms and Conditions of the Capital Securities.

This Pricing Supplement contains the final terms of the Capital Securities and must be read in conjunction with the Offering Circular and the Schedules hereto. Investors should be aware that the Capital Securities are subordinated and are subject to Write-off upon the occurrence of a Non-Viability Event and that there are various other risks relating to the Capital Securities, the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should

familiarise themselves with before making an investment in the Capital Securities. *"Investment Considerations"* of the Offering Circular as supplemented by Schedule 2 hereto, including but not limited to the risk factors titled *"The Issuer's obligations under the Capital Securities are subordinated"*, *"The terms of the Capital Securities contain non-viability loss absorption and bail-in provisions"*, *"The occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may be inherently unpredictable and may depend on a number of factors which may be outside of the Group's control"* and *"The operation of the resolution regime in Hong Kong may override the contractual terms of the Capital Securities"*, which apply to the issue of Capital Securities described herein.

References to the **"Notes"** in the headings below shall be deemed to be references to the Capital Securities.

1. Issuer: China CITIC Bank International Limited 中信銀行（國際）有限公司
2. (a) Series Number: 16
(b) Tranche Number: 001
(c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
3. Specified Currency or Currencies: Renminbi ("**CNY**")
4. Aggregate Nominal Amount:
(a) Series: CNY1,330,000,000
(b) Tranche: CNY1,330,000,000
5. (a) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
(b) Gross Proceeds: CNY1,330,000,000
6. (a) Specified Denominations: The Capital Securities are issued in registered form in the denomination of CNY2,000,000 each and integral multiples of CNY10,000 in excess thereof, as further set out in Condition 1 (*Form, Denomination and Title*) of the Terms and Conditions of the Capital Securities
(b) Calculation Amount: CNY10,000. See Condition 6A(c) (*Distribution - Calculation of Distribution and Relevant Reset Distribution Rate*) of the Terms and Conditions of the Capital Securities for calculation of Distribution
7. (a) Issue Date: 22 July 2026

- (b) Interest Commencement Date: Subject to Condition 6B (*Distribution Restrictions*), the Capital Securities confer a right to receive Distributions on the principal amount (subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C (*Non-Viability Loss Absorption*)) from, and including, the Issue Date at the applicable Distribution Rate, payable semi-annually in arrears on each Distribution Payment Date, as further set out in Condition 6A(a) (*Distribution - Non-Cumulative Distribution*) of the Terms and Conditions of the Capital Securities
- (c) Trade Date: 15 July 2026
8. Maturity Date: Not Applicable
9. Interest Basis: Fixed Rate, subject to reset on the First Call Date and each Distribution Reset Date
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Issuer Call (further particulars specified below)
13. (a) Status of the Notes: Undated Subordinated
- (b) Qualification of the Notes: The Capital Securities are intended to qualify as Additional Tier 1 capital under the Capital Regulations
- (c) Date of Board approval for issuance of the Notes obtained: 19 March 2026
- (d) Date of regulatory approval for issuance of the Notes obtained: NDRC approval dated 31 December 2025
14. Listing: SEHK. It is expected that the permission to deal in, and listing of, the Capital Securities on the SEHK will commence on or about 23 July 2026
15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: The Distribution Rate applicable to the Capital Securities shall be:

(i) in respect of the period from, and including, the Issue Date to, but excluding, the First Call Date, 2.30 per cent. per annum; and

(ii) in respect of the period from, and including, the First Call Date and each Distribution Reset Date thereafter to, but excluding, the immediately following Distribution Reset Date, the Reset Distribution Rate,

as further set out in Conditions 6A (*Distribution*), 6B (*Distribution Restrictions*), 6C (*Non-Viability Loss Absorption*) and 6D (*Hong Kong Resolution Authority Power*) of the Terms and Conditions of the Capital Securities

17. Floating Rate Note Provisions	Not Applicable
18. Zero Coupon Note Provisions	Not Applicable
19. Index Linked Interest Note Provisions	Not Applicable
20. Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call:	Subject to the conditions for redemption and purchase in respect of the Capital Securities set out in Condition 8.12A (<i>Conditions for Redemption and Purchase in respect of the Capital Securities</i>), the Capital Securities may be redeemed at the option of the Issuer (i) following the occurrence of an Withholding Tax Event, a Tax Deduction Event or a Capital Event or (ii) on the First Call Date or any Distribution Payment Date thereafter, as further set out in Condition 8 (<i>Redemption and Purchase</i>) of the Terms and Conditions of the Capital Securities
22. Investor Put:	Not Applicable
23. Final Redemption Amount:	Not Applicable
24. Early Redemption Amount payable on redemption for taxation reasons or regulatory reasons or on event of default:	CNY10,000 per Calculation Amount, subject to adjustment following the occurrence of a Non-Viability Event as further set out in Condition 8 (<i>Redemption and Purchase</i>) and Condition 11 (<i>Events of Default and Enforcement</i>) of the Terms and Conditions of the Capital Securities

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|---|---|
| 25. Form of Notes: | Registered Capital Securities: Registered Global Note (CNY1,330,000,000 nominal amount) |
| 26. Additional Financial Centre(s) or other special provisions relating to Payment Days: | <p>"Payment Day" means any day which (subject to Condition 10 (<i>Prescription</i>)) is:</p> <p>(a) (in the case of the Capital Securities in definitive form only) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits and settlement of Renminbi payment) in the relevant place of presentation;</p> <p>(b) (in the case of where the Capital Securities are lodged with the CMU), the CMU is operating; and</p> <p>(c) a day on which commercial banks settle Renminbi payments in Hong Kong,</p> <p>as further set out in Condition 7.6 (<i>Payment Day</i>) of the Terms and Conditions of the Capital Securities</p> |
| 27. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): | Not Applicable |
| 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29. Details relating to Instalment Notes: | |
| (a) Instalment Amount(s): | Not Applicable |
| (b) Instalment Date(s): | Not Applicable |
| 30. Redenomination applicable: | Redenomination not applicable |
| 31. Payment of US Dollar Equivalent: | Not Applicable |

32. Other terms or special conditions: Not Applicable

DISTRIBUTION

33. (a) If syndicated, names of Managers: *Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers:*

China CITIC Bank International Limited
Citigroup Global Markets Limited
China Securities (International) Corporate Finance Company Limited
CLSA Limited
CNCB (Hong Kong) Capital Limited

Joint Bookrunners and Joint Lead Managers:

ABCI Capital Limited
Agricultural Bank of China Limited Hong Kong Branch
Australia and New Zealand Banking Group Limited
Bank of China Limited
Bank of Communications Co., Ltd. Hong Kong Branch
BNP PARIBAS
BOCOM International Securities Limited
CCB International Capital Limited
China Chengtong (Hong Kong) Asset Management Company Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China Galaxy International Securities (Hong Kong) Co., Limited
China Industrial Securities International Brokerage Limited
China International Capital Corporation Hong Kong Securities Limited
China Minsheng Banking Corp., Ltd. Hong Kong Branch
China Zheshang Bank Co., Ltd. (Hong Kong Branch)
CMB International Capital Limited
CMB Wing Lung Bank Limited
CMBC Securities Company Limited
Crédit Agricole Corporate and Investment Bank
DBS Bank Ltd.
Guotai Junan Securities (Hong Kong) Limited
Haitong International Securities Company Limited
The Hongkong and Shanghai Banking Corporation Limited
Hua Xia Bank Co., Limited Hong Kong Branch

Industrial and Commercial Bank of China (Asia) Limited
 ICBC International Securities Limited
 Industrial and Commercial Bank of China Limited, Singapore Branch
 Industrial Bank Co., Ltd. Hong Kong Branch
 Mirae Asset Securities (Singapore) Pte Ltd
 Mizuho Securities Asia Limited
 Natixis
 Nomura Singapore Limited
 SDIC Securities (Hong Kong) Limited
 Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
 Shenwan Hongyuan Securities (H.K.) Limited
 Standard Chartered Bank

(together, the "**Managers**")

- | | |
|---|---|
| (b) Stabilisation Manager(s) (if any): | Any one of the Managers (other than China CITIC Bank International Limited) appointed and acting in its capacity as stabilisation manager |
| 34. If non-syndicated, name of relevant Dealer: | Not Applicable |
| 35. U.S. Selling Restrictions: | Reg. S Category 2; TEFRA not applicable |
| 36. Additional selling restrictions: | Not Applicable |
| 37. Prohibition of Sales to EEA Retail Investors: | Applicable |
| 38. Prohibition of Sales to UK Retail Investors: | Applicable |

OPERATIONAL INFORMATION

- | | |
|--|---|
| 39. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | CMU

CMU Instrument Number: KWHKFN26009 |
| 40. Delivery: | Delivery against payment |
| 41. Additional Paying Agent(s) (if any): | Not Applicable |
| ISIN: | HK0001302766 |
| Common Code: | 337271715 |

Legal Entity Identifier: 54930034UPFJV0NHXV95

42. Ratings: The Capital Securities to be issued are expected to be rated "Ba2" by Moody's

HONG KONG SFC CODE OF CONDUCT

43. Rebates: Not Applicable
44. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: Project_Canal_2026@cncbinternational.com, DCM.Omnibus@citi.com
45. Marketing and Investor Targeting Strategy: As set out in the Offering Circular

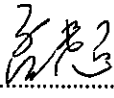
LISTING APPLICATION

This Pricing Supplement comprises the pricing supplement required to list the issue of Capital Securities described herein pursuant to the U.S.\$3,000,000,000 Medium Term Note Programme of the Issuer.

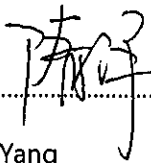
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: 

MENG, Chao
Duly authorised

By: 

SUI, Yang
Duly authorised

SCHEDULE 1

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The following is the text of the Terms and Conditions of the Capital Securities which (subject to completion and modification and excluding italicised text) will be endorsed on each of the Capital Securities in definitive form. The numbering and title of the following Terms and Conditions of the Capital Securities follow the numbering of the Terms and Conditions of the Notes as set out in the Offering Circular dated 10 July 2026.

The CNY1,330,000,000 2.30 per cent. undated non-cumulative subordinated Additional Tier 1 capital securities (the "**Capital Securities**") of China CITIC Bank International Limited 中信銀行（國際）有限公司 (the "**Issuer**") are constituted by an amended and restated trust deed dated 10 June 2021 (the "**Principal Trust Deed**") (such Principal Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include any successor as Trustee).

The Capital Securities have the benefit of an amended and restated agency agreement dated 10 June 2021 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), Citibank, N.A., Hong Kong Branch as CMU lodging agent (the "**CMU Lodging Agent**", which expression shall include any successor CMU lodging agent) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and Citigroup Global Markets Europe AG as registrar (the "**Registrar**", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

For the purposes of the Trust Deed, the Agency Agreement and the Registered Global Note, the Capital Securities are "**Undated Subordinated Notes**".

Any reference to "**Securityholders**" or "**holders**" in relation to any Capital Securities shall mean the persons in whose name the Capital Securities are registered and shall, in relation to any Capital Securities represented by a Registered Global Note, be construed as provided below.

The Trustee acts for the benefit of the Securityholders in accordance with the provisions of the Trust Deed.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Paying Agents, upon prior written request and satisfactory proof of holdings. Copies of the Pricing Supplement are obtainable during normal business hours at the specified office of each of the Paying Agents. The Securityholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the Pricing Supplement which are applicable to them. The statements in these terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed and the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed or the Agency Agreement and these Conditions, these Conditions will prevail. The terms and conditions of the Notes as set out in the Offering Circular dated 10 July 2026 shall be deemed to be replaced by these Conditions for the purposes of the Capital Securities.

1. **FORM, DENOMINATION AND TITLE**

Condition 1 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

1.1 **Form and Denomination**

The Capital Securities are issued in registered form in the denomination of CNY2,000,000 each and integral multiples of CNY10,000 in excess thereof (referred to as the "**principal amount**" of a Capital Security). The principal amount of a Capital Security is subject to adjustment following the occurrence of a Non-Viability Event (as defined in Condition 6C) in accordance with Condition 6C and references in these Conditions to the "**principal amount**" of a Capital Security shall mean the principal amount of a Capital Security as so adjusted. If definitive Capital Securities in registered form (the "**Definitive Registered Notes**") are issued in accordance with Condition 2.1, a Definitive Registered Note will be issued to each Securityholder in respect of its registered holding of the Capital Securities. Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded on the relevant Definitive Registered Note and in the register of Securityholders which the Issuer will procure to be kept by the Registrar and at the office of the Issuer.

The Capital Securities are not issuable in bearer form.

1.2 **Title**

Title to the Capital Securities passes only by registration in the register of Securityholders. The Securityholder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate (as defined in Condition 2.1) issued in respect of it) and no person will be liable for so treating the Securityholder.

2. **TRANSFERS OF REGISTERED NOTES**

2.1 **Transfers of interests in Registered Global Note**

Condition 2.1 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Transfers of beneficial interests in the Capital Securities represented by a global note in registered form (the "**Registered Global Note**") (each Registered Global Note or Definitive Registered Note, a "**Certificate**") will be effected by the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**"), and, in turn, by other participants and, if appropriate, indirect participants in such clearing system acting on

behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the denomination set out in Condition 1.1 and only in accordance with the rules and operating procedures for the time being of the CMU and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Definitive Registered Notes

Condition 2.2 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Subject as provided in Condition 2.5 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the denomination set out in Condition 1.1). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note in definitive form of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

Condition 2.3 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

2.4 **Cost of Registration**

Condition 2.4 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 **Closed Periods**

Condition 2.5 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

No Securityholder may require the transfer of a Capital Security to be registered (i) during the period of 15 days prior to (and including) the due date of any payment of principal or Distributions in respect of the Capital Securities; (ii) during the period of seven days ending on (and including) any Record Date; and (iii) during a Suspension Period.

"Suspension Period" means the period commencing on the second Hong Kong Business Day (as defined in Condition 6B below) immediately following the date of a Non-Viability Event Notice and ending on the close of business in Hong Kong on the effective date of the related Write-off.

So long as the Capital Securities are represented by a Registered Global Note and such Registered Global Note is held on behalf of the CMU or any other clearing system, "Suspension Period" shall mean the period commencing on the second Hong Kong Business Day immediately following the date on which a Non-Viability Event Notice is received by the CMU and ending at the close of business in Hong Kong on the effective date of the related Write-off.

2.6 **Exchanges and transfers of Definitive Registered Notes generally**

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.7 **Partial Write-off in Respect of Definitive Registered Notes**

In the case of a partial Write-off of a holding of the Capital Securities represented by a single Definitive Registered Note, a new Definitive Registered Note shall be issued to the relevant Securityholder to reflect such partial Write-off, or to represent the balance of the holding not Written-off. New Definitive Registered Notes shall only be issued upon surrender of the existing Definitive Registered Notes to the Registrar or any other Transfer Agent.

3. STATUS OF THE NOTES

3.1 Status of Senior Notes

Condition 3.1 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

3.2 Status of the Subordinated Notes

Condition 3.2 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Conditions 3.3 and 3.4 shall be inserted after Condition 3.2:

3.3 Status of the Capital Securities

(a) *Provision relating to the Capital Securities*

The Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Securityholders are subordinated in the manner described below.

Subject to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up (as defined below) of the Issuer (other than pursuant to a Permitted Reorganisation (as defined below)), the rights of the Securityholders to payment of principal and Distributions on the Capital Securities and any other obligations in respect of the Capital Securities will rank (x) subordinate and junior in right of payment to, and of all claims of, (i) all unsubordinated creditors of the Issuer (including its depositors), (ii) creditors in respect of Tier 2 Capital Securities of the Issuer, and (iii) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Capital Securities or rank senior to the Capital Securities by operation of law or contract; (y) *pari passu* in right of payment to and of all claims of the holders of Parity Obligations; and (z) senior in right of payment to and of all claims of the holders of Junior Obligations, in each case, present and future, in the manner provided in the Trust Deed.

In the event of a Winding-Up that requires the Securityholders or the Trustee to provide evidence of their claim to principal or Distribution under the Capital Securities, such claims of the Securityholders will only be satisfied after all senior ranking obligations of the Issuer have been satisfied in whole. No amount may be claimed in respect of any Distribution that has been cancelled pursuant to a Mandatory Distribution Cancellation Event or an Optional Distribution Cancellation Event.

For the purposes of these Conditions:

"**Authorized Institution**" has the meaning given to that term in the Banking Ordinance (Cap. 155) of Hong Kong, as amended, re-enacted or superseded from time to time.

"Capital Regulations" means the Banking (Capital) Rules (Cap. 155L) of Hong Kong as amended, re-enacted or superseded from time to time, or any other capital regulations from time to time applicable to the regulatory capital of Authorized Institutions in Hong Kong as issued or implemented by the Monetary Authority.

"Junior Obligation" means the Shares, and any other class of the Issuer's share capital and any instrument or other obligation (including without limitation any preference shares) issued or guaranteed by the Issuer that ranks or is expressed to rank junior to the Capital Securities by operation of law or contract.

"Monetary Authority" means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66) of Hong Kong, as amended, re-enacted or superseded from time to time, or any successor thereto.

"Parity Obligation" means any instrument or other obligation issued or entered into by the Issuer that constitutes or qualifies as Additional Tier 1 capital (or its equivalent) under applicable Capital Regulations or any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank *pari passu* with the Capital Securities by operation of law or contract.

"Permitted Reorganisation" means any solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking or assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Capital Securities.

"Shares" means the ordinary share capital of the Issuer.

"Subordinated Creditors" means all creditors the indebtedness of which is subordinated, in the event of the Winding-Up of the Issuer, in right of payment to, and of all claims of, the depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or are expressed to rank by operation of law or contract *pari passu* with, or junior to, the claims of the Securityholders of the Capital Securities. For this purpose, indebtedness shall include all liabilities, whether actual or contingent.

"Tier 2 Capital Securities" means any instrument or other similar obligation that constitutes Tier 2 capital of (x) the Issuer on an unconsolidated basis or (y) the Group on a consolidated basis, pursuant to the Capital Regulations.

"Winding-Up" means a final and effective order or resolution for the winding up, liquidation or similar proceedings in respect of the Issuer.

(b) *Set-off*

Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Securityholder shall, by virtue of being the Securityholder of any Capital Security be deemed to have waived all such rights of such set-off, counter-claim or retention.

In the event that any Securityholder nevertheless receives (whether by set-off or otherwise) directly in a Winding-Up Proceeding (as defined in Condition 11.2A) in respect of the Issuer any payment by, or distribution of assets of, the Issuer of any kind or character, whether in cash, property or securities, in respect of any amount owing to it by the Issuer arising under or in connection with the Capital Securities, other than in accordance with this Condition 3.3, such Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such payment or discharge to the liquidator for the time being in the Winding-Up of the Issuer for distribution and each Securityholder, by virtue of becoming a Securityholder of any Capital Security, shall be deemed to have so agreed and undertaken with and to the Issuer and all depositors and other unsubordinated creditors of the Issuer for good consideration.

3.4 **Qualification of the Capital Securities**

The Capital Securities are intended to qualify as Additional Tier 1 capital under the Capital Regulations.

4. **NEGATIVE PLEDGE (SENIOR NOTES ONLY)**

Condition 4 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 4A shall be inserted after Condition 4:

4A **REPORTING COVENANTS**

The Issuer undertakes to file or cause to be filed (the "**NDRC Post-issue Filings**") with the National Development and Reform Commission of the PRC (the "**NDRC**") the requisite information and documents within the relevant prescribed timeframes (including the requisite information and documents in respect of the Capital Securities within 10 PRC Business Days after the issuance of the Capital Securities) in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令 第 56 號)) issued by the NDRC and effective from 10 February 2023, and any implementation rules as issued by the NDRC from time to time and comply with all applicable PRC laws and regulations in connection with the Capital Securities.

For the purposes of this Condition:

"**PRC Business Day**" means a day on which commercial banks are open for business in the PRC.

5. **REDENOMINATION**

Condition 5 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

6. **INTEREST**

Condition 6 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Conditions 6A, 6B, 6C and 6D shall be inserted after Condition 6:

6A **DISTRIBUTION**

(a) *Non-Cumulative Distribution*

Subject to Condition 6B below, the Capital Securities confer a right to receive distributions (each a "**Distribution**") on the principal amount (subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C) from, and including, the Issue Date at the applicable Distribution Rate, payable semi-annually in arrears on 22 January and 22 July in each year (each a "**Distribution Payment Date**"). If any Distribution Payment Date would otherwise fall on a day which is not a Business Day, then such Distribution Payment Date shall be postponed to the next day which is a Business Day.

Distributions will not be cumulative and Distributions which are not paid in accordance with these Conditions will not accumulate or compound and Securityholders will have no right to receive such Distributions at any time, even if subsequent Distributions are paid in the future, or be entitled to any claim in respect thereof against the Issuer. Unless otherwise provided in these Conditions, each Capital Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon surrender of the Certificate representing such Capital Security, payment of principal is improperly withheld or refused. In such event Distribution shall continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (a) the date on which all amounts due in respect of such Capital Security have been paid; and (b) five days after the date on which the full amount of moneys payable in respect of such Capital Security has been received by the CMU Lodging Agent and notice to that effect has been given to the Securityholders in accordance with Condition 15.

No Securityholder shall have any claim in respect of any Distribution or part thereof cancelled and/or not due or payable pursuant to Condition 6A and Condition 6B below. Accordingly, such Distribution shall not accumulate for the benefit of the Securityholders or entitle the Securityholders to any claim in respect thereof against the Issuer.

(b) *Distribution Rate*

The rate of distribution (the "**Distribution Rate**") applicable to the Capital Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, the First Call Date, 2.30 per cent. per annum; and

- (ii) in respect of the period from, and including, the First Call Date and each Distribution Reset Date thereafter to, but excluding, the immediately following Distribution Reset Date, the Reset Distribution Rate.

For the purposes of these Conditions:

"Auditors" means the independent certified public accountants for the time being of the Issuer.

"Business Day" means any day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies and settlement of Renminbi payments) in Hong Kong.

"Bloomberg CNTBI5 Index Page" means the Bloomberg screen designated "CNTBI5 Index" (or any successor page or service which tracks the yield-to-maturity of Renminbi-denominated PRC Government Bonds with years to maturity of five years).

"Calculation Agent" means the Principal Paying Agent and shall include any successor as calculation agent.

"Calculation Business Day" means any day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and Beijing.

"Calculation Date" means, in relation to a Reset Distribution Period, the Calculation Business Day preceding the Distribution Reset Date on which such Reset Distribution Period commences.

"Comparable Government Bond" means a Renminbi-denominated PRC Government Bond selected by the Independent Investment Bank as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years, or if such Independent Investment Bank in its discretion considers that such comparable PRC Government Bond is not in issue, such other Renminbi-denominated PRC Government Bond as such Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, PRC Government Bonds selected by such Independent Investment Bank, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond Rate" means, with respect to any Calculation Date, the yield of the Comparable Government Bond prevailing at or around 4:00 p.m. (Hong Kong time) as determined by the Independent Investment Bank.

"Directors" means the Board of Directors from time to time of the Issuer and **"Director"** means any one of them.

"Distribution Determination Date" means the day falling two Hong Kong Business Days prior to a Distribution Payment Date.

"Distributable Reserves" means the amounts for the time being available to the Issuer for distribution as a distribution in compliance with section 297 of the Companies Ordinance (Cap. 622) of Hong Kong, as amended or modified from time to time, as at the Issuer's latest audited balance sheet, and subject to the Monetary Authority's then current Capital Regulations as applicable to the Issuer on the relevant Distribution Payment Date (the **"Available Amount"**); **provided that** if the Issuer reasonably determines that the Available Amount as at any Distribution Determination Date is lower than the Available Amount as at the date of the Issuer's latest audited balance sheet and is insufficient to pay the Distributions and any payments on Parity Obligations on the relevant Distribution Payment Date, then on certification by two Directors and the Auditors of such revised amount, the Distributable Reserves shall for the purposes of Distribution mean the Available Amount as set forth in such certificate.

As at the date hereof, pursuant to section 297(1) of the Companies Ordinance (Cap. 622) of Hong Kong, the Issuer may only make a distribution out of profits available for distribution. For the purposes of section 297 of the Companies Ordinance (Cap. 622) of Hong Kong, the Issuer's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital.

"Distribution Reset Date" means the First Call Date and each Distribution Payment Date falling on or nearest to every five years thereafter.

"First Call Date" means 22 July 2031, **provided that** if such date is not a Business Day, **"First Call Date"** shall instead mean the Business Day immediately following 22 July 2031.

"Independent Investment Bank" means an investment bank of recognised standing and of international or national repute that is a primary dealer in PRC Government Bonds, appointed by the Issuer.

"PRC Government Bond" means any bond issued by the Central People's Government of The People's Republic of China.

"PRC Government Bond Rate" means the rate in percentage per annum notified by the Calculation Agent to the Issuer and Securityholders (in accordance with Condition 15) equal to:

- (a) the yield as reported on the Bloomberg CNTBI5 Index Page as at 4:00 p.m. (Hong Kong time) on the Calculation Date, as notified by an Independent Investment Bank to the Calculation Agent;
- (b) if the Bloomberg CNTBI5 Index Page is not available or the yield does not appear on the Bloomberg CNTBI5 Index Page for whatever reason, in each case as at 4:00 p.m. (Hong Kong time) on the Calculation Date, the Comparable Government Bond Rate, as notified by an Independent Investment Bank to the Calculation Agent; and

- (c) if the PRC Government Bond Rate cannot be determined in accordance with any of (a) or (b) above, the bid yield as reported on the Bloomberg CNTBI5 Index Page on the last available date preceding the Calculation Date, as notified by an Independent Investment Bank to the Calculation Agent.

"Reset Distribution Period" means the period from, and including, a Distribution Reset Date to, but excluding, the immediately following Distribution Reset Date.

"Reset Distribution Rate" means, in relation to a Reset Distribution Period, a fixed rate per annum (expressed as a percentage) equal to the aggregate of (a) the then-prevailing PRC Government Bond Rate (as determined as set out above) and (b) the Spread.

"Spread" means 0.857 per cent. per annum.

(c) *Calculation of Distribution and Relevant Reset Distribution Rate*

The Calculation Agent will calculate the amount of Distribution in respect of any period by applying the applicable Distribution Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of such Capital Security divided by the Calculation Amount, where **"Calculation Amount"** means CNY10,000, subject to adjustment following occurrence of a Non-Viability Event, and **"Day Count Fraction"** means, in respect of any period, the actual number of days in the relevant period divided by 365.

The Calculation Agent will, on the Calculation Date prior to each Distribution Reset Date, calculate the applicable Reset Distribution Rate payable in respect of each Capital Security. The Calculation Agent will cause the Distribution and applicable Reset Distribution Rate determined by it to be promptly notified to the CMU Lodging Agent. Notice thereof shall also promptly be given by the Calculation Agent to the Issuer, the Trustee and the Registrar.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6A by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the CMU Lodging Agent and the Securityholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(d) *Publication of Relevant Reset Distribution Rate*

The Issuer shall cause notice of the then applicable Reset Distribution Rate to be notified to the Securityholders as soon as practicable in accordance with Condition 15 after determination thereof.

(e) *Determination or Calculation by Successor Calculation Agent*

If the Calculation Agent does not at any time for any reason so determine the applicable Reset Distribution Rate, the Issuer shall as soon as practicable appoint a reputable financial institution of good standing as a successor calculation agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the successor calculation agent shall apply the foregoing provisions of this Condition 6A, with any necessary consequential amendments, to the extent that, in the opinion of the successor calculation agent, it can do so and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

6B **DISTRIBUTION RESTRICTIONS**

(a) *Optional Distribution Cancellation Event*

Unless a Distribution has already been cancelled in full pursuant to a Mandatory Distribution Cancellation Event, prior to any Distribution Payment Date the Issuer may, at its sole discretion, elect to cancel any payment of Distribution, in whole or in part, by giving a notice signed by two Directors of the Issuer, which shall be conclusive and binding on the Securityholders (such notice, a "**Distribution Cancellation Notice**") of such election to the Securityholders in accordance with Condition 15, and to the Trustee and the Agents at least 10 Hong Kong Business Days prior to the relevant Distribution Payment Date. The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if it validly elects not to do so in accordance with this Condition 6B and any failure to pay such Distribution shall not constitute an Event of Default under Condition 11.2A. Distributions are non-cumulative and any Distribution that is cancelled shall therefore not be payable at any time thereafter, whether in a Winding-Up or otherwise.

"**Hong Kong Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business in Hong Kong.

(b) *Mandatory Distribution Cancellation Event*

Notwithstanding that a Distribution Cancellation Notice has not been given, the Issuer will not be obliged to pay, and will not pay, any Distribution on the applicable Distribution Payment Date, in whole or in part, as applicable, if and to the extent that:

- (i) the Distribution scheduled to be paid together with any dividends, distributions or other payments scheduled to be paid or made during the Issuer's then current fiscal year on any Parity Obligations or any instruments which effectively rank *pari passu* with any Parity Obligations shall exceed the Distributable Reserves as at such Distribution Determination Date; or
- (ii) the Monetary Authority so directs the Issuer to cancel such Distribution (in whole or in part) or applicable Hong Kong banking regulations or other

requirements of the Monetary Authority prevent the payment in full of dividends or other distributions when due on Parity Obligations,

(each a "**Mandatory Distribution Cancellation Event**").

The Issuer shall have no obligation to pay a Distribution on any Distribution Payment Date if such non-payment is in accordance with this Condition 6B(b) and any failure to pay such Distribution shall not constitute an Event of Default under Condition 11.2A. Distributions are non-cumulative and any Distribution which is cancelled shall therefore not be payable at any time thereafter whether in a Winding-Up or otherwise.

(c) *Distributable Reserves*

Any Distribution may only be paid out of Distributable Reserves.

(d) *Dividend Stopper*

If, on any Distribution Payment Date, payment of Distribution scheduled to be paid is not made in full by reason of this Condition 6B, the Issuer shall not:

- (i) declare or pay in cash any distribution or dividend or make any other payment in cash on, and will procure that no distribution or dividend in cash or other payment in cash is made on, any Shares; or
- (ii) purchase, cancel or otherwise acquire any Shares or permit any of its Subsidiaries to do so,

in each case, unless or until the earlier of: (A) the Distribution scheduled to be paid on any subsequent Distribution Payment Date (which shall exclude any Distribution that has been cancelled in accordance with these Conditions prior to such subsequent Distribution Payment Date) has been paid in full (I) to the Securityholders or (II) irrevocably to a designated third party trust account for the benefit of the Securityholders pending payment by the trustee thereof to the Securityholders on such subsequent Distribution Payment Date, or (B) the redemption or purchase and cancellation of the Capital Securities in full, or the reduction of the principal amount of the Capital Securities to zero, or (C) the Issuer is permitted to do so by an Extraordinary Resolution.

(e) *No Default*

Notwithstanding any other provision in these Conditions, the cancellation or non-payment of any Distribution in accordance with this Condition 6B shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 11.2A) on the part of the Issuer.

6C **NON-VIABILITY LOSS ABSORPTION**

If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision by the Issuer of a Non-Viability Event Notice, irrevocably (without the need for the consent of the Securityholders of the Capital Securities) reduce the then outstanding

principal amount of, and cancel any accrued but unpaid Distribution in respect of, each Capital Security (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Capital Security (such reduction and cancellation, and the reduction and cancellation of any other Subordinated Capital Securities so reduced and cancelled upon the occurrence of a Non-Viability Event, where applicable, being referred to herein as the **"Write-off"**, and **"Written-off"** shall be construed accordingly).

Concurrently with the Issuer giving the Non-Viability Event Notice, unless otherwise directed by the Monetary Authority, the Issuer shall procure that a similar notice be given in respect of other loss absorbing regulatory capital instruments in accordance with their terms. Any failure or delay in giving a Non-Viability Event Notice in respect of the Capital Securities or a similar notice in respect of other loss absorbing regulatory capital instruments will not render the relevant Write-off invalid or affect such Write-off in any respect.

Any Write-off pursuant to this provision will not constitute an Event of Default under Condition 11.2A.

The Capital Securities may be subject to one or more Write-offs in part (as the case may be), except where the Capital Securities have been Written-off in its entirety. Any references in these Conditions to principal in respect of the Capital Securities shall thereafter refer to the outstanding principal amount of the Capital Securities reduced by any applicable Write-off(s).

Once the outstanding principal amount of, and any accrued but unpaid Distribution under, the Capital Securities has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Event ceases to continue. No Securityholder may exercise, claim or plead any right to any amount that has been Written-off, and each Securityholder shall, by virtue of his holding of any Capital Securities, be deemed to have waived all such rights to such amount that has been Written-off.

For the purposes of this Condition 6C:

"Loss Absorption Effective Date" means the date that will be specified as such in the applicable Non-Viability Event Notice as directed or approved by the Monetary Authority.

"Non-Viability Event" means the earlier of:

- (a) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; or
- (b) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

"Non-Viability Event Notice" means the notice referred to in this Condition 6C, which shall be given by the Issuer not more than two Hong Kong Business Days after the

occurrence of a Non-Viability Event, to the Securityholders of the Capital Securities, the Trustee and the Paying Agents, in accordance with Condition 15 and which shall state:

- (a) with reasonable detail the nature of the relevant Non-Viability Event;
- (b) the Non-Viability Event Write-off Amount for (i) each Capital Security and (ii) each other Subordinated Capital Security on the Loss Absorption Effective Date in accordance with its terms; and
- (c) the Loss Absorption Effective Date.

"Non-Viability Event Write-off Amount" means the amount of distribution, interest and/or principal to be Written-off as the Monetary Authority may direct or, in the absence of such a direction, as the Issuer shall (in consultation with the Monetary Authority) determine to be necessary to satisfy the Monetary Authority that the Non-Viability Event will cease to continue. For the avoidance of doubt (i) the Write-off will be effected in full in the event that the amount Written-off is not sufficient for the Non-Viability Event to cease to continue and (ii) in the case of an event falling within paragraph (b) of the definition of Non-Viability Event, the Write-off will be effected in full before any public sector injection of capital or equivalent support. Further, the Non-Viability Event Write-off Amount in respect of each Capital Security will be calculated based on a percentage of the outstanding principal amount of that Capital Security.

"Subordinated Capital Security" means any Junior Obligations, Parity Obligations or Tier 2 Capital Securities which contains provisions relating to a write-down or conversion into ordinary shares in respect of its outstanding principal amount on the occurrence, or as a result, of a Non-Viability Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

6D **HONG KONG RESOLUTION AUTHORITY POWER**

Notwithstanding any other term of the Capital Securities, including without limitation Condition 6C, or any other agreement or arrangement, each Securityholder and the Trustee shall be subject, and shall be deemed to agree, be bound by and acknowledge that they are each subject, to having the Capital Securities being written off, cancelled, converted or modified, or to having the form of the Capital Securities changed, in the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

- (a) the reduction or cancellation of all or a part of the outstanding principal amount of, or Distributions on, the Capital Securities;
- (b) the conversion of all or a part of the outstanding principal amount of, or Distributions on, the Capital Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Capital Securities; and

- (c) the amendment or alteration of the maturity of the Capital Securities or amendment or alteration of the amount of Distributions payable on the Capital Securities, or the date on which the Distributions become payable, including by suspending payment for a temporary period, or any other amendment or alteration of these Conditions.

With respect to (a), (b) and (c) above, references to principal and Distributions shall include payments of principal and Distributions that have become due and payable (including principal that has become due and payable), but which have not been paid, prior to the exercise of any Hong Kong Resolution Authority Power. The rights of the Securityholders and the Trustee under the Capital Securities and these Conditions are subject to, and will be amended and varied, if necessary, solely to give effect to, the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority.

No repayment of the outstanding principal amount of the Capital Securities or payment of Distributions on the Capital Securities shall become due and payable or be paid after the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer and the Group.

Upon the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Capital Securities, the Issuer shall provide a written notice not more than two Hong Kong Business Days after the occurrence of such exercise regarding such exercise of the Hong Kong Resolution Authority Power to the Securityholders in accordance with Condition 15.

Neither the reduction or cancellation, in part or in full, of the outstanding principal amount of, or Distributions on the Capital Securities, the conversion thereof into another share, security or obligation of the Issuer or another person, or any other amendment or alteration of these Conditions as a result of the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Issuer nor the exercise of the Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Capital Securities shall constitute an Event of Default under Condition 11.2A.

For the purposes of these Conditions:

"Group" means the Issuer and its Subsidiaries taken as a whole.

"Hong Kong Resolution Authority Power" means any power which may exist from time to time under the Ordinance or any other laws, regulations, rules or requirements relating to the resolution of financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Issuer or other members of the Group (including, for the avoidance of doubt, powers under Part 4 and Part 5 of the Ordinance) or any other laws, regulations, rules or requirements relating thereto, as the same may be amended from time to time (whether pursuant to the Ordinance or otherwise), and pursuant to which obligations of a licensed

bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified and/or converted into shares or other securities or obligations of the obligor or any other person.

"Ordinance" means the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong as amended, re-enacted or superseded from time to time.

"relevant Hong Kong Resolution Authority" means any authority with the ability to exercise a Hong Kong Resolution Authority Power in relation to the Issuer.

"Subsidiary" of the Issuer means any company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the Directors, (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer from time to time or (iv) whose affairs are for the time being required to be fully consolidated in the consolidated accounts of the Issuer.

7. **PAYMENTS**

7.1 **Method of payment**

Condition 7.1 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Payments in Renminbi will be made by credit or transfer to an account in Renminbi maintained by the payee with a bank in Hong Kong.

7.2 **Presentation of Definitive Bearer Notes, Receipts and Coupons**

Condition 7.2 of the Terms and Conditions of the Notes does not apply to the Capital Securities.

7.3 **Payments in respect of Bearer Global Notes**

Condition 7.3 of the Terms and Conditions of the Notes does not apply to the Capital Securities.

7.4 **Payments in respect of Definitive Registered Notes and Registered Global Note**

Condition 7.4 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Payments of principal in respect of each Definitive Registered Note and each Registered Global Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Registered Note or Registered Global Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Capital Security appearing in the register of holders of the Capital Securities in registered form maintained by the Registrar (the **"Register"**) (i) where in global form, at the close of the business day (being for this purpose,

a day on which the CMU is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means a bank in Hong Kong.

Payments of Distribution in respect of each Definitive Registered Note and each Registered Global Note will be made on the relevant due date to the Designated Account of the holder (or the first named of joint holders) of the Capital Security in registered form appearing in the Register (i) where in global form, at the close of the business day (being for this purpose, a day on which the CMU is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of Distribution in respect of a Capital Security in registered form, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of Distribution (other than Distribution due on redemption) in respect of the Capital Securities in registered form which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Distribution due in respect of each Capital Security in registered form on redemption will be made in the same manner as payment of the principal amount of such Capital Security.

No commissions or expenses shall be charged to such holder by the Registrar in respect of any payments of principal or Distribution in respect of the Capital Securities in registered form.

None of the Issuer, the Trustee or the Agents 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 Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 **General Provisions Applicable to Payments**

Condition 7.5 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

For so long as any of the Capital Security is represented by the Registered Global Note, the CMU Lodging Agent will make payments to the CMU which will make payments to each person for whose account(s) a relevant interest in the Registered Global Note is credited as being held with the CMU (each, a "**CMU participant**") who is at the close of business on the business day (being for this purpose, a day on which the CMU is open for business) immediately prior to the date of payment shown in the records of the CMU as the holder of a particular principal amount of Capital Security (each, an "**accountholder**"). 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, and the Trustee, the CMU Lodging Agent and the other Agents shall have no liability to the holders of the Capital Securities, the Issuer, the CMU participants, the indirect participants or any other person in respect of any such payment. Save in the case of final payment, no presentation of the Registered Global Note shall be required for such purpose.

7.6 **Payment Day**

Condition 7.6 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

If the date for payment of any amount in respect of any Capital Security is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further Distribution or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10) is:

- (a) (in the case of the Capital Securities in definitive form only) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits and settlement of Renminbi payment) in the relevant place of presentation;
- (b) (in the case of where the Capital Securities are lodged with the CMU), the CMU is operating; and
- (c) a day on which commercial banks settle Renminbi payments in Hong Kong.

7.7 **Interpretation of Principal and Interest**

Condition 7.7 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

7.8 **Payments Subject to Fiscal and Other Laws**

Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 9, in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

8. REDEMPTION AND PURCHASE

8.1 Redemption at Maturity

Condition 8.1 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 8.1A shall be inserted after Condition 8.1:

8.1A No Fixed Redemption Date

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date. The Capital Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 8.

8.2 Redemption for Tax Reasons

Condition 8.2 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Subject to Condition 8.12A, the Capital Securities then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the CMU Lodging Agent and, in accordance with Condition 15, the Securityholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that (a) on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which an agreement is reached to issue the Capital Securities and such change or amendment was not foreseeable at the time of such agreement and (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a "**Withholding Tax Event**"); **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Capital Securities then due.

Prior to giving any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Distribution Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) a copy of the written consent of the Monetary Authority as referred to in Condition 8.12A; and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

The Capital Securities redeemed pursuant to this Condition 8.2 will be redeemed at their outstanding principal amount together (if appropriate) with Distributions accrued to (but

excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C.

The following Condition 8.2A shall be inserted after Condition 8.2:

8.2A **Redemption for Tax Deduction Reasons**

Subject to Condition 8.12A, the Capital Securities then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the CMU Lodging Agent and the Registrar, and, in accordance with Condition 15, the Securityholders (which notice shall be irrevocable, subject to Condition 6C, and shall specify the date fixed for redemption), following the occurrence of a Tax Deduction Event.

For the purposes of this Condition 8.2A, a Tax Deduction Event occurs if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) in respect of the Distribution payable on the Capital Securities, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Hong Kong or any political subdivision or any authority thereof or therein having power to tax as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which an agreement is reached to issue the Capital Securities and such change or amendment was not foreseeable at the time of such agreement; and
- (b) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it, **provided that:** (i) the Conditions for Redemption set out in Condition 8.12A have been satisfied and (ii) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would cease to be able to claim a tax deduction in respect of the Distribution payable on the Capital Securities as provided in paragraph (a) above as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which an agreement is reached to issue the Capital Securities.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2A, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that: (1) the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it and (ii) a copy of the written consent of the Monetary Authority as referred to in Condition 8.12A and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

The Capital Securities redeemed pursuant to this Condition 8.2A will be redeemed at their outstanding principal amount together (if appropriate) with Distributions accrued to (but excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C.

8.3 **Redemption of the Undated and/or Dated Subordinated Notes for Regulatory Reasons**

Condition 8.3 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 8.3A shall be inserted after Condition 8.3:

8.3A **Redemption of the Capital Securities for Regulatory Reasons**

Subject to Condition 8.12A, the Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee and the CMU Lodging Agent and, in accordance with Condition 15, the Securityholders (which notice shall be irrevocable) following the occurrence of a Capital Event.

For the purposes of this Condition 8.3A, a "**Capital Event**" occurs if the Issuer satisfies the Trustee immediately before the giving of the notice of redemption referred in this Condition 8.3A that the Capital Securities, after having qualified as such, will no longer qualify (in whole or in part) as Additional Tier 1 capital (or equivalent) of the Issuer as a result of amendments to the relevant provisions of the Banking Ordinance (Cap. 155) of Hong Kong, the Capital Regulations, or any successor legislation, or any statutory guidelines issued by the Monetary Authority in relation thereto and such change or amendment was not foreseeable at the time of the issuance of the Capital Securities, after the Issue Date (excluding for the avoidance of doubt, non-qualification solely by virtue of the Issuer already having on issue securities with an aggregate principal amount up to or in excess of the limit of Additional Tier 1 capital (or equivalent) as permitted from time to time by the Monetary Authority) **provided, however, that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which it is determined that a Capital Event has occurred.

Prior to giving any notice of redemption pursuant to this Condition 8.3A, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and (ii) a copy of the written consent of the Monetary Authority; and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

The Capital Securities redeemed pursuant to this Condition 8.3A will be redeemed at their outstanding principal amount together (if appropriate) with Distributions accrued to (but excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C.

8.4 **Redemption at the Option of the Issuer (Issuer Call)**

Condition 8.4 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Subject to Condition 8.12A, the Issuer may, having given:

- (a) not less than 15 nor more than 45 days' notice to the Securityholders in accordance with Condition 15; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and the CMU Lodging Agent and the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Capital Securities then outstanding on the First Call Date or any Distribution Payment Date thereafter, at their outstanding principal amount together (if appropriate) with Distributions accrued to (but excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C.

For the avoidance of doubt, the Issuer does not provide any undertaking that it will call the Capital Securities at any time.

8.5 **Redemption at the option of the Noteholders other than holders of Undated Subordinated Notes (Investor Put)**

Condition 8.5 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.6 **Early Redemption Amounts**

Condition 8.6 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.7 **Instalments**

Condition 8.7 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.8 **Partly Paid Notes**

Condition 8.8 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.9 **Purchases**

Condition 8.9 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.10 **Cancellation**

Condition 8.10 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.11 **Late payment on Zero Coupon Notes**

Condition 8.11 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

8.12 **Conditions for Redemption and Purchase in respect of Subordinated Notes**

Condition 8.12 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 8.12A shall be inserted after Condition 8.12:

8.12A **Conditions for Redemption and Purchase in respect of the Capital Securities**

Notwithstanding any other provision in these Conditions, the Issuer shall not redeem any of the Capital Securities (other than pursuant to Condition 11.2A) and the Issuer or any of its Subsidiaries shall not purchase any of the Capital Securities unless the prior written consent of the Monetary Authority thereto shall have been obtained to the extent such prior written consent is required under the Banking Ordinance (Cap. 155) of Hong Kong, the Capital Regulations (including any successor legislation or regulations made thereunder), or any supervisory guidance issued by the Monetary Authority in relation thereto.

For the avoidance of doubt, this provision shall not apply to the Issuer or any of its Subsidiaries holding the Capital Securities in a purely nominee capacity.

9. **TAXATION**

Condition 9 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

All payments of principal and Distribution in respect of the Capital Securities by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Capital Securities after such withholding or deduction shall equal the respective amounts of principal and Distribution which would otherwise have been receivable in respect of the Capital Securities in the absence of the withholding or deduction; except that no such additional amounts shall be payable with respect to any Capital Security:

- (a) to, or to a person on behalf of, a holder who is liable to the Taxes in respect of such Capital Security by reason of his having some connection with Hong Kong other than the mere holding of such Capital Security; or

- (b) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Day (as defined in Condition 7.6).

As used in these Conditions, "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the CMU Lodging Agent, the Trustee or the Registrar on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect is duly given to the Securityholders by the Issuer in accordance with Condition 15.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Securityholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction.

10. **PRESCRIPTION**

Condition 10 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Claims against the Issuer for payment in respect of the Capital Securities will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of Distribution) after the Relevant Date (as defined in Condition 9) therefor.

11. **EVENTS OF DEFAULT AND ENFORCEMENT**

11.1 **Events of Default relating to Senior Notes**

Condition 11.1 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

11.2 **Events of Default relating to Subordinated Notes**

Condition 11.2 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 11.2A shall be inserted after Condition 11.2:

11.2A **Events of Default and Winding-Up Proceedings**

If default is made in the payment of any amount of principal or Distribution in respect of the Capital Securities on the due date for payment thereof and such failure continues for a period of seven days in the case of principal or 14 days in the case of Distribution (each, an "**Event of Default**") then in order to enforce the obligations of the Issuer, the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Capital Securities or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall (subject to the Trustee having been indemnified and/or provided with security and/or put in funds to its satisfaction) institute

a Winding-Up Proceeding against the Issuer. For the avoidance of doubt, no Distribution will be due and payable if such Distribution has been cancelled or is deemed cancelled (in each case, in whole or in part) in accordance with these Conditions. Accordingly, no default in payment under the Capital Securities will have occurred or be deemed to have occurred for the non-payment of any Distribution that has been so cancelled or deemed cancelled.

If an order is made or an effective resolution is passed for the Winding-Up of the Issuer (whether or not an Event of Default has occurred and is continuing) then the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Capital Securities or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or put in funds to its satisfaction) give written notice to the Issuer declaring the Capital Securities to be immediately due and payable, whereupon they shall become immediately due and payable at their outstanding principal amount together (if appropriate) with Distributions accrued to (but excluding) the date of actual payment, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C, without further action or formality.

In these Conditions:

"Winding-Up Proceedings" shall mean, with respect to the Issuer, proceedings in Hong Kong in respect of the Issuer for the liquidation, winding-up or other similar proceeding of the Issuer.

11.3 **Enforcement**

Condition 11.3 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

- (a) Without prejudice to Condition 11.2A, the Trustee may at any time and if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Capital Securities binding on it under these Conditions or the Trust Deed (other than any obligation of the Issuer for the payment of any principal or Distributions in respect of the Capital Securities), subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision **provided that** the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or Distributions in respect of the Capital Securities sooner than the same would otherwise have been payable by it.
- (b) The Trustee shall not be bound to take action as referred to in Conditions 11.2A and 11.3(a) or any other action under these Conditions or the Trust Deed unless (i) it shall have been so requested in writing by Securityholders holding at least 25 per cent. in principal amount of the Capital Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders and (ii) it shall have been indemnified and/or secured and/or put in funds to its satisfaction. No Securityholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

- (c) Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 11.2A and Conditions 11.3(a) and (b) above or submitting a claim in the Winding-Up of the Issuer will be available to the Trustee or the Securityholders.
- (d) No Securityholder shall be entitled either to institute proceedings for the Winding-Up of the Issuer or to submit a claim in such Winding-Up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such Winding-Up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such Securityholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute Winding-Up Proceedings and/or submit a claim in the Winding-Up of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled to do.

12. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Condition 12 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 12A shall be inserted after Condition 12:

12A **REPLACEMENT OF THE CAPITAL SECURITIES**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or the Transfer Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. **PRINCIPAL PAYING AGENT, CMU LODGING AGENT, REGISTRAR, PAYING AND TRANSFER AGENTS**

Condition 13 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

The names of the initial Principal Paying Agent, CMU Lodging Agent, the other initial Paying Agents, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out in the Agency Agreement.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Registrars or Transfer Agents and/or approve any change in the specified office through any of the same acts, **provided that:**

- (a) there will at all times be a Principal Paying Agent, a CMU Lodging Agent and a Registrar; and
- (b) so long as the Capital Securities are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Registrar and

Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Securityholders in accordance with Condition 15.

In acting under the Agency Agreement, the CMU Lodging Agent, the Paying Agents, the Registrar or the Transfer Agent act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency with, any Securityholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

Condition 14 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

15. NOTICES

Condition 15 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

All notices regarding the Capital Securities will be deemed to be validly given if (a) sent by first class mail or (if posted to an address overseas) by airmail to the Securityholders (or the first named of joint Securityholders) at their respective addresses recorded in the Register and will be deemed to have been given on the third day after mailing and (b) if and for so long as the Capital Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Capital Securities are issued, there may, so long as any Registered Global Notes representing the Capital Securities are held in their entirety on behalf of the CMU, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to the CMU for communication by it to the Securityholders of the Capital Securities and, in addition, for so long as any Capital Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Securityholder of the Capital Securities on the first day after the day on which the said notice was given to the CMU.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any Capital Security in definitive form) with the relative Capital Security or Capital Securities, with the CMU Lodging Agent (in the case if Capital Securities in bearer form) or the Registrar (in the case of Capital Securities in registered

form). Whilst any of the Capital Securities are represented by a Registered Global Note, such notice may be given by any Securityholder of a Capital Security by delivery by such Securityholder of such notice to the CMU Lodging Agent in Hong Kong, in such manner as the CMU Lodging Agent and the CMU may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND CONSOLIDATIONS

Condition 16 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

The following Condition 16A shall be inserted after Condition 16:

16A MEETINGS OF SECURITYHOLDERS, MODIFICATIONS AND CONSOLIDATIONS

16A.1 Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Capital Securities or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or Securityholders holding not less than 10 per cent. in nominal amount of the Capital Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Securityholders whatever the nominal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities or the Trust Deed (including modifying or any date for payment of Distribution thereon, reducing or cancelling the amount of principal or Distribution Rate in respect of the Capital Securities or altering the currency of payment of the Capital Securities) the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Capital Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Capital Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting.

16A.2 Modifications and Waivers

The Trustee may agree, without the consent of the Securityholders to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Capital Securities or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Notification Event (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Securityholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of law. Any such modification shall be binding

on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 15 as soon as practicable thereafter.

16A.3 Consolidation, Merger and Sale of Assets

The Issuer shall not consolidate with or merge into any other company or entity, and the Issuer may not, directly or indirectly, sell, convey, transfer or lease all or substantially all of its properties and assets to any company or other entity unless:

- (a) the company or other entity formed by or surviving such consolidation or merger or the person, company or other entity which acquires by conveyance or transfer, or which leases, all or substantially all of the properties and assets of the Issuer shall expressly assume by way of a supplemental trust deed the due and punctual payment of the principal of, and Distribution on, the Capital Securities and the performance of the Capital Securities, the Trust Deed and the Agency Agreement on the part of the Issuer to be performed or observed;
- (b) immediately after giving effect to such transaction, no Event of Default with respect to the Capital Securities, and no event, which after notice or lapse of time, or both, would become an Event of Default with respect to the Capital Securities, shall have happened and be continuing;
- (c) the Issuer has delivered to the Trustee (in form and substance satisfactory to the Trustee) (i) a certificate signed by two Directors of the Issuer and (ii) an opinion of independent legal advisers of recognised standing (acceptable to the Trustee) stating that such consolidation, merger, conveyance, transfer or lease and any such supplemental trust deed comply with this Condition 16A.3 and that all conditions precedent relating to such transaction have been complied with; and
- (d) immediately after giving effect to such consolidation, amalgamation or merger of the Issuer, no internationally recognised rating agency has in respect of the Capital Securities, issued any notice downgrading its credit rating for such Capital Securities or indicating that it intends to downgrade its credit rating for such Capital Securities.

16A.4 Exercise of Trustee's Powers etc

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Securityholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Securityholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences

of any such exercise upon individual Securityholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

17. SUBSTITUTION

Condition 17 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

18. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

18.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or put in funds to its satisfaction.

18.2 Trustee Contracting with the Issuer

Condition 18.2 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the Securityholders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

19. FURTHER ISSUES

Condition 19 of the Terms and Conditions of the Notes as set out in the Offering Circular does not apply to the Capital Securities.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Condition 20 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

No person shall have any right to enforce any term or condition of this Capital Security under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

21.1 **Governing law**

Condition 21.1 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

The Trust Deed, the Capital Securities, and any non-contractual obligations arising out of or in connection with the Trust Deed, the Capital Securities are governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in Condition 3.3(a) and the first paragraph of Clause 7.2 of the Principal Trust Deed shall be governed by, and construed in accordance with, the laws of Hong Kong.

21.2 **Submission to Jurisdiction**

Condition 21.2 of the Terms and Conditions of the Notes as set out in the Offering Circular is deemed to be deleted in its entirety and replaced with the following:

- (a) Subject to Condition 21.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Capital Securities, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Capital Securities (a "**Dispute**") and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 21.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 21.2(c) is for the benefit of the Trustee, the Securityholders only. To the extent allowed by law, the Trustee, the Securityholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

21.3 **Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its specified office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SCHEDULE 2

INVESTMENT CONSIDERATIONS

Prospective investors should carefully take into account the following considerations, in addition to the other information contained in this Pricing Supplement and the Offering Circular, before investing in the Capital Securities. Attention is drawn particularly to the information under the section "Investment Considerations" of the Offering Circular, which is hereby supplemented by, and must be read in conjunction with, the additional considerations set out below. The occurrence of one or more events described below and in the section "Investment Considerations" of the Offering Circular could have an adverse effect on the Group's business, financial condition or results of operations, and could affect the Bank's ability to make payments of principal, premium and/or distribution (if any) under the Capital Securities. Save as otherwise defined in this Pricing Supplement, terms defined in the Offering Circular have the same meaning when used in this Schedule 2.

THE CAPITAL SECURITIES ARE OFFERED TO PROFESSIONAL INVESTORS ONLY. INVESTING IN THE CAPITAL SECURITIES INVOLVES RISKS. INVESTORS SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERTISE TO EVALUATE THE EFFECT OR THE LIKELIHOOD OF THE OCCURRENCE OF NON-VIABILITY EVENT FOR THE CAPITAL SECURITIES WHICH FEATURE LOSS ABSORPTION.

Considerations relating to the Capital Securities

The Capital Securities may not be a suitable investment for all investors.

The Capital Securities are complex and high risk. Each potential investor in the Capital Securities 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 Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in the Offering Circular or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities 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 Capital Securities, including where the currency for principal or Distribution payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Capital Securities and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The treatment of the Capital Securities, including in respect of tax, remains unclear. A potential investor should not invest in the Capital Securities unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Capital Securities will perform under changing

conditions, including the effects of inflation, the resulting effects on the value of the Capital Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The Capital Securities are perpetual securities and investors have no right to require redemption.

The Capital Securities are perpetual and have no maturity date. Securityholders have no ability to require the Issuer to redeem their Capital Securities whereas the Issuer can redeem the Capital Securities in certain circumstances as described in the Terms and Conditions of the Capital Securities. However, the Issuer is under no obligation to redeem the Capital Securities at any time. The ability of the Issuer to redeem Capital Securities is subject to the Issuer (a) obtaining the prior written consent of the Monetary Authority (if then required) to the redemption, and (b) satisfying any conditions that the Monetary Authority may impose at that time.

This means that Securityholders have no ability to cash in their investment, except if the Issuer exercises its right to redeem the Capital Securities or by selling their Capital Securities. However, there can be no guarantee that the Issuer will be able to meet the conditions for redemption of the Capital Securities. Securityholders who wish to sell their Capital Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Capital Securities.

In addition, upon the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Capital Event, the Capital Securities may be redeemed at the relevant redemption amount, as more particularly described in the Terms and Conditions of the Capital Securities. Also, if any Non-Viability Event occurs, as more fully described in "*– The terms of the Capital Securities contain non-viability loss absorption and bail-in provisions*", Securityholders may lose up to the full principal amount of the Capital Securities.

There can be no assurance that Securityholders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities.

The Capital Securities may be redeemed at the Issuer's option on the First Call Date and every six months thereafter or on the occurrence of certain other events.

The Capital Securities are redeemable at the option of the Issuer on the First Call Date and on any Distribution Payment Date thereafter at their outstanding principal amount together (if appropriate) with Distributions accrued to (but excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 6C of the Terms and Conditions of the Capital Securities. Additionally, the Capital Securities are redeemable at the option of the Issuer following the occurrence of an Withholding Tax Event, a Tax Deduction Event or a Capital Event, as further described in the Terms and Conditions of the Capital Securities.

However, prior to any such redemption, the Issuer must obtain the prior written consent of the Monetary Authority to the extent such consent is then required, as further described in Condition 8.12A of the Terms and Conditions of the Capital Securities.

The date on which the Issuer elects to redeem the Capital Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to the Securityholders in

light of market conditions or the individual circumstances of the Securityholders of the Capital Securities. There can be no assurance that Securityholders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities.

The Issuer's obligations under the Capital Securities are subordinated.

The Issuer's obligations under the Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer which rank *pari passu* with Parity Obligations. Subject, *inter alia*, as discussed under "*– The terms of the Capital Securities contain non-viability loss absorption and bail-in provisions*", to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up of the Issuer (other than pursuant to a Permitted Reorganisation), the rights of the Securityholders to payment of principal and Distributions on the Capital Securities and any other obligations in respect of the Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of such senior creditors as set out in Condition 3.3 of the Terms and Conditions of the Capital Securities and will rank senior to all Junior Obligations. In the event of a shortfall of funds on a Winding-Up, there is a risk that an investor in the Capital Securities will lose all or part of its investment and will not receive a full return of the principal amount or any unpaid amounts due under the Capital Securities. The Capital Securities also do not limit the Issuer's ability or the ability of any entity in the Group to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Capital Securities.

The terms of the Capital Securities contain non-viability loss absorption and bail-in provisions.

Under the Terms and Conditions of the Capital Securities, a Non-Viability Event occurs when the Monetary Authority notifies the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; or that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

The Terms and Conditions of the Capital Securities also provide that each Securityholder and the Trustee shall be subject, and deemed to agree that the relevant Hong Kong Resolution Authority (as defined in the Terms and Conditions of the Capital Securities) can exercise the Hong Kong Resolution Authority Power (as defined in the Terms and Conditions of the Capital Securities) in relation to the Capital Securities. The Hong Kong Resolution Authority Power allows the relevant Hong Kong Resolution Authority to among other things, take the following actions in relation to the Capital Securities (commonly known as "bail-in"):

- (a) cancel all or a part of the outstanding principal amount of, or Distributions on, the Capital Securities;
- (b) modify or change the form of the Capital Securities;
- (c) suspend the operation of the Terms and Conditions of the Capital Securities or deem payments of principal or Distributions to have been made in relation to the Capital Securities when no payments of principal or Distributions have been made; and

- (d) order anything else the relevant Hong Kong Resolution Authority considers appropriate in consequence of exercising the Hong Kong Resolution Authority Power.

If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision of a Non-Viability Event Notice (which shall be given by the Issuer not more than two Hong Kong Business Days after the occurrence of the Non-Viability Event), irrevocably reduce the then outstanding principal amount of, and cancel any accrued but unpaid Distribution in respect of, each Capital Security (in each case in whole or in part). If the Hong Kong Resolution Authority Power is exercised by the relevant Hong Kong Resolution Authority, the provisions detailed in the instrument by which the relevant Hong Kong Resolution Authority exercises the Hong Kong Resolution Authority Power (the "**Hong Kong Resolution Authority Power Instrument**") shall apply to the Capital Securities. Although the Issuer has agreed to notify the clearing systems and the Securityholders following the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, there will be a delay between a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power and the time that the clearing systems and the Securityholders via the clearing systems are notified of the occurrence of the relevant event through their clearing systems accounts or otherwise. Such delay may exceed several days during which trading and settlement in the Capital Securities may continue. Any such delay will not change or delay the effect of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power on the obligations of the Issuer under the Capital Securities or on the rights of the Securityholders. See Conditions 6C and 6D of the Terms and Conditions of the Capital Securities. The notification of a Non-Viability Event is at the discretion of the Monetary Authority and the exercise of the Hong Kong Resolution Authority Power is at the discretion of the relevant Hong Kong Resolution Authority and both beyond the control of the Issuer. The circumstances in which such discretion is exercised are not limited and may include concerns about the Issuer's capital, funding and/or liquidity levels.

Securityholders should note that any amount that is written down upon the occurrence of a Non-Viability Event in accordance with the Terms and Conditions of the Capital Securities or is subject to the demise of the Hong Kong Resolution Authority Power is permanent and will not be restored under any circumstances, even if the relevant Non-Viability Event or exercise of the Hong Kong Resolution Authority Power has ceased. In addition, a Non-Viability Event or exercise of the Hong Kong Resolution Authority Power may occur on more than one occasion and each Capital Security may be written down on more than one occasion. As the Distribution Rate is calculated on the basis of the principal amount as adjusted following the occurrence of a Non-Viability Event or as provided for in the relevant Hong Kong Resolution Authority Power Instrument, in the event that such principal amount is permanently reduced by the relevant Write-off or exercise of the Hong Kong Resolution Authority Power, Securityholders will receive less Distributions on their Capital Securities. In addition, upon the occurrence of a Non-Viability Event or exercise of the Hong Kong Resolution Authority Power, Securityholders could risk losing up to the full principal amount of the Capital Securities, as well as the cancellation of any accrued (and unpaid) Distributions, without receiving any compensation for such loss or cancellation. See "*Regulation and Supervision – The Hong Kong "Resolution Regime"*" of the Offering Circular.

The occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may be inherently unpredictable and may depend on a number of factors which may be outside of the Group's control.

The occurrence of a Non-Viability Event is dependent on a determination by the Monetary Authority:

- (a) that a Write-off or conversion is necessary, without which the Issuer would become non-viable;
or
- (b) that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

The exercise of the Hong Kong Resolution Authority Power is dependent on the terms of the Hong Kong Resolution Authority Power Instrument. As a result, the Monetary Authority may require or may cause a Write-off or the relevant Hong Kong Resolution Authority may exercise the Hong Kong Resolution Authority Power in circumstances that are beyond the control of the Bank and the Group and with which neither the Bank nor the Group agree. Due to the inherent uncertainty regarding the determination of whether a Non-Viability Event exists or whether the Hong Kong Resolution Authority Power will be exercised, it will be difficult to predict when, if at all, a Write-off or the exercise of the Hong Kong Resolution Authority Power in relation to the Capital Securities will occur. Accordingly, the trading behaviour in respect of the Capital Securities is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Bank is trending towards a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power could have a material adverse effect on the market price of the Capital Securities.

Potential investors should consider the risk that a holder of the Capital Securities may lose all of their investment in the Capital Securities, including the principal amount plus any accrued but unpaid Distribution, in the event that a Non-Viability Event occurs or the Hong Kong Resolution Authority Power is exercised.

There is no assurance that any contractual provisions with non-viability loss absorption features, to the extent applicable, will be sufficient to satisfy the requirements based on regulatory capital standards published by the Basel Committee (including but not limited to Basel III) that the Monetary Authority may implement in the future. There is a risk that the Monetary Authority may deviate from the Basel III standards by implementing reforms which differ from those envisaged by the Basel Committee.

The Capital Securities may be subject to a full or partial Write-off.

Investors may lose all of their investment in any Capital Securities upon the occurrence of a Non-Viability Event, which will lead to a full or partial Write-off. Investors may lose all of their investment in the Capital Securities as a result of the cancellation or modification of the Capital Securities pursuant to the exercise of the Hong Kong Resolution Authority Power. Upon the occurrence of a Write-off or so specified in the Hong Kong Resolution Authority Power Instrument, the principal amount and any accrued but unpaid Distribution of such Capital Securities will automatically be written down and if there is a full Write-off the principal amount and any accrued but unpaid Distribution may be written down completely and such Capital Securities will be automatically cancelled.

In addition, the subordination and set off provisions set out in Condition 3.3 of the Terms and Conditions of the Capital Securities are effective only upon the occurrence of any winding-up proceedings of the Bank. In the event that a Non-Viability Event occurs the rights of holders of Capital Securities shall be subject to Conditions 6A, 6B, 6C and 6D of the Terms and Conditions of the Capital Securities. In the event that the Hong Kong Resolution Authority Power is exercised, the rights of the holders of the Capital Securities shall be subject to the provisions in the Hong Kong Resolution Authority Power Instrument. The occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may not result in the same outcome for Securityholders as would otherwise occur under Condition 3.3 of the Terms and Conditions of the Capital Securities upon the occurrence of any winding-up proceedings of the Bank.

Furthermore, upon the occurrence of a Write-off of any Capital Securities or if specified in the Hong Kong Resolution Authority Power Instrument, Distribution will cease to accrue and all Distribution amounts that were not due and payable prior to the Write-off or as specified in the Hong Kong Resolution Authority Power Instrument shall become null and void. Consequently, Securityholders will not be entitled to receive any Distribution that has accrued on such Capital Securities from (and including) the last Distribution Payment Date falling on or prior to the Non-Viability Event Notice or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument. Upon the occurrence of a Write-off or if specified in the Hong Kong Resolution Authority Power Instrument, no Securityholder may exercise, claim or plead any right to any such amounts written off, and each Securityholder shall be deemed to have waived all such rights to such amounts.

Any such Write-off or exercise of the Hong Kong Resolution Authority Power will be irrevocable and the Securityholders will, upon the occurrence of a Write-off or if specified in the Hong Kong Resolution Authority Power Instrument, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank or any other member of the Group, or be entitled to any subsequent write-up or any other compensation in the event of a potential recovery of the Bank or the Group.

Transfers scheduled to settle through the CMU are expected to be rejected if the scheduled settlement is after any suspension by the CMU of clearance and settlement of the Capital Securities in connection with a Non-Viability Event Notice or the exercise of the Hong Kong Resolution Authority Power. Furthermore, because of the delay between the time when a Non-Viability Event occurs or the Hong Kong Resolution Authority Power is exercised and when the CMU receive and process the Non-Viability Event Notice or the notice that the Hong Kong Resolution Authority Power has been exercised, it is possible that transfers may either (i) fail to settle through the CMU even though such transfers were initiated prior to the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument or (ii) are settled through the CMU even though such transfers were initiated after the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument.

The CMU is expected to suspend all clearance and settlement of transfers of the Capital Securities by Securityholders after receipt of a Non-Viability Event Notice or as specified in the Hong Kong Resolution Authority Power Instrument, and any transfer of the Capital Securities that is scheduled to settle after commencement of such suspension is expected to be rejected by the CMU and will not be settled within the CMU.

Although a Non-Viability Event Notice or notice of the exercise of the Hong Kong Resolution Authority Power will be sent by the Issuer to the CMU and the Securityholders via the CMU after

the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, the records of the CMU will not be immediately updated to reflect the Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, and a period of time, which may exceed several days, will be required before the clearance and settlement of transfers of the Capital Securities through the CMU are suspended. Due to such delay, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date after the CMU commence such suspension will fail to settle through the CMU even though such transfers were initiated prior to the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument. In such circumstances, transferors of the Capital Securities would not receive any consideration through the CMU in respect of such intended transfer because the CMU will not settle such transfer after commencement of such suspension. Similarly, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date before the CMU commence such suspension will be settled through the CMU even though such transfers were initiated after the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument. In such circumstances, transferees of the Capital Securities may be required to pay consideration through the CMU even though, upon the occurrence of a Non-Viability Event or if specified in the Hong Kong Resolution Authority Power Instrument, no amounts under the Capital Securities will thereafter become due, and such transferees will have no rights whatsoever under the Trust Deed or the Capital Securities to take any action or enforce any rights or instruct the Trustee to take any action or enforce any rights whatsoever against the Bank, regardless of whether they have received actual or constructive notice of such fact. The settlement of the Capital Securities following a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power will be subject to procedures of the CMU that are in place at such time.

Neither the application of a non-viability loss absorption feature similar to Condition 6C of the Terms and Conditions of the Capital Securities, nor the exercise of the Hong Kong Resolution Authority Power as set out in Condition 6D of the Terms and Conditions of the Capital Securities has been tested in Hong Kong and some degree of uncertainty may exist in its application.

Payments of Distribution are discretionary and Distributions are non-cumulative.

Payment of Distributions on any Distribution Payment Date is at the sole discretion of the Issuer. Subject to the Terms and Conditions of the Capital Securities, the Issuer may elect to or, in certain cases, be required to cancel any Distribution on any Distribution Payment Date. The Issuer may make such election for any reason. In addition, the Issuer will not be obliged to pay, and will not pay, any Distribution upon the occurrence of a Mandatory Distribution Cancellation Event or an Optional Distribution Cancellation Event. Cancelled Distributions will not be reinstated and will not constitute an Event of Default.

In addition, Distributions would only be paid out of such amounts for the time being available to the Issuer for distribution in compliance with section 297 of the Companies Ordinance (Cap. 622) of Hong Kong as at the Issuer's latest audited balance sheet, and subject to certain capital conservation requirements as applicable to the Issuer. As at the date of this Pricing Supplement, pursuant to section 297(1) of the Companies Ordinance (Cap. 622) of Hong Kong, the Issuer may only make a distribution out of profits available for distribution. For the purposes of section 297 of the Companies Ordinance (Cap. 622) of Hong Kong, the Issuer's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital.

Any Distributions which are not paid on the applicable Distribution Payment Date following a Mandatory Distribution Cancellation Event, an Optional Distribution Cancellation Event or a Write-off shall not accumulate or be payable at any time thereafter, whether or not funds are or subsequently become available. Securityholders will have no right thereto whether in a bankruptcy or dissolution as a result of the insolvency of the Issuer or otherwise. Therefore, any Distributions not paid following a Mandatory Distribution Cancellation Event, an Optional Distribution Cancellation Event or a Write-off will be lost and the Issuer will have no obligation to make payment of such Distributions or to pay interest thereon.

If Distributions are not paid for whatever reason, the Capital Securities may trade at a lower price. If a Securityholder sells his Capital Securities during such a period, he may not receive the same return on investment as a Securityholder who continues to hold his Capital Securities until Distributions are resumed.

There are limited remedies for non-payment under the Capital Securities.

Any scheduled Distribution will not be due if the Issuer elects not to pay that Distribution pursuant to the Terms and Conditions of the Capital Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment of principal or any Distributions on any of the Capital Securities has become due and such failure continues for a period of seven days in the case of principal or 14 days in the case of Distribution; or where an order is made or an effective resolution passed for the Winding-Up or dissolution of the Issuer. The only remedy against the Issuer available to any Securityholders for recovery of amounts in respect of the Capital Securities following the occurrence of a payment default after any sum becomes due in respect of the Capital Securities will be instituting winding-up proceedings and/or proving and/or claiming in winding-up in respect of any of the Issuer's payment obligations arising from the Capital Securities. In such a winding-up, the claims of the Securityholder will be subordinated and subject in right of payment to the prior payment in full of all claims of such senior creditors as set out in Condition 3.3 of the Terms and Conditions of the Capital Securities.

The Trustee may request that Securityholders provide indemnity to its satisfaction.

In certain circumstances (including, without limitation, as referred to in Condition 11.2A and Condition 11.3 of the Terms and Conditions of the Capital Securities), the Trustee may request the Securityholders to provide indemnity and/or security and/or funds to its satisfaction before it takes action on behalf of the Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or provided with security and/or put in funds to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or funds can be a lengthy process and may impact on when such action can be taken. The Trustee may not be able to take actions notwithstanding the provision of indemnity and/or security and/or funds to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Capital Securities.

The Issuer may raise other capital which affects the price of the Capital Securities.

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Capital Securities, and there is no restriction on the Issuer issuing securities with or without Non-Viability Loss Absorption provisions (whether or not such provisions are similar to those of the Capital Securities). The issue

of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a dissolution or winding-up and/or may increase the likelihood of a cancellation of Distributions under the Capital Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Capital Securities and/or the ability of Securityholders to sell their Capital Securities.

The operation of the resolution regime in Hong Kong may override the contractual terms of the Capital Securities.

In Hong Kong, the FIRO became effective on 7 July 2017. The Monetary Authority is the relevant Hong Kong Resolution Authority in relation to banking sector entities in Hong Kong, such as the Bank. The Monetary Authority's powers under FIRO include, but are not limited to, powers to write off or convert all or a part of the principal amount of, or Distribution on, the Capital Securities, and powers to amend or alter the contractual provisions of the Capital Securities. Whilst the FIRO sets out a framework of the resolution regime in Hong Kong, much of the detail is to be legislated through secondary legislation and supporting rules, and as such the impact of it on the Capital Securities cannot currently be fully accurately assessed. See "*Regulation and Supervision – The Hong Kong "Resolution Regime"*" of the Offering Circular.

The operation of the resolution regime in Hong Kong may affect the rights of the Securityholders and could result in the Securityholders losing their rights in relation to accrued and future Distribution without compensation. See "*– The Capital Securities contain non-viability loss absorption and bail-in provisions*".