

Attestation Report of China Construction Bank Hong Kong Branch's 2018 Sustainability Bond

To the Directors of China Construction Bank Hong Kong Branch

We have been engaged by China Construction Bank Hong Kong Branch (the "Bank") to examine the assertions in the accompanying the *Description on China Construction Bank Hong Kong Branch's 2018 Sustainability Bond* (the "Description"), and expressed a limited assurance opinion on the Description.

Criteria

The Description is prepared in accordance with the *Green Bond Principles 2018*, *Social Bond Principles 2018* and *Sustainability Bond Guidelines 2018* published by the International Capital Market Association (ICMA).

Management's Responsibility

The management of the Bank (the "Management") is responsible for:

- Preparation of the Description in accordance with the *Green Bond Principles 2018*, *Social Bond Principles 2018* and *Sustainability Bond Guidelines 2018*, and to ensure the fair presentation, accuracy, completeness and validity of the information contained in the Description;
- Preparation, presentation and implementation of internal controls in relation to project evaluation and selection, use and management of proceeds, and information disclosure and reporting in accordance with the *China Construction Bank Green, Social and Sustainability Bond Framework* and to meet the criteria as set out in the *Green Bond Principles 2018*, *Social Bond Principles 2018* and *Sustainability Bond Guidelines 2018*.

Assurance Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000") issued by the International Auditing and Assurance Standards Board.

Our responsibility is to express an independent limited assurance conclusion as to whether anything has come to our attention to cause us to believe that the Description, in all material respects, does not meet the Criteria.

Our Procedures

Our assurance procedures performed included, but were not limited to:

- Assessing policies and procedures established by the Bank related to the issuance of the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond;
- Interviewing selected business unit personnel to understand the key issues in relation to the Bank's policies and procedures;
- Reviewing the Bank's policies and procedures in relation to the use and management of proceeds for the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond;
- Reviewing the Bank's policies and procedures in relation to how Management evaluated and selected appropriate project(s) for the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond;
- Reviewing the Bank's policies and procedures in relation to how Management compiled information and disclosed appropriately in the relevant documentation for the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond; and
- Reviewing eligibility of all the nominated projects for inclusion in the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond.

Assurance Conclusion

Based on our procedures performed, as described in this report as of 10 September 2018, nothing has come to our attention that causes us to believe that the assertions in the Description on the use and management of proceeds, project evaluation and selection and information disclosure and reporting of the bond issuance process of the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond are concerned, in all material respects, does not meet the criteria as set out in the *Green Bond Principles 2018*, *Social Bond Principles 2018* and *Sustainability Bond Guidelines 2018*'s pre-issuance requirement.

Limitations

There are inherent limitations in performing assurance, for example, assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to Description are

subjective and will be interpreted differently by different stakeholder groups.

Our work is substantially less in scope than an audit conducted in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Accordingly, we do not express an audit opinion.

Our assurance work and report will not express an opinion on the effective and performance of the Bank's management system and procedure.

Our assurance was limited to the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond issuance, and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as at 10 September 2018, ahead of the issuance of the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond.

Use of Report

Our responsibility in performing our assurance activities is to the Directors of the Bank only and in accordance with terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the China Construction Bank Hong Kong Branch's 2018 Sustainability Bond issuance is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence, Quality Control and Assurance Team

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1* issued by the International Auditing and Assurance Standards Board. Our team has required competencies and experience for this assurance engagement.



Ernst & Young Hua Ming LLP

Beijing, China

10 September 2018

Appendix I

Description on China Construction Bank Hong Kong Branch's 2018 Sustainability Bond

In accordance with the *Green Bond Principles 2018*, *Social Bond Principles 2018* and *Sustainability Bond Guidelines 2018* published by the International Capital Market Association (ICMA), China Construction Bank (the "Bank") established the *China Construction Bank Green, Social and Sustainability Bond Framework* (the "Framework"), which defined the use and management of proceeds, project evaluation and screening, as well as information disclosure and reporting.

Use and Management of Proceeds

In accordance with the Framework, China Construction Bank Hong Kong Branch (the "Bank") has defined the responsibility on the use and management of proceeds. The proceeds are to be applied to new and/or existing eligible green projects and social projects. The Bank has established a sustainability bond proceeds management and monitoring mechanism to ensure that the flow of funds can be traced, monitored and matched with the projects.

The proceeds of China Construction Bank Hong Kong Branch's 2018 Sustainability Bond will be deposited in the general funding accounts and earmarked to Eligible Projects. The bank will maintain a register to keep track of the use of proceeds for Sustainability Bond. The register will contain the following information, including:

- 1) Type of Funding Transaction-- issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortization profile, maturity date, and interest or coupon (and in the case of bonds, the International Securities Identification Number (ISIN)).
- 2) Allocation of Use of Proceeds
 - Name and description of Eligible Projects to which the proceeds of sustainability bonds have been allocated in accordance with the Framework.
 - The remaining balance of unallocated proceeds yet to be earmarked.
 - Other relevant information such as information of temporary investment for unallocated proceeds.

Any balance of issuance proceeds which are not yet allocated to Eligible Green and Social Projects will be held in accordance with the Bank's normal liquidity management policy.

Activities and lending to industry which involves the below sectors will be excluded:

- Sectors which are prohibited by laws and regulation in China, such as child labor, gambling industry, adult entertainment and corporations which are in association with illegal activities
- Luxury sectors: precious metals, mineral of precious metals, artworks & antiques, golf course services

- Distillation, rectification and mixed alcoholic beverages
- Production of tobacco and tobacco products
- Hydro power with installed capacity >20MW
- Biomass which is suitable for food source
- Mining and quarrying, as well as fossil fuel-related asset
- Nuclear
- Weapon
- Army vehicles leasing and operation
- Activities which are in relation to hazardous chemicals and radioactive substance

Project Evaluation and Selection

In accordance with the Framework, the Bank defined the responsibility of Asset and Liability Management Department, Credit Management Department, Corporate Banking Department, Small Business Banking Department, Investment Banking Department, Public Relation Department and Other relevant departments on project evaluation and selection, making sure that the selection of eligible projects is in accordance with national policies and requirements and international standards and practices. The Bank nominated four categories of projects, with total value of RMB 11,249.97 million, approximated USD 1,644.73 million¹. Eligible projects list is attached after the report. Eligible projects belong to categories of clean transportation, affordable basic infrastructure, access to essential services and employment generation including through the potential effect of small and medium enterprises (SME) financing and microfinance. The expected environmental and social benefits of the projects are as follows:

- A railway project located in Eastern China. The total length of the railway is 806.27km and the expecting capacity of this line is 23 million passengers per year. The Bank's loan accounted for approximately 3.68% of the total project investment, which is expected to reduce CO₂ by about 16,908 tons/year.
- Affordable basic infrastructure, including support for the construction of residential infrastructure. The Bank pays attention to infrastructure construction and loans to enterprises related to the construction of basic living facilities. Part of the proceeds of this sustainability bond are allocated to infrastructure-related projects, which provides RMB 354.73 million (USD 51.86million) in loans to 324 companies.
- Access to essential services through supporting educational and medical projects. Part of the proceeds of this sustainability bond are allocated to educational and medical projects, which provides RMB 95.71 million (USD 13.99 million) to 85 related companies.
- Employment generation including through the potential effect of SME financing and microfinance. The Bank is committed to promote inclusive finance and support microfinance and SME financing. Large part of the proceeds of this sustainability bond are allocated to supporting microfinance and SME financing, which provides RMB 3,026.97 million (USD 442.54million) to 2,431 companies.

¹ The exchange rate is calculated as 6.84, the same below.

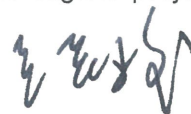
The Bank proactively fulfilled its social responsibility, with its provision of financial services to small and micro enterprises, innovator and entrepreneur groups and agriculture-related sectors as one of its key strategies to serve the real economy. It accelerated the pace of inclusive finance business, and actively supported the development of small and micro enterprises. In particular, the Bank established effective development mechanisms to promote the operation, management and risk control of the inclusive finance business line. The bank has scorecard for small and micro enterprises domestically, realizing data information integration and precise "portrait".

Information Disclosure and Reporting

In accordance with the Framework, the Bank has defined the responsibility on the information disclosure and reporting. Prior to the bond issuance, the Bank has engaged a qualified independent third party to conduct pre-issuance assurance so as to ensure that all proceeds are to be invested in eligible projects, the management of proceeds is in accordance with related requirements, and the environmental and social benefits of those projects meet the expectations of investors.

During the bond tenor, the Bank commits to publish an annual sustainability bond report (the "Sustainability Bond Report") on the Bank's official website, which will provide information on the allocation of the proceeds and the environmental and social impacts of the eligible projects. The annual Sustainability Bond Report for the previous year shall be disclosed before April 30 of each year. The following contents will be disclosed in the annual Sustainability Bond Report:

- 1) The aggregate amount allocated to various Eligible Projects
- 2) The remaining balance of funds which have not yet been allocated and type of temporary investment
- 3) Examples of Eligible Projects (subject to confidentiality disclosures)
- 4) The expected environmental and social impacts, respectively, of the eligible projects to which the Sustainability Bond proceeds have been allocated.



China Construction Bank Hong Kong Branch

10 September 2018

Eligible Green Projects List

No.	Region	Project	Category	Loan Amount (RMB million)	Loan Amount (USD million)
1	Eastern China	Railway Construction Project	Clean transportation	3,892.00	569.01
2	Southwestern China	Railway Construction Project	Clean transportation	3,880.56	567.33
Total Loan Amount				7,772.56	1,136.34

Eligible Social Projects List

Region	Total Loan Amount		
	Number of beneficiaries	Loan Amount (RMB million)	Loan Amount (USD million)
Eastern China	974	1,386.50	202.71
Southern China	689	875.08	127.94
Central China	232	364.95	53.36
Southwestern China	343	283.69	41.47
Northern China	247	275.06	40.21
Northeastern China	137	174.82	25.56
Northwestern China	128	117.31	17.15
Total	2,750	3,477.41	508.39

Region	Employment generation			Affordable basic infrastructure			Access to essential services		
	Number of beneficiaries	Loan Amount (RMB million)	Loan Amount (USD million)	Number of beneficiaries	Loan Amount (RMB million)	Loan Amount (USD million)	Number of beneficiaries	Loan Amount (RMB million)	Loan Amount (USD million)
Eastern China	829	1,202.97	175.87	125	158.58	23.18	20	24.95	3.65
Southern China	613	773.30	113.06	58	77.61	11.35	18	24.17	3.53
Central China	187	306.23	44.77	35	42.13	6.16	10	16.59	2.43
Southwestern China	277	230.55	33.71	50	39.88	5.83	16	13.26	1.94
Northern China	217	255.56	37.36	19	8.76	1.28	11	10.74	1.57
Northeastern China	125	170.56	24.94	10	3.66	0.54	2	0.60	0.09
Northwestern China	93	87.80	12.84	27	24.11	3.53	8	5.40	0.79
Total	2,341	3,026.97	442.54	324	354.73	51.86	85	95.71	13.99

Eligible Project Categories Include Green Projects and Social Projects

Category	Number of Projects/ Beneficiaries	Location	Loan Amount (RMB million)	Loan Amount (USD million)
Clean transportation	2	Eastern &Southwestern China	7,772.56	1,136.34
Employment generation	2,341	China	3,026.97	442.54
Affordable basic infrastructure	324	China	354.73	51.86
Access to essential services	85	China	95.71	13.99
Total Loan Amount			11,249.97	1,644.73