



**招商永隆銀行**  
CMB WING LUNG BANK

**USD400,000,000 undated non-cumulative subordinated  
additional tier 1 capital securities  
(Issued on 24 Jan 2019)**

**美元 400,000,000 元永續型非累積後償額外一級資本證券  
(二〇一九年一月二十四日發行)**



**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2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "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 PRIIPs Regulation.

**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**SF (CMP) Regulations**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Capital Securities are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKSE**") and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, the "**Professional Investors**") only. **Investors should not purchase the Capital Securities in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Capital Securities are only suitable for Professional Investors.**

**HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Capital Securities on HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Capital Securities or the Issuer or quality of disclosure in this document.** Hong Kong Exchanges and Clearing Limited and HKSE 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 together with the Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Issuer. The Issuer accepts full responsibility for 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.

**CMB WING LUNG BANK LIMITED**

Issue of U.S.\$400,000,000 6.500 per cent. Undated Non-cumulative Subordinated Additional Tier 1  
Capital Securities (the "**Capital Securities**")  
under the U.S.\$2,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of 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 Capital Securities (the "**Conditions**") set forth in the offering circular dated 28 December 2018 (the "**Offering Circular**") and the drawdown offering circular dated 17 January 2019 (the "**Drawdown Offering Circular**"). This Pricing Supplement contains the final terms of the Capital Securities and must be read in conjunction with such Offering Circular as so supplemented. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of the Offering Circular, the Drawdown Offering Circular and this Pricing Supplement.

1.	Issuer:	CMB Wing Lung Bank Limited
2.	(i) Series Number:	3
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	United States Dollars (" <b>U.S.\$</b> ")
4.	Aggregate Nominal Amount:	
	(i) Series:	U.S.\$400,000,000
	(ii) Tranche:	U.S.\$400,000,000
5.	(i) Issue Price:	100.0 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	Approximately U.S.\$397,903,000
6.	(i) Specified Denominations:	U.S.\$250,000 each and integral multiples of U.S.\$1,000 in excess thereof
	(ii) Calculation Amount	U.S.\$1,000
7.	(i) Issue Date:	24 January 2019
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	Not Applicable
9.	Interest Basis:	As set out in the Conditions scheduled hereto
10.	Redemption/Payment Basis:	As set out in the Conditions scheduled hereto
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Call - as set out in the Conditions scheduled hereto (subject to the prior written consent of the Monetary Authority)
13.	Status of the Capital Securities:	Subordinated - as set out in the Conditions scheduled hereto

14. Date of Board approval for issuance of Capital Securities obtained: 5 September 2018
15. Listing: HKSE; the expected listing date of the Capital Securities is 25 January 2019
16. Method of distribution: Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17. Fixed Rate Note Provisions Applicable - as set out in the Conditions scheduled hereto
18. Floating Rate Note Provisions Not Applicable
19. Zero Coupon Note Provisions Not Applicable
20. Index Linked Interest Note Provisions Not Applicable
21. Dual Currency Note Provisions Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

22. Call Option Applicable - as set out in the Conditions scheduled hereto (subject to the prior written consent of the Monetary Authority)
23. Put Option Not Applicable
24. Final Redemption Amount of each Capital Security: Not Applicable
25. Early Redemption Amount Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES**

26. Form of Capital Securities: Registered Capital Securities  
Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate
27. Financial Centre(s) or other special provisions relating to payment dates: Not Applicable
28. Talons for future Coupons or Receipts to be attached to Definitive Capital Securities (and dates on which such Talons mature): Not Applicable
29. 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 Capital Securities and interest due on late payment: Not Applicable
30. Details relating to Instalment Notes: Not Applicable
31. Redenomination, renominatisation and reconventioning provisions: Not Applicable

32. Consolidation provisions: Not Applicable
33. Other terms or special conditions: The full text of the Conditions which apply to the Capital Securities are set out in the schedule hereto, which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Capital Securities and such Conditions will prevail over any other provision to the contrary

#### **DISTRIBUTION**

34. (i) If syndicated, names of Managers: Bank of China (Hong Kong) Limited  
CCB International Capital Limited  
China CITIC Bank International Limited  
Citigroup Global Markets Limited  
CMB International Capital Limited  
CMB Wing Lung Bank Limited  
Haitong International Securities Company Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Merrill Lynch (Asia Pacific) Limited  
Silk Road International Capital Limited  
Zhongtai International Securities Limited
- (ii) Stabilising Manager (if any): Citigroup Global Markets Limited
35. If non-syndicated, name of Dealer: Not Applicable
36. U.S. Selling Restrictions: Regulation S Category 1; TEFRA Not Applicable
37. Prohibition of Sales to EEA Retail Investors: Applicable
38. Additional selling restrictions: Not Applicable
39. Private Bank Rebate: The Issuer has agreed with the Joint Lead Managers to pay a commission to certain private banks in connection with the distribution of the Capital Securities. This commission shall be deducted from the subscription moneys for the Capital Securities upon settlement.

#### **OPERATIONAL INFORMATION**

40. ISIN Code: XS1892343762
41. Common Code: 189234376
42. CMU Instrument Number: Not Applicable
43. Legal Entity Identifier: 54930008T6I5A7FBMN18

44. Any clearing system(s) other than Euroclear, Clearstream and the CMU Service and the relevant identification number(s): Not Applicable
45. Delivery: Delivery against payment
46. Additional Paying Agents (if any): Not Applicable

#### GENERAL

47. The aggregate principal amount of Capital Securities issued has been translated into US dollars at the rate of \_\_, producing a sum of: Not Applicable
48. In the case of registered Capital Securities, specify the location of the office of the Registrar if other than Hong Kong: Luxembourg
49. In the case of bearer Capital Securities, specify the location of the office of the Fiscal Agent if other than London: Not Applicable
50. Ratings: The Capital Securities to be issued have been rated Ba1 by Moody's Investors Service, Inc.
51. Date of regulatory approval for issuance of Capital Securities obtained: NDRC approval dated 9 February 2018 from the NDRC

#### STABILISING

In connection with this issue, Citigroup Global Markets Limited (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail for a limited period after the closing date. However, there is no obligation on such Stabilisation Manager to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Capital Securities and 60 days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

#### PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the HKSE of the Capital Securities described herein pursuant to the U.S.\$2,000,000,000 Euro Medium Term Note Programme of CMB Wing Lung Bank Limited.

#### MATERIAL ADVERSE CHANGE STATEMENT

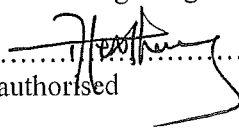

There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2018 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 30 June 2018.

#### RESPONSIBILITY

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

**SIGNED**

on behalf of CMB Wing Lung Bank Limited as the Issuer:

By: .....  .....   
Duly authorised



## SCHEDULE

### TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following is the text of the Terms and Conditions of the Capital Securities (subject to completion and modification and excluding italicised text) which will be endorsed on each definitive certificate evidencing the Capital Securities. The Terms and Conditions of the Capital Securities as set out herein are deemed to amend and restate the Terms and Conditions of the Notes set forth in the Offering Circular dated 28 December 2018.*

The U.S.\$400,000,000 6.500 per cent. undated non-cumulative subordinated Additional Tier 1 capital instruments (each a "Capital Security" and together, the "Capital Securities") issued by CMB Wing Lung Bank Limited (formerly known as Wing Lung Bank, Limited) (the "Issuer") are constituted by a deed of covenant to be dated on or about 24 January 2019 (as amended or supplemented from time to time, the "Deed of Covenant") entered into by the Issuer and are issued pursuant to an amended and restated fiscal agency agreement dated 9 November 2017 as supplemented by a supplemental fiscal agency agreement to be dated on or about 24 January 2019 (the "Issue Date") (as further amended and/or supplemented from time to time, the "Fiscal Agency Agreement"), which supplemental fiscal agency agreement has been entered into in relation to the Capital Securities between the Issuer, The Hongkong and Shanghai Banking Corporation Limited as fiscal agent and the other agents named in it. The fiscal agent, the other paying agents, the registrar, the transfer agent(s) and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" (which expression shall include the Registrar) and the "Calculation Agent(s)" (such Fiscal Agent, Paying Agents, Registrar, Transfer Agent(s) and Calculation Agent(s) being together referred to as the "Agents"). Copies of the Fiscal Agency Agreement are available for inspection during usual business hours at the specified offices of the Paying Agents, the Registrar and the Transfer Agents.

The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement.

For the purposes of the Fiscal Agency Agreement, the provisions relating to the "Notes", the "Subordinated Notes" and the "Registered Notes" shall apply and be deemed to refer to the Capital Securities and provisions relating to "Noteholders" and/or "holders" in respect of any Notes shall apply and be deemed to refer to the Securityholders and holders of any Capital Securities respectively. For the purposes of the Capital Securities, any reference in the Fiscal Agency Agreement or the Global Certificate to "interest" shall be deemed to refer to Distribution and any reference to "maturity" shall mean the scheduled date of redemption. References to the "Terms and Conditions of the Notes" refer to the terms and conditions of the Notes as set out in the Offering Circular dated 28 December 2018.

#### 1. FORM, DENOMINATION AND TITLE

- (A) **Form and Denomination:** The Capital Securities are issued in registered form in the denomination of U.S.\$250,000 each and integral multiples of U.S.\$1,000 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 5(C)) in accordance with Condition 5(C) and references in these terms and conditions (the "Conditions") to the "principal amount" of a Capital Security shall mean the principal amount of a Capital Security as so adjusted. The Capital Securities are represented by registered certificates ("Certificates") and each Certificate shall represent the entire holding of Capital Securities by the same holder.
- (B) **Title:** Title to the Capital Securities passes only by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Capital Security shall be deemed to be and may be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate)) and no person shall be liable for so treating the Securityholder.

In these Conditions, reference to "Securityholders" or "holders" in relation to any Capital Securities shall mean the persons in whose name the Capital Securities are registered.

*Upon issue, the Capital Securities will be represented by a global certificate (the "Global Certificate") registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). The Conditions are modified by certain provisions contained in the Global Certificate.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Capital Securities represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Capital Securities. The Capital Securities are not issuable in bearer form.*

## 2. TRANSFERS OF THE CAPITAL SECURITIES

- (A) **Transfers of Capital Securities:** One or more Capital Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Capital Securities to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Capital Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Capital Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Capital Securities scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Fiscal Agent. A copy of the current regulations will be made available by the Registrar to any Securityholder upon request.
- (B) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(A) or Condition 2(E) shall be available for delivery within three business days of receipt of the form of transfer (if applicable) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or any other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Fiscal Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(B), "business day" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the Registrar or the relevant other Transfer Agent (as the case may be).
- (C) **Transfers Free of Charge:** Transfers of Capital Securities and the issuance of new Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant other Transfer Agent may require) in respect of taxes or charges.
- (D) **Closed Periods:** No Securityholder may require the transfer of a Capital Security to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any principal or Distributions in respect of the Capital Securities, or (ii) during the period commencing on the date of a Non-Viability Event Notice (as defined

in Condition 5(C) below) and ending on (and including) the close of business in Hong Kong on the effective date of the related Write-off (as defined in Condition 5(C) below).

*So long as the Capital Securities are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, no holder may require the transfer of Capital Securities to be registered during the period of five Clearing System Business Days (or such other period as the relevant clearing systems shall determine in accordance with their rules and procedures) commencing on the Clearing System Business Day immediately following the date on which the Non-Viability Event Notice has been received by the relevant clearing systems (the "Suspension Period"). "Clearing System Business Day" means a weekday (Monday to Friday, inclusive except 25 December and 1 January).*

- (E) **Exercise of Options or Partial Write-off in respect of Capital Securities in Definitive Form:** In the case of an exercise of the Issuer's option in respect of, or a partial Write-off of (as the case may be), Capital Securities, and where a holding of Capital Securities is represented by a single Certificate, a new Certificate shall be issued to the relevant Securityholder to reflect the exercise of such option, or such partial Write-off, or in respect of the balance of the holding not redeemed or Written-off (as the case may be). New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent.

### 3. STATUS, QUALIFICATION AND SUBORDINATION OF THE CAPITAL SECURITIES

- (A) **Status of the Capital Securities:** The Capital Securities constitute direct, unconditional, subordinated and unsecured 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.
- (B) **Qualification of the Capital Securities:** The Capital Securities are intended to qualify as Additional Tier 1 capital under paragraph 1, Schedule 4B of the Banking (Capital) Rules (Cap. 155L) of Hong Kong and as amended by the Banking (Capital) (Amendment) Rules 2018.
- (C) **Subordination:** 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, shall rank (i) subordinate and junior in right of payment to, and of all claims of (a) all unsubordinated creditors of the Issuer (including its depositors), (b) creditors in respect of Tier 2 Capital Instruments of the Issuer, and (c) 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; (ii) *pari passu* in right of payment to and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to and of all claims of the holders of Junior Obligations, in each case, present and future.

In the event of a Winding-Up that requires the Securityholders 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;

"**Banking Ordinance**" means the Banking Ordinance (Cap. 155) of Hong Kong;

"**Capital Regulations**" means capital regulations from time to time applicable to the regulatory capital of Authorized Institutions incorporated in Hong Kong as published 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 issued, entered into 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 pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66) of Hong Kong;

"**Parity Obligation**" means any instrument or other obligation issued or entered into by the Issuer that constitutes or qualifies as Tier 1 Capital Instruments (or its equivalent) under the 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, which for the avoidance of doubt, excludes any Junior Obligations of the Issuer;

"**Permitted Reorganisation**" means a 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 the claims of depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or is expressed to rank by operation of law or contract *pari passu* with, or junior to, the claims of the Securityholders. For this purpose indebtedness shall include all liabilities, whether actual or contingent;

"**Tier 1 Capital Instruments**" means any instrument or other obligation issued by the Issuer that constitutes Additional Tier 1 capital of (x) the Issuer, on an unconsolidated basis, or (y) the Group, on a consolidated basis pursuant to the Capital Regulations. For the avoidance of doubt, Tier 1 Capital Instruments does not include Shares;

"**Tier 2 Capital Instruments**" means any instrument or other obligation issued (including, without limitation, the U.S.\$400,000,000 3.75 per cent. Subordinated Notes due 2027 issued by the Issuer on 22 November 2017) by the Issuer 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**" shall mean, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding up, liquidation, administrative receivership or similar proceeding in respect of the Issuer (as applicable).

- (D) **Waiver of 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 10(B)) 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(D), 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.

4. **DISAPPLICATION OF NEGATIVE PLEDGE AND NOTIFICATION TO NDRC**

- (A) **Negative Pledge:** Condition 4(a) of the Terms and Conditions of the Notes does not apply to the Capital Securities.
- (B) **NDRC:** The Issuer undertakes to file or cause to be filed with the NDRC the requisite information and documents within the prescribed timeframe after the Issue Date in accordance with the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (国家发展改革委员会关于推进企业发行外债备案登记制管理改革的通知) (Fa Gai Wai Zi [2015] No. 2044) issued by the NDRC and which came into effect on 14 September 2015, and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (the "NDRC Post-issue Filing").

The Issuer shall complete the NDRC Post-issue Filing and provide such document(s) evidencing due filing with the NDRC within the prescribed timeframe and shall comply with all applicable PRC laws and regulations in connection with the Capital Securities. The Issuer shall within seven PRC Business Days after submission of such NDRC Post-issue Filing (i) provide the Fiscal Agent with a certificate signed by two Directors of the Issuer confirming the submission of the NDRC Post-issue Filing and (ii) give notice to the Securityholders in accordance with Condition 16 of the same.

In these Conditions:

"NDRC" means the National Development and Reform Commission; and

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

5. **DISTRIBUTIONS, HONG KONG RESOLUTION AUTHORITY POWER AND NON-VIABILITY LOSS ABSORPTION**

(A) **Distribution Payments**

- (i) *Non-Cumulative Distribution:* Subject to Condition 5(B) below, the Capital Securities confer a right to receive distributions (each a "Distribution") on their principal amount (subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(C)) from, and including, the Issue Date at the applicable Distribution Rate, payable semi-annually in arrear in equal instalments on 24 January and 24 July in each year (each a "Distribution Payment Date").

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) three days after the date on which the full amount of moneys payable in respect of such Capital Security has been received by the Fiscal Agent and notice to that effect has been given to the Securityholders in accordance with Condition 16.

No Securityholder shall have any claim in respect of any Distribution or part thereof cancelled and/or not due or payable pursuant to Conditions 5(A) and 5(B) 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.

- (ii) *Distribution Rate*: The rate of distribution (the "**Distribution Rate**") applicable to the Capital Securities shall be:
- (a) in respect of the period from, and including, the Issue Date to, but excluding, 24 January 2024 (the "**First Call Date**"), 6.500 per cent. per annum; and
  - (b) in respect of a Reset Distribution Period, the relevant Reset Distribution Rate.

For the purposes of these Conditions:

"**Calculation Agent**" means the Fiscal 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 New York City and Hong Kong.

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

"**Comparable Treasury Issue**" means the U.S. Treasury security selected by an independent bank of international repute (selected by the Issuer) 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.

"**Comparable Treasury Price**" means, with respect to any Calculation Date, the average of three Reference Treasury Dealer Quotations for the Calculation Date.

"**Distribution Determination Date**" means the day falling two Calculation 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 date of the Issuer's audited balance sheet last preceding the relevant Distribution Payment Date, and subject to the Monetary Authority's current capital conservation requirements 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 audited balance sheet last preceding the relevant Distribution Payment Date and is insufficient to pay the Distributions and any payments due on Parity Obligations on the relevant Distribution Payment Date, then on certification by two Directors of the Issuer and the auditors of such revised amount, the Distributable Reserves shall for the purposes of Distributions 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 day falling every five calendar years after the First Call Date.

**"Reference Treasury Dealer"** means each of the three nationally recognised investment banking firms selected by the Calculation Agent that are primary U.S. Government securities dealers.

**"Reference Treasury Dealer Quotations"** means with respect to each Reference Treasury Dealer, the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Calculation Agent by such Reference Treasury Dealer at 5:00 p.m. (New York City time), on the Calculation Date and such average then notified in writing to the Issuer and the Fiscal Agent by the Calculation Agent.

**"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 U.S. Treasury Rate (as determined as set out below) and (b) the Spread.

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

**"Spread"** means 3.948 per cent. per annum.

**"U.S. Treasury Rate"** means the rate in percentage per annum notified by the Calculation Agent to the Issuer, the Fiscal Agent and the Securityholders in accordance with Condition 16 equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in the most recently published statistical release designated "H.15(519)" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System (<https://www.federalreserve.gov/releases/h15/>) and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity of five years) at 5:00 p.m. (New York time) on the Calculation Date. If such release (or any successor release) does not display the relevant yield at 5:00 p.m. (New York time) on the Calculation Date, "U.S. Treasury Rate" shall mean the rate in percentage per annum as notified by the Calculation Agent to the Issuer, the Fiscal Agent and the Securityholders in accordance with Condition 16 equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Calculation Date. If there is no Comparable Treasury Price on the Calculation Date for whatever reason, "U.S. Treasury Rate" means the rate in percentage per annum as notified by the Calculation Agent to the Issuer, the Fiscal Agent and the Securityholders in accordance with Condition 16 equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in the most recently published statistical release designated "H.15(519)" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System (<https://www.federalreserve.gov/releases/h15/>) and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity of five years) at 5:00 p.m. (New York time) on the last available date preceding the Calculation Date on which such rate was set forth in such release (or any successor release).

(iii) *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. If Distribution is required to be paid in respect of a Capital Security on any date other than the Distribution Payment Date, it shall be calculated 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 cent (half a cent 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:

- (a) "**Calculation Amount**" means U.S.\$1,000, subject to adjustment following occurrence of a Non-Viability Event; and
- (b) "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months),

**provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Reset Distribution Period, the Reset Distribution Rate applicable to the Capital Security during such Reset Distribution Period will be the sum of the Spread and the rate or (as the case may be) the arithmetic mean last determined in relation to the Capital Security in respect of a preceding Reset Distribution Period.

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 Fiscal Agent. Notice thereof shall also promptly be given by the Calculation Agent to the Issuer, the Fiscal Agent and the Registrar.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5(A) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Securityholders and 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 unless caused directly by the fraud, gross negligence or wilful default of the Calculation Agent.

- (iv) *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 16 after determination thereof.
- (v) *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 5(A), 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.



**(B) Distribution Restrictions**

- (i) *Optional Distribution Cancellation Event:* Unless a Distribution has already been cancelled in full pursuant to a Mandatory Distribution Cancellation Event (as defined below), prior to any Distribution Payment Date the Issuer may, at its sole discretion, elect to cancel any payment of a Distribution, in whole or in part, by giving a notice to the Securityholders signed by a Director of the Issuer which shall be conclusive and binding on the Securityholders (a "**Distribution Cancellation Notice**") at least 10 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 5(B)(i) and any failure to pay such Distribution shall not constitute an Event of Default. 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. In this Condition 5, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such Capital Security is required) and in New York City and Hong Kong.
- (ii) *Mandatory Distribution Cancellation Event:* Notwithstanding that a Distribution Cancellation Notice may not have been given, the Issuer shall not be obliged to pay, and shall not pay, any Distribution on the applicable Distribution Payment Date, in whole or in part, as applicable, if and to the extent that:
- (a) 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 and any instruments which rank or are expressed to rank *pari passu* with any Parity Obligations shall exceed Distributable Reserves as at such Distribution Determination Date; or
- (b) the Monetary Authority 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 any Distribution on any Distribution Payment Date if such non-payment is in accordance with this Condition 5(B)(ii) and any failure to pay such Distribution shall not constitute an Event of Default. Distributions are non-cumulative and any Distribution which is cancelled in accordance with these Conditions shall not be payable at any time thereafter, whether in a Winding-Up or otherwise.

- (iii) *Distributable Reserves:* Any Distribution may only be paid out of Distributable Reserves.
- (iv) *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 5(B), the Issuer shall not:
- (a) 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
- (b) 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: (x) the Distribution scheduled to be paid on any subsequent Distribution Payment Date (which, for the avoidance of

doubt, shall exclude any Distribution that has been cancelled in accordance with these Conditions prior to such subsequent Distribution Payment Date in respect of a Distribution Payment Date preceding such subsequent Distribution Payment Date) has been paid in full (1) to Securityholders or (2) irrevocably to a designated third party trust account for the benefit of the Securityholders, or (y) the redemption or purchase and cancellation of the Capital Securities in full, or reduction of the principal amount of the Capital Securities to zero in accordance with these Conditions, or (z) the Issuer is permitted to do so by an Extraordinary Resolution of the Securityholders.

- (v) *No Default*: Notwithstanding any other provision in these Conditions, the cancellation or non-payment of any Distribution in accordance with this Condition 5(B) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 10(A)) on the part of the Issuer.

- (C) **Non-Viability Loss Absorption**: If a Non-Viability Event occurs and is continuing, the Issuer shall, upon the provision of a Non-Viability Event Notice, irrevocably (without the need for the consent of the Securityholders) reduce the then prevailing 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 or conversion of any other Subordinated Capital Instruments so reduced and cancelled or converted 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 giving of the notice of a Non-Viability Event, the Issuer shall procure unless otherwise directed by the Monetary Authority that (i) a similar notice be given in respect of other Subordinated Capital Instruments in accordance with their terms and (ii) concurrently and rateably with the Write-off of the Capital Securities, the aggregate principal amount of such other Parity Capital Instruments is subject to a Write-off on a *pro-rata* basis with the Capital Securities.

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

Once any principal amount of, and any accrued but unpaid Distribution under, the Capital Securities has been Written-off, it will not be restored in any circumstances including where the relevant Non-Viability Event ceases to continue. Any Write-off pursuant to this provision will not constitute an Event of Default under the Capital Securities.

No Securityholder may exercise, claim or plead any right to any Non-Viability Event Write-Off Amount, and each Securityholder shall, by virtue of his holding of any Capital Securities, be deemed to have waived all such rights to such Non-Viability Event Write-Off Amount.

Each Securityholder shall be deemed to have authorised, ratified, directed and consented to the Agents to take any and all necessary action to give effect to any Write-off following the occurrence of the Non-Viability Event.

The Agents shall not be: (a) responsible or liable to any Securityholder for monitoring or determining whether a Non-Viability Event has occurred or not, (b) responsible for verifying or calculating any amount in connection with a Non-Viability Event or for any Write-off of Capital Securities made pursuant to the Issuer's directions, (c) responsible for preparing any Non-Viability Event Notice or (d) liable to the Securityholders or to any other person with respect to the notification and/or implementation of any Non-Viability Event by any of them in respect of such Capital Securities.

*The ability to operationally effect any Write-off of any Capital Securities under this Condition 5(C) with respect to the clearing and/or settlement of any Capital Securities in or through the relevant clearing system(s) is subject to the availability of procedures to effect any such Write-off in such clearing system(s). However, any Write-off of any Capital Securities with respect to the Issuer under this Condition 5(C) will be effective upon the date that the Issuer specifies in the Non-Viability Event Notice notwithstanding any inability to operationally effect any such Write-off in the relevant clearing system(s). The Agents shall not be liable to the clearing systems (or its participants, members, broker-dealers or any other third parties) with respect to the notification and/or implementation of any Non-Viability Event by any of them in respect of such Capital Securities.*

*Following the receipt of a Non-Viability Event Notice by Euroclear and/or Clearstream and the commencement of the Suspension Period, Euroclear and/or Clearstream shall suspend all clearance and settlement of the Capital Securities. As a result, Securityholders will not be able to settle the transfer of any Capital Securities from the commencement of the Suspension Period, and any sale or other transfer of the Capital Securities that a Securityholder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by Euroclear and/or Clearstream and will not be settled within Euroclear and/or Clearstream. See "Investment Considerations — Transfers scheduled to settle through Euroclear and Clearstream (the "ICSDs") are expected to be rejected if the scheduled settlement is after any suspension by the ICSDs of clearance and settlement of the Capital Securities in connection with a Non-Viability Event Notice. Furthermore, because of time zone differences and the delay between the time when a Non-Viability Event occurs and when the ICSDs receive and process the Non-Viability Event Notice, it is possible that transfers may either (i) fail to settle through the ICSDs even though such transfers were initiated prior to the Non-Viability Event or (ii) are settled through the ICSDs even though such transfers were initiated after the Non-Viability Event".*

*If a Non-Viability Event Notice has been given in respect of the Capital Securities in accordance with this Condition 5(C), transfers of the Capital Securities shall not be permitted during the Suspension Period (as defined in Condition 2(D)). From the date on which a Non-Viability Event Notice in respect of the Capital Securities in accordance with this Condition 5(C) is provided by the Issuer to the end of the Suspension Period, the Registrar shall not register any attempted transfer of any Capital Securities. As a result, such an attempted transfer of the Capital Securities will not be effective.*

*The Agents have no responsibility for nor liability with respect to actions taken or not taken by the clearing systems or its participants or members or any broker-dealers with respect to the notification or implementation of the Write-off, nor any application of funds or delivery of notices prior to a Write-off, or with respect to the return of any amount that was paid to any Securityholder following a Non-Viability Event in excess of the amount that should have been paid to such Securityholder.*

For the purposes of this Condition 5(C):

**"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; and
- (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 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 and to the Fiscal Agent and the Paying Agents, in accordance with Condition 16 and which shall state:

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

**"Non-Viability Event Write-off Amount"** means the amount of distributions 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, (a) the full amount of the Capital Securities will be Written-off in full in the event that the amount Written-off is not sufficient for the Non-Viability Event to cease to continue and (b) 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 principal amount of that Capital Security.

**"Parity Capital Instrument"** means any Parity Obligation which contains provisions relating to a write-down or conversion into ordinary shares in respect of its 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.

**"Subordinated Capital Instrument"** means any Junior Obligation or Parity Obligation which contains provisions relating to a write-down or conversion into ordinary shares in respect of its 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.

**(D) Hong Kong Resolution Authority Power:** Notwithstanding any other term of the Capital Securities, including without limitation Condition 5(C), or any other agreement or arrangement, each Securityholder 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 principal amount of, or Distributions on, the Capital Securities;
- (b) the conversion of all or a part of the 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 of this Condition 5(D), 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 at the redemption date), but which have not been paid, prior to the exercise of any Hong Kong Resolution

Authority Power. The rights of the Securityholders 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 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 as soon as practicable regarding such exercise of the Hong Kong Resolution Authority Power to the Securityholders in accordance with Condition 16.

Neither the reduction or cancellation, in part or in full, of the 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 10(A).

*The Financial Institutions (Resolution) Ordinance (the "Ordinance") was passed by the Legislative Council of Hong Kong and published in the gazette of the Hong Kong Special Administrative Region Government in June 2016. The Ordinance came into effect on 7 July 2017 and all licensed banks in Hong Kong are subject to the Ordinance.*

For the purposes of these Conditions:

**"Group"** means the Issuer and its Subsidiaries.

**"Hong Kong Resolution Authority Power"** means any power which may exist from time to time under the Ordinance relating to 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.

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

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

## 6. REDEMPTION AND PURCHASE

- (A) **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.

**(B) Redemption for Tax Reasons:** Subject to Condition 6(G), 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 Securityholders in accordance with Condition 16 and the Fiscal Agent (which notice, in each case, shall be irrevocable and shall specify the date fixed for redemption), if:

- (a) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 17 January 2019, or (ii) as a result of any change in, or amendment to, the laws or regulations of Hong Kong (1) the Issuer would not, in respect of the payment of Distribution on the Capital Securities, be entitled to claim a deduction in respect of computing its taxation liabilities in Hong Kong, or such entitlement is materially reduced, or (2) the Issuer would not, to any material extent, be entitled to have such deduction set against its profits for applicable Hong Kong tax purposes; and
- (b) such obligation will apply on the occasion of the next payment due in respect of the Capital Securities and cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or claim a tax deduction in respect of the payment of Distribution were a payment in respect of the Capital Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(B), the Issuer shall deliver to the Fiscal Agent (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 so to redeem have occurred, and an opinion of independent legal advisers of recognised international standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and (ii) a copy of the written consent of the Monetary Authority as referred to in Condition 6(G), and the Fiscal Agent 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.

Capital Securities redeemed pursuant to this Condition 6(B) 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 5(C).

**(C) Redemption of the Capital Securities for Regulatory Reasons:** Subject to Condition 6(G), 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 Securityholders in accordance with Condition 16, the Fiscal Agent (which notice, in each case, shall be irrevocable and shall specify the date fixed for redemption) following the occurrence of a Regulatory Redemption Event.

For the purposes of this Condition 6(C), a "**Regulatory Redemption Event**" occurs if immediately before the giving of the notice of redemption referred to in this Condition 6(C) the Capital Securities, after having qualified as such, will no longer qualify (in whole but not in part) as Additional Tier 1 capital (or the equivalent) of the Issuer (other than non-qualification solely as a result of any discounting or amortisation requirements as to the eligibility of the Capital Securities for such inclusion pursuant to the relevant legislation and supervisory guidelines in force from time to time), as a result of a change in, or amendment to, (or any change in the application or official interpretation of) the relevant provisions of the Banking Ordinance, the Banking (Capital) Rules (Cap. 155L)

(as amended) of Hong Kong, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the Monetary Authority in relation thereto, **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 Regulatory Redemption Event has occurred.

Prior to giving any notice of redemption pursuant to this Condition 6(C), the Issuer shall deliver to the Fiscal Agent (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, (ii) an opinion of independent legal advisers of recognised standing to the effect that a Regulatory Redemption Event has occurred and (iii) a copy of the written consent of the Monetary Authority referred to in Condition 6(G); and the Fiscal Agent shall be entitled to accept the certificate and consent 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.

Capital Securities redeemed pursuant to this Condition 6(C) 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 5(C).

- (D) Redemption at the Option of the Issuer:** Subject to Condition 6(G), the Issuer may, on giving not less than 15 nor more than 30 days' notice to the Fiscal Agent and the Securityholders in accordance with Condition 16 (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. Any such redemption of Capital Securities shall be 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 5(C).

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

- (E) Purchase:** Subject to Condition 6(G), the Issuer and any of its Subsidiaries may, at any time, purchase Capital Securities in the open market or otherwise at any price.
- (F) Cancellation:** All Capital Securities purchased by or on behalf of the Issuer or any of its Subsidiaries shall be surrendered for cancellation by surrendering the Certificate representing such Capital Securities to the Registrar and if so surrendered shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities shall be discharged.

**(G) Conditions for Redemption and Purchase in Respect of the Capital Securities:**

Notwithstanding any other provision in these Conditions, the Capital Securities may not be redeemed or purchased and cancelled (other than pursuant to Condition 10(A)) without the prior written consent of the Monetary Authority. Accordingly, the Issuer shall not redeem any of such Capital Securities other than pursuant to Condition 10(A) or purchase and cancel the Capital Securities unless the prior written consent of the Monetary Authority thereto shall have been obtained provided, however, that if from time to time the consent of the Monetary Authority is not a requirement for any such Capital Securities to constitute Additional Tier 1 capital (or equivalent) of the Issuer for the purposes of the Banking Ordinance, or any successor legislation, then the condition to the redemption or purchase and cancellation of the Capital Securities set out in this Condition 6(G) shall not apply for so long as such consent is not required.

7. **PAYMENTS**

**(A) Payments in Respect of the Capital Securities:**

- (i) Payments of principal in respect of Capital Securities shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(A)(ii).
- (ii) Distributions shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of Distributions in respect of each Capital Security shall be made in U.S. dollars by transfer to an account in the relevant currency maintained by the payee with a bank.
- (iii) Securityholders will not be entitled to any Distribution or other payment for any delay after the due date in receiving the amount due on a Capital Security if the due date is not a business day or if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so).

*So long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the Holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments.*

**(B) Payments subject to Fiscal Laws:** Payments will be subject in all cases, to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8, 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 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to Securityholders in respect of such payments.

**(C) Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents appointed under the Fiscal Agency Agreement and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Fiscal Agency Agreement, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s) and (v) such other agents as may be required by any other stock exchange on which the Capital Securities may be listed.

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

**(D) Payment on Non-Business Days:** If any date for payment in respect of any Capital Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any distribution or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such Capital Security is required) and in New York City and Hong Kong.



## 8. TAXATION

All payments of principal and distributions by or on behalf of the Issuer in respect of the Capital Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Hong Kong, the Issuer shall pay such additional amounts as shall result in receipt by the Securityholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Capital Security:

- (i) *Other connection:* to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Capital Securities by reason of his having some connection with Hong Kong other than the mere holding of the Capital Securities; or
- (ii) *Presentation more than 30 days after the Relevant Date:* presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Capital Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further presentation of the Capital Security (or relative Certificate) being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (a) "**principal**" shall be deemed to include any premium payable in respect of the Capital Securities, and all amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (b) "**distributions**" shall be deemed to include all Distributions and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (c) "**principal**" and/or "**distributions**" shall be deemed to include any additional amounts that may be payable under this Condition 8.

No Agent shall be responsible for paying any tax, duties, assessments, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Securityholder or any third party to pay such tax, duties, assessments, charges, withholding or other payment in any jurisdiction or to provide any notice or information to any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), distributions or other amount under or in respect of the Capital Securities without deduction or withholding for or on account of any tax, duty, assessment, charge, withholding or other payment imposed by or in any jurisdiction.

## 9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Capital Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of Distribution) from the Relevant Date (as defined in Condition 8).

## 10. EVENTS OF DEFAULT AND WINDING-UP PROCEEDING

- (A) **Events of Default:** If default is made in the payment of any amount of principal or Distributions in respect of the Capital Securities on the due date for payment thereof and such failure continues for a period of five days in the case of principal or 14 days in the case of Distribution (each, an "**Event of Default**") then any holder of a Capital Security may institute a Winding-Up Proceeding in Hong Kong against the Issuer.

- (B) **Winding-Up Proceeding:** If an order is made or an effective resolution is passed for the Winding-Up of the Issuer in Hong Kong (except for the purposes of reconstruction, amalgamation or reorganisation the terms of which have previously been approved by an Extraordinary Resolution of the Securityholders) (such event also, an "Event of Default"), the holder of any Capital Security may give written notice to the Fiscal Agent at its specified office that such Capital Security is immediately repayable, 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 5(C), without further action or formality.

If a Write-off has occurred pursuant to these Conditions, such event shall not constitute an Event of Default under the Capital Securities.

In these Conditions, "Winding-Up Proceeding" means, with respect to the Issuer, proceedings in Hong Kong for the bankruptcy, liquidation, winding-up, administrative receivership, or other similar proceeding of the Issuer (as applicable).

## 11. MEETINGS OF SECURITYHOLDERS, MODIFICATIONS AND CONSOLIDATIONS

- (A) **Meetings of Securityholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Securityholders holding not less than 10 per cent. in nominal amount of the Capital Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the 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 held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change any date scheduled for payment of principal or Distribution in respect of the Capital Securities, (ii) to reduce or cancel the amount of principal or Distribution payable on any date in respect of the Capital Securities, or to reduce the Distribution Rate(s) or to vary the method of or basis for calculating the Distribution Rate(s) or the method of or basis for calculating the amount of any payment in respect of the Capital Securities or the date for any such payment, (iii) to effect the exchange, conversion or substitution of the Capital Securities for, or the conversion of the Capital Securities into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, (iv) to change the currency of payments under or the denomination of the Capital Securities, (v) to amend the subordination or loss absorption provisions of the Conditions or (vi) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Capital Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Securityholders (whether or not they were present at the meeting at which such resolution was passed).

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

- (B) **Modification of Fiscal Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Securityholders.

12. **ENFORCEMENT**

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 10(A) and this Conditions 12 or submitting claims in the Winding-Up of the Issuer will be available to the holders of Capital Securities. Each holder of a Capital Security shall be deemed to agree and acknowledge that the rights of such holders under the terms of the Capital Securities shall be subject to anything done in exercise of the powers of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority as set out in Condition 5(D).

13. **REPLACEMENT OF CERTIFICATES**

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14. **FURTHER ISSUES**

Condition 14 of the Terms and Conditions of the Notes does not apply to the Capital Securities.

15. **CURRENCY INDEMNITY**

Condition 17 of the Terms and Conditions of the Notes does not apply to the Capital Securities.

16. **NOTICES**

Notices to the Securityholders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

A Non-Viability Event Notice to the Securityholders shall be deemed to have been validly given on the date on which such notice is published in a daily newspaper of general circulation in Hong Kong and, so long as the Capital Securities are listed on a stock exchange, published on the website of such stock exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

*So long as the Capital Securities are represented by one or more Global Certificates and such Global Certificate(s) are held on behalf of Euroclear, Clearstream or any other clearing system, notices to the Securityholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.*

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

18. **GOVERNING LAW AND JURISDICTION**

(A) **Governing Law:** The Capital Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that the provisions of Condition 3(C) relating to subordination are governed by, and shall be construed in accordance with, Hong Kong law.

(B) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Capital Securities and accordingly any legal

action or proceedings arising out of or in connection with any Capital Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holder of the Capital Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (C) **Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Securityholders of such appointment in accordance with Condition 16. Nothing shall affect the right to serve process in any manner permitted by law.