

Appendix I

Bank of China Limited Description on Bank of China Macau Branch's 2020 Social Bonds

In accordance with the *Social Bond Principles 2018* published by International Capital Market Association, Bank of China Limited (the "Bank") established the Bank of China Sustainability Series Bonds Internal Management Regulation (the "Regulation") and the Bank of China Limited Sustainability Series Bonds Management Statement (the "Management Statement"), which defined the use and management of proceeds, project evaluation and selection, as well as information disclosure and reporting.

Use and Management of Proceeds

In accordance with the Regulation and the Management Statement, the Bank defined the responsibility of Treasury on the use and management of proceeds. The Bank will employ a separate Ledger to manage the transfer, allocation and payback of proceeds. The Ledger will be updated and maintained on a quarterly basis to make sure that all of the proceeds can be traced and invested in eligible projects.

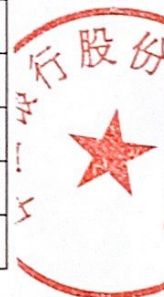
The Bank will allocate the proceeds to the nominated eligible projects within 24 months of issuance of the bonds. So long as Bank of China Macau Branch's 2020 Social Bonds are outstanding, the unallocated proceeds could be temporarily invested in social bonds issued by non-financial institutions in domestic or international markets, and in money market instruments with good credit rating and market liquidity, or kept in cash until they are allocated to eligible projects. However, the proceeds are not allowed to be invested in projects with negative social impacts.

Project Evaluation and Selection

In accordance with the Regulation and the Management Statement, the Bank defined the responsibility of Treasury, Corporate Finance Department, Credit Management Department and other relevant departments on project evaluation and selection, making sure that the selection of eligible projects is in accordance with relevant policies and requirements. The Bank has established a list of eligible projects, with an approximated total value of MOP 5,156.87 million. Nominated projects list may evolve over time. The following is detailed information of the eligible project:

- The mainly social impact of the nominated projects is employment generation through providing loan to micro, small and medium-sized enterprises (Micro-SMEs) in Macao¹. In response to the recent outbreak of the novel coronavirus, also known as Covid-19, the Bank continues to facilitate product and services innovation and provides supportive financial services for Micro-SMEs to address their difficulties in accessing to the financial resources and reducing financing costs. The expected social benefits are as follows:

Employment Generation Project List				
Industry	Loan Amount (MOP million)	Number of Projects	Employment generation	Loan Amount Proportion
Construction and public works	2,449.77	114	2,303	47.51%
Service industry	1,097.02	120	1,918	21.27%
Wholesale and retail	888.27	114	2,213	17.22%
Manufacturing	332.07	14	251	6.44%
Catering	225.33	29	840	4.37%
Others	97.09	19	321	1.88%
Transportation, warehousing and communications	67.32	7	233	1.31%
Total	5,156.87	417	8,079	100.00%



Information Disclosure and Reporting

In terms of the management of the proceeds, in accordance with the Regulation and the Management Statement, the Bank defined the responsibility of Treasury, Corporate Finance Department, Credit Management Department and other relevant departments on the disclosure and reporting. Prior to the issuance, the Bank engaged a qualified independent third party to conduct pre-issuance assurance in accordance with the *Social Bond Principles 2018* so as to make sure that all proceeds are to be invested in eligible projects, the management of proceeds is in accordance with related requirements, and the social impacts of those projects meet the expectations of investors.

So long as Bank of China Macau Branch's 2020 Social Bonds are outstanding, the Bank will make and keep readily available up-to-date information on the use of proceeds and the social impacts of the eligible projects within 120 days after the end of each fiscal year on the official website (<http://www.boc.cn/en/investor/ir10/>). The following contents will be disclosed annually:

¹ For the definition of SME in Macau, refer to Macau Administrative Regulation No.9/2003, *Establishes the Small and Medium Business Support Plan regime*.

1. A brief description of the eligible projects to which proceeds are allocated, and the amount and percentage allocated to each category;
2. An attestation report issued by a specialized certification body assuring allocation of proceeds;
3. The expected social impacts of the eligible projects to which the proceeds have been allocated. The Bank will adopt quantitative performance measures of certain categories, where feasible, and disclose them on an aggregated portfolio basis.

