



THE CENTRAL PEOPLE'S GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

EUR750,000,000 Zero Coupon Bonds due 2025

EUR2,000,000,000 0.250% Bonds due 2030

EUR1,250,000,000 0.625% Bonds due 2035

Issue price of the 2025 Bonds: 100.763%

Issue price of the 2030 Bonds: 99.332%

Issue price of the 2035 Bonds: 99.445%

The Ministry of Finance of the People's Republic of China (the "Ministry of Finance") is offering EUR750,000,000 in aggregate principal amount of its zero coupon bonds due 2025 (the "2025 Bonds"), EUR2,000,000,000 in aggregate principal amount of its 0.250% bonds due 2030 (the "2030 Bonds") and EUR1,250,000,000 in aggregate principal amount of its 0.625% bonds due 2035 (the "2035 Bonds") and, together with the 2025 Bonds and the 2030 Bonds, the "Bonds").

The 2025 Bonds will bear no interest. No interest payment will be made on the 2025 Bonds. The 2030 Bonds and the 2035 Bonds will bear interest from and including 25 November 2020 (the "Issue Date") at the rate of 0.250% per annum and 0.625% per annum respectively. Interest on the 2030 Bonds and the 2035 Bonds will be payable annually in arrear on the Interest Payment Dates (as defined in the *Terms and Conditions of the 2030 Bonds* and the *Terms and Conditions of the 2035 Bonds*, respectively) falling on 25 November in each year, beginning on 25 November 2021. Payments on the Bonds will be made in euro without withholding or deduction for taxes of the People's Republic of China (the "PRC" or "China") or any authority in the PRC or of the PRC having power to tax to the extent described under "*Terms and Conditions of the 2025 Bonds – Taxation and Withholding*", "*Terms and Conditions of the 2030 Bonds – Taxation and Withholding*" and "*Terms and Conditions of the 2035 Bonds – Taxation and Withholding*". The 2025 Bonds will mature on 25 November 2025 at their principal amount, the 2030 Bonds will mature on the Interest Payment Date falling on 25 November 2030 at their principal amount and the 2035 Bonds will mature on the Interest Payment Date falling on 25 November 2035 at their principal amount.

The full faith and credit of the Central People's Government of the People's Republic of China (the "Central People's Government") is pledged for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People's Government with respect thereto.

The Bonds constitute direct, unconditional and unsecured obligations of the Central People's Government, and rank and will rank *pari passu*, without preference among themselves, with all other unsecured Public Indebtedness (as defined in the *Terms and Conditions of the Bonds*) of the Central People's Government, from time to time outstanding, provided further, that the Central People's Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Public Indebtedness and, in particular, shall have no obligation to pay other Public Indebtedness at the same time or as a condition of paying sums due on the Bonds and *vice versa*.

Application will be made to the London Stock Exchange plc (the "London Stock Exchange") for the Bonds to be admitted to trading on the London Stock Exchange's International Securities Market (the "ISM"). Such admission to trading is expected to be effective on or immediately following the Issue Date. This Offering Circular comprises admission particulars for the purposes of admission to trading of the Bonds on the ISM. The ISM is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "MiFID II").

The ISM is a market designated for professional investors. Bonds admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Listing Authority. The London Stock Exchange has not approved or verified the contents of this Offering Circular.

Application will be made to the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) (the "LuxSE") to approve this Offering Circular as a prospectus in accordance with Part IV of the Luxembourg Law on Prospectuses for Securities of 16 July 2019 (the "Prospectus Law") and to list the Bonds on the official list of the LuxSE (the "Official List") and to admit the Bonds to trading on the Euro MTF market which is a market operated by the LuxSE (the "Euro MTF Market"). The Euro MTF market is not a regulated market pursuant to the provisions of MiFID II.

This Offering Circular does not constitute a prospectus for the purposes of Article 3 of the Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation").

This Offering Circular will be published on the website of the LuxSE (www.bourse.lu). For the avoidance of doubt, the content of the website(s) included in this Offering Circular is for information purposes only and does not form part of this Offering Circular.

The LuxSE assumes no responsibility on the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to trading on the Euro MTF Market and listing on the Official List of the LuxSE is not to be taken as an indication of the merits of the Ministry of Finance or the Bonds.

The Bonds will be listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the SEHK and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, "Professional Investors") only.

Notice to Hong Kong investors: The Ministry of Finance confirms that the Bonds are intended for purchase by professional investors only (as defined in the Securities and Futures Ordinance (Cap 571) and Rules made thereunder) and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Ministry of Finance confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

For a more detailed description of the Bonds, see "*Overview of the Offering*" beginning on page 1.

The Bonds will be issued in denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Bonds may not be offered or sold within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable state or local securities laws. The Bonds are being offered outside the United States in reliance on Regulation S under the Securities Act ("Regulation S").

For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see "*Subscription and Sale*".

The 2025 Bonds will initially be represented by a global certificate (the "2025 Global Certificate") in registered form which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority (the "HKMA") as operator (the "Operator") of the Central Moneymarkets Unit Service (the "CMU"). Interests in the 2025 Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the 2025 Bonds through Euroclear Bank SA/NV ("Euroclear") or Clearstream Banking S.A. ("Clearstream"), such persons will hold their interest through an account opened and held by Euroclear or Clearstream with the CMU. Except as described herein, certificates for the 2025 Bonds will not be issued in exchange for interests in the 2025 Global Certificate.

The 2030 Bonds will initially be represented by a global certificate (the "2030 Global Certificate") and the 2035 Bonds will initially be represented by a global certificate (the "2035 Global Certificate"), and together with the 2025 Global Certificate and the 2030 Global Certificate, the "Global Certificates"), each in registered form which will be registered in the name of a nominee of, and shall be deposited with a common depository on behalf of Euroclear and Clearstream on the Issue Date. Interests in the 2030 Global Certificate and the 2035 Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. For persons seeking to hold a beneficial interest in the 2030 Bonds or the 2035 Bonds through the CMU operated by the HKMA, such persons will hold their interest through an account opened and held by the CMU with Euroclear or Clearstream. Except as described herein, certificates for the 2030 Bonds and the 2035 Bonds will not be issued in exchange for interests in the 2030 Global Certificate or the 2035 Global Certificate.

Joint Lead Managers and Joint Bookrunners

Bank of China

China International
Capital Corporation

HSBC

BofA Securities

J.P. Morgan

Crédit Agricole CIB

Société Générale
Corporate & Investment Banking

Bank of Communications

Deutsche Bank

Standard Chartered
Bank

Goldman Sachs (Asia)
L.L.C.

UBS

Offering Circular dated 18 November 2020

IMPORTANT NOTICE

This Offering Circular has been prepared by the Ministry of Finance solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. The Ministry of Finance accepts responsibility for the accuracy of the information contained in this Offering Circular and confirms having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Ministry of Finance and Bank of China Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, Merrill Lynch (Asia Pacific) Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Société Générale, Standard Chartered Bank and UBS AG Hong Kong Branch (collectively, the “Joint Lead Managers”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds or redemption of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States and the United Kingdom, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”.

No person has been or is authorised to give any information or to make any representation concerning the Ministry of Finance or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Ministry of Finance, the Joint Lead Managers, Bank of Communications Co., Ltd. Hong Kong Branch (the “Fiscal Agent”) or other agents as appointed by the Ministry of Finance (together with the Fiscal Agent, the “Agents”). Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the PRC since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Ministry of Finance, the Joint Lead Managers or the Agents to subscribe for or purchase any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers or the Agents as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers or the Agents. None of the Joint Lead Managers or the Agents have independently verified any of the information contained in this Offering Circular. None of the Joint Lead Managers or the Agents can give any assurance that this information is accurate, true or complete. To the fullest extent permitted by law, none of the Joint Lead Managers or the Agents assume responsibility for the contents, accuracy or completeness of any such information or for any other statement, made or purported to be made by the Joint Lead Managers or the Agents or on their behalf in connection with the Ministry of Finance or the issue and offering of the Bonds. Each of the Joint Lead Managers and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Offering Circular or any such statement. This Offering Circular is not intended to provide the basis of any credit

or other evaluation nor should it be considered as a recommendation by any of the Ministry of Finance, the Joint Lead Managers or the Agents that any recipient of this Offering Circular should purchase the Bonds.

The Bonds are governed by English law. The Ministry of Finance has agreed that the courts of England and Wales have exclusive jurisdiction to settle any dispute in connection with the Bonds and appointed Bank of Communications Co., Ltd. London Branch (currently at 4th Floor, 1 Bartholomew Lane, London, United Kingdom) as its agent to accept service of process in any Proceedings (as defined in the *Terms and Conditions of the Bonds*).

To the extent that the Ministry of Finance may claim for itself immunity from any Proceedings, and to the extent that in any such jurisdiction there may be attributed to the Ministry of Finance such immunity (whether or not claimed), the Ministry of Finance hereby agrees not to claim and hereby waives and will waive such immunity in the face of the courts; provided, however, that the Ministry of Finance has not waived, and shall not waive, its sovereign and other immunity with respect to assets of the PRC wherever located from execution or attachment, whether in aid of execution, before judgment or otherwise.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY JOINT LEAD MANAGER (OR PERSONS ACTING ON BEHALF OF SUCH JOINT LEAD MANAGER) MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT SUCH JOINT LEAD MANAGER (OR PERSONS ACTING ON BEHALF OF SUCH JOINT LEAD MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY SUCH JOINT LEAD MANAGER (OR PERSONS ACTING ON BEHALF OF SUCH JOINT LEAD MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Unless otherwise specified or the context requires, all references herein to “the Ministry of Finance” and words of similar import regarding the description of the Bonds are to The Ministry of Finance of the PRC itself and references herein to “RMB” are to the lawful currency of the PRC.

References to “Hong Kong” are to the Hong Kong Special Administrative Region of the PRC; references to “Macau” are to the Macau Special Administrative Region of the PRC; references to “U.S.” and the “United States” mean the United States of America; references to “U.S.\$” and “U.S. dollars” are to the lawful currency of the United States and references to “EUR”, “euro” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Statistical information included in this Offering Circular is the latest official data publicly available at the date of this Offering Circular. Financial data provided in this Offering Circular may be subsequently revised in accordance with the Central People’s Government’s ongoing maintenance of its economic data, and that revised data will not be distributed by the Ministry of Finance to any holder of the Bonds.

Unless otherwise indicated, all references in this Offering Circular to “Bonds” are to any of the 2025 Bonds, the 2030 Bonds and the 2035 Bonds and references to a “series of Bonds” or to a “series” are to the 2025 Bonds, the 2030 Bonds or the 2035 Bonds separately and all references in this Offering Circular to “*Terms and Conditions of the Bonds*” are to the terms and conditions governing the 2025 Bonds, the 2030 Bonds and the 2035 Bonds (as applicable).

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OVERVIEW OF THE OFFERING

This following overview contains certain information on the Bonds and the offering and is qualified in its entirety by the remainder of this Offering Circular. Any decision to invest in the Bonds should be based on a consideration of this Offering Circular as a whole. For a more complete description of the terms of the Bonds, see the Terms and Conditions of the Bonds.

Words and expressions defined in the Terms and Conditions of the Bonds or elsewhere in this Offering Circular have the same meanings in this overview.

Issuer	The Ministry of Finance of the People's Republic of China.
Bonds offered	EUR750,000,000 Zero Coupon Bonds due 2025. EUR2,000,000,000 0.250% Bonds due 2030. EUR1,250,000,000 0.625% Bonds due 2035.
Issue date	25 November 2020 (the "Issue Date").
Maturity date	2025 Bonds: 25 November 2025. 2030 Bonds: Interest Payment Date falling on 25 November 2030. 2035 Bonds: Interest Payment Date falling on 25 November 2035.
Issue price	2025 Bonds: 100.763% of the principal amount. 2030 Bonds: 99.332% of the principal amount. 2035 Bonds: 99.445% of the principal amount.
Interest rate	2025 Bonds: zero coupon. 2030 Bonds: 0.250% per annum. 2035 Bonds: 0.625% per annum.
Interest payment dates in respect of the 2030 Bonds and the 2035 Bonds	Annually in arrear on 25 November of each year, beginning on 25 November 2021.
Final redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Ranking	The Bonds are the direct, unconditional and unsecured obligations of the Central People's Government and rank and will rank <i>pari passu</i> , without preference among themselves, with all other unsecured Public Indebtedness of the Central People's Government, from time to time outstanding, provided further, that the Central People's Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Public Indebtedness and, in particular, shall have no obligation to pay other Public Indebtedness at the same time or as a condition of paying sums due on the Bonds and <i>vice versa</i> .
Listing	Application will be made to the London Stock Exchange for the Bonds to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of MiFID II. Such

admission to trading is expected to be effective on or immediately following the Issue Date.

Application will be made to the LuxSE for the Bonds to be admitted to trading on the Euro MTF Market and listed on the Official List of the LuxSE.

The Bonds will also be listed on the SEHK.

Denomination

The denomination of the Bonds is EUR100,000 and integral multiples of EUR1,000 in excess thereof.

Form

The Bonds will be issued in registered form and will initially be represented by a global certificate in respect of each series of Bonds.

Clearing Systems

CMU in the case of the 2025 Bonds; Euroclear and Clearstream in the case of the 2030 Bonds and the 2035 Bonds. The CMU Instrument Number, ISIN and Common Code for the Bonds, as the case may be, are:

	CMU Instrument Number	ISIN	Common Code
2025 Bonds:	BCMKZB20011	HK0000659794	225895856
2030 Bonds:	–	XS2259626856	225962685
2035 Bonds:	–	XS2259627235	225962723

Payment of principal and interest

Principal and interest (if any) on the Bonds will be payable in euro.

**Fiscal agent, principal paying agent,
CMU lodging agent, registrar and
transfer agent**

Bank of Communications Co., Ltd. Hong Kong Branch.

Governing law

English law.

Use of proceeds

The net proceeds from the sale of the Bonds will be used by the Ministry of Finance for general governmental purposes.

Selling restrictions

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable state or local securities laws. For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of offering material in certain jurisdictions, see the “*Subscription and Sale*” section below.

RISK FACTOR

The Ministry of Finance believes that the risk factor described below represents the principal risk inherent in investing in the Bonds, but there may be other market-related risks associated with the Bonds which may not be considered significant risks by the Ministry of Finance based on information currently available to it or which it may not currently be able to anticipate. The risk factor described below is a contingency which may or may not occur. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular to reach their own views prior to making any investment decision.

The Bonds carry a fixed interest rate or no interest.

The Bonds carry a fixed interest rate or no interest. The market prices of the Bonds may decrease if euro interest rates increase during the term of the Bonds. Under this situation, investors may incur a loss from the decrease in the market price if they sell the Bonds before final maturity.

TERMS AND CONDITIONS OF THE 2025 BONDS

The following are the terms and conditions substantially in the form in which they will appear on the reverse of each of the definitive certificates evidencing the 2025 Bonds.

The EUR750,000,000 zero coupon bonds due 2025 (the “Bonds”) of the Ministry of Finance of the People’s Republic of China (the “Ministry of Finance”) are the subject of a fiscal agency agreement dated on or about 25 November 2020 (the “Fiscal Agency Agreement”) between the Ministry of Finance and Bank of Communications Co., Ltd. Hong Kong Branch as the fiscal agent, principal paying agent, CMU lodging agent, transfer agent and registrar. The fiscal agent, principal paying agent, CMU lodging agent, transfer agent and registrar for the time being and the paying agents to be appointed by the Ministry of Finance in the future are referred to below respectively as the “Fiscal Agent”, the “Principal Paying Agent”, the “CMU Lodging Agent”, the “Transfer Agent”, the “Registrar” and the “Paying Agents” (which expression shall include the Fiscal Agent).

The Fiscal Agency Agreement includes the form of the Bonds. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified office of the Fiscal Agent. The holders of the Bonds are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

Words and expressions defined in the Fiscal Agency Agreement shall have the same meanings where used in these terms and conditions (the “Conditions”) unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination and Title

The Bonds will be issued in registered form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The Bonds are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder (as defined below).

Title to the Bonds shall pass by registration in the register that the Ministry of Finance 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 of any Bond 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 any interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “Bondholder” and “holder” means the person in whose name a Bond is registered (or in the case of a joint holding, the first name thereof).

2 Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Ministry of Finance), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds 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. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding

shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Ministry of Finance, 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 Bondholder during usual business hours upon prior written request.

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within three business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (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 Transfer Agent or the Registrar (as the case may be) 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 or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer Free of Charge:** Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Ministry of Finance, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, or (ii) during the period of seven days ending on (and including) any Record Date.

3 Status of Bonds

The full faith and credit of the Central People’s Government of the People’s Republic of China (the “Central People’s Government”) is pledged for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People’s Government with respect thereto.

The Bonds are the direct, unconditional and unsecured obligations of the Central People’s Government and rank and will rank *pari passu*, without preference among themselves, with all other unsecured Public Indebtedness of the Central People’s Government, from time to time outstanding, provided further, that the Central People’s Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Public Indebtedness and, in particular, shall have no obligation to pay other Public Indebtedness at the same time or as a condition of paying sums due on the Bonds and *vice versa*.

In this Condition:

- (a) “Public Indebtedness” means Indebtedness represented or evidenced by notes, bonds or other similar instruments of the kind customarily offered in the public securities markets and of the kind customarily subject to listing and trading on securities exchanges (without regard, however, to whether or not the instruments are offered through public distributions or in private placements); and
- (b) “Indebtedness” means any indebtedness for money borrowed or any guarantee of indebtedness for money borrowed which, in either case: (i) has an original maturity in excess of one year; and (ii) is backed by the full faith and credit of the Central People’s Government and shall not include the

borrowings of any state-owned corporation or in the name of any agency or instrumentality of the People's Republic of China (the "PRC") (whether or not such corporation, agency or instrumentality has, under the laws of the PRC, a separate legal existence).

4 Interest

The Bonds will bear no interest. No interest payments will be made on the Bonds.

5 Redemption and Purchase

(a) Final redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 25 November 2025 (the "Maturity Date").

(b) Purchases

The Ministry of Finance may at any time purchase the Bonds in the open market or through designated lawful institutions at any price. Any Certificates representing the Bonds purchased pursuant to this Condition 5(b) may be held, reissued, resold or surrendered to the Fiscal Agent for cancellation. Without limiting the provisions of paragraph (i) (*Bonds controlled by the Ministry of Finance*) of Condition 8, the Bonds so purchased, while held by or on behalf of the Ministry of Finance, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of determining quorums at meetings of the Bondholders or for the purposes of Condition 8.

6 Payments

(a) Method of Payment

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) below.
- (ii) Payments shall be made by euro cheque drawn on a bank that has access to the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the "TARGET System") and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register, or at the option of the Bondholders by transfer to a euro account maintained by or on behalf of the payee with a bank that has access to the TARGET System.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Ministry of Finance or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount.

(b) Payments subject to laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(c) Payment Initiation

Where payment is to be made by transfer to an account in euro, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Business Day on which the Fiscal Agent is open for business and on which the relevant Certificate is surrendered.

(d) Appointment of Agents

The Fiscal Agent, the Principal Paying Agent, the CMU Lodging Agent, the Transfer Agent and the Registrar initially appointed by the Ministry of Finance and their respective specified office are listed below. The Fiscal Agent, the Principal Paying Agent, the CMU Lodging Agent, the Transfer Agent and the Registrar act solely as agents of the Ministry of Finance and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Ministry of Finance reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Principal Paying Agent, the CMU Lodging Agent, the Transfer Agent or the Registrar and to appoint additional or other Paying Agents or Transfer Agents, provided that the Ministry of Finance shall at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a CMU Lodging Agent, (iv) a Registrar with a specified office outside the United Kingdom, (v) a Transfer Agent and (vi) such other agents as may be required by any other stock exchange on which the Bonds may be listed. Notice of any such change or any change of any specified office shall promptly be given to the Bondholders in accordance with Condition 12.

(e) Delay in Payments

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Business Day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 6(a)(ii).

(f) Non-Payment Business Days

If any date for payment in respect of any Bond is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 6, “Business Day” means a day (other than a Saturday or Sunday) on which (i) banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and in Beijing and Hong Kong; (ii) banks in Beijing are not authorised or obligated by law or executive order to be closed and (iii) a day on which the TARGET System is operating.

7 Taxation and Withholding

All payments (whether in respect of principal or otherwise) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Ministry of Finance shall pay such additional amounts as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required.

For the avoidance of doubt, the obligation of the Ministry of Finance to pay additional amounts in respect of taxes, duties, assessments and other governmental charges will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any

tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of the Bonds; provided that the Ministry of Finance shall pay all stamp or other taxes, duties, assessments or other governmental charges, if any, which may be imposed by the PRC or any political subdivision thereof or any taxing authority thereof or therein, with respect to the Fiscal Agency Agreement or as a consequence of the issuance of the Bonds.

Except as specifically provided in this Condition 7, the Ministry of Finance shall not be required to make any payment with respect to any stamp or other taxes, duties, assessments or other governmental charges, if any, imposed by any government or any political subdivision or taxing authority thereof or therein. Whenever in these Conditions there is a reference, in any context, to the payment of the principal of, or in respect of, the Bonds, such mention shall be deemed to include mention of the payment of additional amounts provided for in this Condition 7 to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Condition 7 and express mention of the payment of additional amounts (if applicable) in any provision hereof shall not be construed as excluding additional amounts in those provisions hereof where such express mention is not made.

8 Meetings of Bondholders, Written Resolutions

(a) Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions

- (i) The Ministry of Finance may convene a meeting of the Bondholders at any time in respect of the Bonds in accordance with the Fiscal Agency Agreement. The Ministry of Finance will determine the time and place of the meeting. The Ministry of Finance will notify the Bondholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Ministry of Finance will convene a meeting of Bondholders if the holders of at least 10% in principal amount of the outstanding Bonds (as defined in the Fiscal Agency Agreement and described in paragraph (i) (*Bonds controlled by the Ministry of Finance*)) have delivered a written request to the Ministry of Finance setting out the purpose of the meeting and the Ministry of Finance is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses. The Fiscal Agent will agree the time and place of the meeting with the Ministry of Finance promptly. The Ministry of Finance will notify the Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Ministry of Finance will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Ministry of Finance will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Ministry of Finance proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*:
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

- (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Bonds are traded and/or held by Bondholders;
 - (F) whether paragraph (b) (*Modification of this Series of Bonds only*), or paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (H) such information that is required to be provided by the Ministry of Finance in accordance with paragraph (f) (*Information*);
 - (I) the identity of the Aggregation Agent and the Voting Calculation Agent (each as defined below), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in paragraph (g) (*Claims Valuation*); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) In addition, the Fiscal Agency Agreement contains provisions relating to Written Resolutions. All information to be provided pursuant to paragraph (a)(iv) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*) shall also be provided, mutatis mutandis, in respect of Written Resolutions.
 - (vi) A “record date” in relation to any proposed modification or action means the date fixed by the Ministry of Finance for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
 - (vii) An “Extraordinary Resolution” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
 - (viii) A “Written Resolution” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
 - (ix) Any reference to “debt securities” means Public Indebtedness.

- (x) “Debt Securities Capable of Aggregation” means those debt securities which include or incorporate by reference this Condition 8 and Condition 9 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

(b) Modification of this Series of Bonds only

- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (ii) A “Single Series Extraordinary Resolution” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*) by a majority of:
 - (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the outstanding Bonds.
- (iii) A “Single Series Written Resolution” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the outstanding Bonds.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders.

- (iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) Multiple Series Aggregation – Single limb voting

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
- (ii) A “Multiple Series Single Limb Extraordinary Resolution” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*), as supplemented if necessary, which is passed by

a majority of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

- (iii) A “Multiple Series Single Limb Written Resolution” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of debt securities.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on coupon holders (if any) of each other affected series of Debt Securities Capable of Aggregation.
- (v) The “Uniformly Applicable” condition will be satisfied if:
 - (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (x) the same new instrument or other consideration; or (y) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).
- (vi) It is understood that a proposal under paragraph (c)(i) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).
- (vii) Any modification or action proposed under paragraph (c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the

provisions described in this paragraph (c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) **Multiple Series Aggregation – Two limb voting**

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (ii) A “Multiple Series Two Limb Extraordinary Resolution” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (A) at least 66 2/3% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (iii) A “Multiple Series Two Limb Written Resolution” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
 - (A) at least 66 2/3% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on coupon holders (if any) of each other affected series of Debt Securities Capable of Aggregation.
- (v) Any modification or action proposed under paragraph (d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this paragraph (d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) **Reserved Matters**

In these Conditions, “Reserved Matter” means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Bonds or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Bonds on any date;
- (ii) to change the currency in which any amount due in respect of the Bonds is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “Uniformly Applicable”;
- (vii) to change the definition of “outstanding” or to modify the provisions of paragraph (i) (*Bonds controlled by the Ministry of Finance*);
- (viii) to change the legal ranking of the Bonds;
- (ix) to change the law governing the Bonds, the courts to the jurisdiction of which the Ministry of Finance has submitted in the Bonds, any of the arrangements specified in the Bonds to enable proceedings to be taken or the Ministry of Finance’s waiver of immunity, in respect of Proceedings (as defined in Condition 16) brought by any Bondholder, set out in Condition 16;
- (x) to impose any condition on or otherwise change the Ministry of Finance’s obligation to make payments of principal, interest or any other amount in respect of the Bonds, including by way of the addition of a call option;
- (xi) to modify the provisions of this paragraph (e); or
- (xii) to exchange or substitute all the Bonds for, or convert all the Bonds into, other obligations or securities of the Ministry of Finance or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Bonds for, or the conversion of the Bonds into, any other obligations or securities of the Ministry of Finance or any other person, which would result in the Conditions as so modified being less favourable to the Bondholders which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Ministry of Finance or any other person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) **Information**

Prior to or on the date that the Ministry of Finance proposes any Extraordinary Resolution or Written Resolution pursuant to paragraph (b) (*Modification of this Series of Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*), the Ministry of Finance shall publish in accordance with Condition 9, and provide the Fiscal Agent with the following information:

- (i) a description of the economic and financial circumstances of the PRC which are, in the Ministry of Finance's opinion, relevant to the request for any potential modification or action, a description of the Ministry of Finance's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Ministry of Finance shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Ministry of Finance's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Bondholders in paragraph (a)(iv)(G) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*).

(g) **Claims Valuation**

For the purpose of calculating the par value of the Bonds and any affected series of debt securities which are to be aggregated with the Bonds in accordance with paragraph (c) (*Multiple Series Aggregation – Single limb voting*) and paragraph (d) (*Multiple Series Aggregation – Two limb voting*), the Ministry of Finance may appoint a separate calculation agent (the "Voting Calculation Agent"). The Ministry of Finance shall, with the approval of the Aggregation Agent and any appointed Voting Calculation Agent, promulgate the methodology in accordance with which the par value of the Bonds and such affected series of debt securities will be calculated. In any such case where a Voting Calculation Agent is appointed, the same person will be appointed as the Voting Calculation Agent for the Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) **Manifest error, etc.**

The Bonds, these Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the Bondholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Ministry of Finance shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Bondholders.

(i) **Bonds controlled by the Ministry of Finance**

For the purposes of (x) determining the right to attend and vote at any meeting of Bondholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution and (y) this Condition 8, any Bonds which are for the time being held by or on behalf of the Central People's

Government (including the Ministry of Finance) or by or on behalf of any person which is owned or controlled directly or indirectly by the Central People's Government or by any public sector instrumentality of the Central People's Government shall be disregarded and be deemed not to remain outstanding, where:

- (i) "public sector instrumentality" means the People's Bank of China, any other department, ministry or agency of the government of the PRC or any corporation, trust, financial institution or other entity owned or controlled by the government of the PRC or any of the foregoing; and
- (ii) "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Bond will also be deemed to be not outstanding if the Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Bond has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Ministry of Finance has previously satisfied its obligations to make all payments due in respect of the Bond in accordance with its terms.

In advance of any meeting of Bondholders, or in connection with any Written Resolution, the Ministry of Finance shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to paragraph (d) (*Certificate*) of Condition 9, which includes information on the total number of Bonds which are for the time being held by or on behalf of the Central People's Government (including the Ministry of Finance) or by or on behalf of any person which is owned or controlled directly or indirectly by the Central People's Government or by any public sector instrumentality of the Central People's Government and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Bondholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) **Publication**

The Ministry of Finance shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with paragraph (g) (*Manner of publication*) of Condition 9.

(k) **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Ministry of Finance's option by way of a mandatory exchange or conversion of the Bonds and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Bonds is notified to Bondholders at the time notification is given to the Bondholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Bondholders.

9 Aggregation Agent, Aggregation Procedures

(a) **Appointment**

The Ministry of Finance will appoint an aggregation agent (the “Aggregation Agent”) to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of the Bonds, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Ministry of Finance.

(b) **Extraordinary Resolutions**

If an Extraordinary Resolution has been proposed at a duly convened meeting of Bondholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) **Written Resolutions**

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) **Certificate**

For the purposes of paragraph (b) (*Extraordinary Resolutions*) and paragraph (c) (*Written Resolutions*), the Ministry of Finance will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of this Series of Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) of Condition 8, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total principal amount of Bonds and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Ministry of Finance*) of Condition 8 on the record date identifying the holders of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) **Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 9 to be notified to the Ministry of Finance as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders.

(f) **Binding nature of determinations; no liability**

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

(g) **Manner of publication**

The Ministry of Finance will publish all notices and other matters required to be published pursuant to the Fiscal Agency Agreement including any matters required to be published pursuant to Condition 8 and this Condition 9:

- (i) through the Central Moneymarkets Unit Service or any Alternative Clearing System (as defined in the Fiscal Agency Agreement);
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

10 Waiver or Authorisation of Breach of Fiscal Agency Agreement

Notwithstanding any provision of Condition 8, the Ministry of Finance shall only permit any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, without the consent of the Bondholders, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

11 Prescription

The right of a Bondholder to receive any payment under the Bonds shall become void ten years after the due date for payment thereof.

12 Notices

Any notice to the holder of any definitive Bond shall be validly given if published in a leading newspaper having a general circulation in Hong Kong (which is expected to be the *South China Morning Post*) or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Hong Kong or, in either case, in such other manner as the Ministry of Finance shall determine. Any such notice shall be deemed to have been given on the date of first publication in an English language newspaper.

13 Replacement of Bonds

Any Certificate which is lost, stolen, mutilated, defaced or destroyed may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Ministry of Finance for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the expense incurred in connection there with and on such terms as to evidence, indemnity, security or otherwise as the Ministry of Finance may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Further Issues

The Ministry of Finance may from time to time, without the consent of holders of the Bonds, create and issue further bonds having the same terms and conditions as the Bonds in all respects, except for the issue date and issue price thereon. Additional bonds issued in this manner will be consolidated with and will form a single series with the Bonds.

15 Contracts (Rights of Third Parties) Act 1999

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

16 Governing Law and Jurisdiction

(a) Governing law

The Bonds 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.

(b) Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any suit, action or proceedings arising out of or in connection with the Bonds (together referred to as “Proceedings”) may be brought in such courts. The Ministry of Finance irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings have been brought in an inconvenient or inappropriate forum. This submission is made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction.

(c) Agent for Service of Process

The Ministry of Finance hereby appoints Bank of Communications Co., Ltd. London Branch (currently at 4th Floor, 1 Bartholomew Lane, London, United Kingdom) as its agent in England to receive service of process in any Proceedings in England based on the Fiscal Agency Agreement and the Bonds.

(d) Waiver of immunity

To the extent that the Ministry of Finance may in any jurisdiction claim for itself immunity from any such Proceedings, and to the extent that in any such jurisdiction there may be attributed to the Ministry of Finance such immunity (whether or not claimed), the Ministry of Finance hereby agrees not to claim and hereby waives and will waive such immunity in the face of the courts; provided, however, that the Ministry of Finance has not waived, and shall not waive, its sovereign and other immunity with respect

to assets of the PRC wherever located from execution or attachment, whether in aid of execution, before judgment or otherwise.

TERMS AND CONDITIONS OF THE 2030 BONDS

The following are the terms and conditions substantially in the form in which they will appear on the reverse of each of the definitive certificates evidencing the 2030 Bonds.

The EUR2,000,000,000 0.250% bonds due 2030 (the “Bonds”) of the Ministry of Finance of the People’s Republic of China (the “Ministry of Finance”) are the subject of a fiscal agency agreement dated on or about 25 November 2020 (the “Fiscal Agency Agreement”) between the Ministry of Finance and Bank of Communications Co., Ltd. Hong Kong Branch as the fiscal agent, principal paying agent, CMU lodging agent, transfer agent and registrar. The fiscal agent, principal paying agent, CMU lodging agent, transfer agent and registrar for the time being and the paying agents to be appointed by the Ministry of Finance in the future are referred to below respectively as the “Fiscal Agent”, the “Principal Paying Agent”, the “CMU Lodging Agent”, the “Transfer Agent”, the “Registrar” and the “Paying Agents” (which expression shall include the Fiscal Agent).

The Fiscal Agency Agreement includes the form of the Bonds. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified office of the Fiscal Agent. The holders of the Bonds are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

Words and expressions defined in the Fiscal Agency Agreement shall have the same meanings where used in these terms and conditions (the “Conditions”) unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination and Title

The Bonds will be issued in registered form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The Bonds are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder (as defined below).

Title to the Bonds shall pass by registration in the register that the Ministry of Finance 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 of any Bond 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 any interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “Bondholder” and “holder” means the person in whose name a Bond is registered (or in the case of a joint holding, the first name thereof).

2 Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Ministry of Finance), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds 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. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding

shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Ministry of Finance, 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 Bondholder during usual business hours upon prior written request.

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within three business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (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 Transfer Agent or the Registrar (as the case may be) 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 or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer Free of Charge:** Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Ministry of Finance, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, or (ii) during the period of seven days ending on (and including) any Record Date.

3 Status of Bonds

The full faith and credit of the Central People’s Government of the People’s Republic of China (the “Central People’s Government”) is pledged for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People’s Government with respect thereto.

The Bonds are the direct, unconditional and unsecured obligations of the Central People’s Government and rank and will rank *pari passu*, without preference among themselves, with all other unsecured Public Indebtedness of the Central People’s Government, from time to time outstanding, provided further, that the Central People’s Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Public Indebtedness and, in particular, shall have no obligation to pay other Public Indebtedness at the same time or as a condition of paying sums due on the Bonds and *vice versa*.

In this Condition:

- (a) “Public Indebtedness” means Indebtedness represented or evidenced by notes, bonds or other similar instruments of the kind customarily offered in the public securities markets and of the kind customarily subject to listing and trading on securities exchanges (without regard, however, to whether or not the instruments are offered through public distributions or in private placements); and
- (b) “Indebtedness” means any indebtedness for money borrowed or any guarantee of indebtedness for money borrowed which, in either case: (i) has an original maturity in excess of one year; and (ii) is backed by the full faith and credit of the Central People’s Government and shall not include the

borrowings of any state-owned corporation or in the name of any agency or instrumentality of the People's Republic of China (the "PRC") (whether or not such corporation, agency or instrumentality has, under the laws of the PRC, a separate legal existence).

4 Interest

(a) Interest Payment Dates

The Bonds bear interest from and including 25 November 2020 (the "Issue Date") at the rate of 0.250% per annum, payable annually in arrear of EUR2.5 per Calculation Amount (as defined below) on 25 November in each year (each an "Interest Payment Date"), beginning on 25 November 2021.

(b) Interest Payments

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest on the principal amount in respect of which payment has been improperly withheld or refused in accordance with this Condition (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

(c) Calculation of Interest

If interest is required to be calculated for a period of less than a full year, the relevant day-count fraction will be determined on the basis of (i) the actual number of days in the period from and including the date from which interest begins to accrue (the "Accrual Date") to but excluding the date on which it falls due divided by (ii) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

Interest in respect of any Bond shall be calculated per EUR1,000 in principal amount of the Bonds (the "Calculation Amount"). The amount of interest payable per Calculation Amount for any period shall (save as provided above in relation to equal instalments) be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5 Redemption and Purchase

(a) Final redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Interest Payment Date falling on 25 November 2030 (the "Maturity Date").

(b) Purchases

The Ministry of Finance may at any time purchase the Bonds in the open market or through designated lawful institutions at any price. Any Certificates representing the Bonds purchased pursuant to this Condition 5(b) may be held, reissued, resold or surrendered to the Fiscal Agent for cancellation. Without limiting the provisions of paragraph (i) (*Bonds controlled by the Ministry of Finance*) of Condition 8, the Bonds so purchased, while held by or on behalf of the Ministry of Finance, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of determining quorums at meetings of the Bondholders or for the purposes of Condition 8.

6 Payments

(a) Method of Payment

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (iii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof (the "Record Date"). Payments of interest on each Bond shall be made in the manner provided in paragraph (iii) below.
- (iii) Payments shall be made by euro cheque drawn on a bank that has access to the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the "TARGET System") and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register, or at the option of the Bondholders by transfer to a euro account maintained by or on behalf of the payee with a bank that has access to the TARGET System.
- (iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Ministry of Finance or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

(b) Payments subject to laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(c) Payment Initiation

Where payment is to be made by transfer to an account in euro, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Business Day on which the Fiscal Agent is open for business and on which the relevant Certificate is surrendered.

(d) Appointment of Agents

The Fiscal Agent, the Principal Paying Agent, the Transfer Agent and the Registrar initially appointed by the Ministry of Finance and their respective specified office are listed below. The Fiscal Agent, the Principal Paying Agent, the Transfer Agent and the Registrar act solely as agents of the Ministry of Finance and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Ministry of Finance reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Principal Paying Agent, the Transfer Agent or the Registrar and to appoint additional or other Paying Agents or Transfer Agents, provided that the Ministry of Finance shall at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a Registrar with a specified office outside the United Kingdom, (iv) a Transfer Agent and (v) such other agents as may be required by any other stock exchange

on which the Bonds may be listed. Notice of any such change or any change of any specified office shall promptly be given to the Bondholders in accordance with Condition 12.

(e) **Delay in Payments**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Business Day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 6(a)(iii).

(f) **Non-Payment Business Days**

If any date for payment in respect of any Bond is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 6, "Business Day" means a day (other than a Saturday or Sunday) on which (i) banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and in Beijing and Hong Kong; (ii) banks in Beijing are not authorised or obligated by law or executive order to be closed and (iii) a day on which the TARGET System is operating.

7 Taxation and Withholding

All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Ministry of Finance shall pay such additional amounts as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required.

For the avoidance of doubt, the obligation of the Ministry of Finance to pay additional amounts in respect of taxes, duties, assessments and other governmental charges will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, or interest on, the Bonds; provided that the Ministry of Finance shall pay all stamp or other taxes, duties, assessments or other governmental charges, if any, which may be imposed by the PRC or any political subdivision thereof or any taxing authority thereof or therein, with respect to the Fiscal Agency Agreement or as a consequence of the issuance of the Bonds.

Except as specifically provided in this Condition 7, the Ministry of Finance shall not be required to make any payment with respect to any stamp or other taxes, duties, assessments or other governmental charges, if any, imposed by any government or any political subdivision or taxing authority thereof or therein. Whenever in these Conditions there is a reference, in any context, to the payment of the principal of, or interest on, or in respect of, the Bonds, such mention shall be deemed to include mention of the payment of additional amounts provided for in this Condition 7 to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Condition 7 and express mention of the payment of additional amounts (if applicable) in any provision hereof shall not be construed as excluding additional amounts in those provisions hereof where such express mention is not made.

8 Meetings of Bondholders, Written Resolutions

(a) **Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions**

- (i) The Ministry of Finance may convene a meeting of the Bondholders at any time in respect of the Bonds in accordance with the Fiscal Agency Agreement. The Ministry of Finance will determine the time and place of the meeting. The Ministry of Finance will notify the Bondholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Ministry of Finance will convene a meeting of Bondholders if the holders of at least 10% in principal amount of the outstanding Bonds (as defined in the Fiscal Agency Agreement and described in paragraph (i) (*Bonds controlled by the Ministry of Finance*)) have delivered a written request to the Ministry of Finance setting out the purpose of the meeting and the Ministry of Finance is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses. The Fiscal Agent will agree the time and place of the meeting with the Ministry of Finance promptly. The Ministry of Finance will notify the Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Ministry of Finance will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Ministry of Finance will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Ministry of Finance proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*;
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Bonds are traded and/or held by Bondholders;
 - (F) whether paragraph (b) (*Modification of this Series of Bonds only*), or paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (H) such information that is required to be provided by the Ministry of Finance in accordance with paragraph (f) (*Information*);

- (I) the identity of the Aggregation Agent and the Voting Calculation Agent (each as defined below), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in paragraph (g) (*Claims Valuation*); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) In addition, the Fiscal Agency Agreement contains provisions relating to Written Resolutions. All information to be provided pursuant to paragraph (a)(iv) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*) shall also be provided, mutatis mutandis, in respect of Written Resolutions.
 - (vi) A “record date” in relation to any proposed modification or action means the date fixed by the Ministry of Finance for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
 - (vii) An “Extraordinary Resolution” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
 - (viii) A “Written Resolution” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
 - (ix) Any reference to “debt securities” means Public Indebtedness.
 - (x) “Debt Securities Capable of Aggregation” means those debt securities which include or incorporate by reference this Condition 8 and Condition 9 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.
- (b) **Modification of this Series of Bonds only**
- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
 - (ii) A “Single Series Extraordinary Resolution” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*) by a majority of:
 - (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the outstanding Bonds.

(iii) A “Single Series Written Resolution” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds; or

(B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the outstanding Bonds.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders.

(iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) **Multiple Series Aggregation – Single limb voting**

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(ii) A “Multiple Series Single Limb Extraordinary Resolution” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(iii) A “Multiple Series Single Limb Written Resolution” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of debt securities.

(iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on coupon holders (if any) of each other affected series of Debt Securities Capable of Aggregation.

- (v) The “Uniformly Applicable” condition will be satisfied if:
 - (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (x) the same new instrument or other consideration; or (y) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).
 - (vi) It is understood that a proposal under paragraph (c)(i) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).
 - (vii) Any modification or action proposed under paragraph (c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this paragraph (c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.
- (d) **Multiple Series Aggregation – Two limb voting**
- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
 - (ii) A “Multiple Series Two Limb Extraordinary Resolution” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Ministry of Finance pursuant to paragraph (a) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (A) at least 66 2/3% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iii) A “Multiple Series Two Limb Written Resolution” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66 2/3% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on coupon holders (if any) of each other affected series of Debt Securities Capable of Aggregation.

(v) Any modification or action proposed under paragraph (d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this paragraph (d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) **Reserved Matters**

In these Conditions, “Reserved Matter” means any proposal:

(i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Bonds or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Bonds on any date;

(ii) to change the currency in which any amount due in respect of the Bonds is payable or the place in which any payment is to be made;

(iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;

(iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;

- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “Uniformly Applicable”;
- (vii) to change the definition of “outstanding” or to modify the provisions of paragraph (i) (*Bonds controlled by the Ministry of Finance*);
- (viii) to change the legal ranking of the Bonds;
- (ix) to change the law governing the Bonds, the courts to the jurisdiction of which the Ministry of Finance has submitted in the Bonds, any of the arrangements specified in the Bonds to enable proceedings to be taken or the Ministry of Finance’s waiver of immunity, in respect of Proceedings (as defined in Condition 16) brought by any Bondholder, set out in Condition 16;
- (x) to impose any condition on or otherwise change the Ministry of Finance’s obligation to make payments of principal, interest or any other amount in respect of the Bonds, including by way of the addition of a call option;
- (xi) to modify the provisions of this paragraph (e); or
- (xii) to exchange or substitute all the Bonds for, or convert all the Bonds into, other obligations or securities of the Ministry of Finance or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Bonds for, or the conversion of the Bonds into, any other obligations or securities of the Ministry of Finance or any other person, which would result in the Conditions as so modified being less favourable to the Bondholders which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Ministry of Finance or any other person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) **Information**

Prior to or on the date that the Ministry of Finance proposes any Extraordinary Resolution or Written Resolution pursuant to paragraph (b) (*Modification of this Series of Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*), the Ministry of Finance shall publish in accordance with Condition 9, and provide the Fiscal Agent with the following information:

- (i) a description of the economic and financial circumstances of the PRC which are, in the Ministry of Finance’s opinion, relevant to the request for any potential modification or action, a description of the Ministry of Finance’s existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Ministry of Finance shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

- (iii) a description of the Ministry of Finance’s proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Bondholders in paragraph (a)(iv)(G) (*Convening Meetings of Bondholders, Conduct of Meetings of Bondholders, Written Resolutions*).

(g) **Claims Valuation**

For the purpose of calculating the par value of the Bonds and any affected series of debt securities which are to be aggregated with the Bonds in accordance with paragraph (c) (*Multiple Series Aggregation – Single limb voting*) and paragraph (d) (*Multiple Series Aggregation – Two limb voting*), the Ministry of Finance may appoint a separate calculation agent (the “Voting Calculation Agent”). The Ministry of Finance shall, with the approval of the Aggregation Agent and any appointed Voting Calculation Agent, promulgate the methodology in accordance with which the par value of the Bonds and such affected series of debt securities will be calculated. In any such case where a Voting Calculation Agent is appointed, the same person will be appointed as the Voting Calculation Agent for the Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) **Manifest error, etc.**

The Bonds, these Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the Bondholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Ministry of Finance shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Bondholders.

(i) **Bonds controlled by the Ministry of Finance**

For the purposes of (x) determining the right to attend and vote at any meeting of Bondholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution and (y) this Condition 8, any Bonds which are for the time being held by or on behalf of the Central People’s Government (including the Ministry of Finance) or by or on behalf of any person which is owned or controlled directly or indirectly by the Central People’s Government or by any public sector instrumentality of the Central People’s Government shall be disregarded and be deemed not to remain outstanding, where:

- (i) “public sector instrumentality” means the People’s Bank of China, any other department, ministry or agency of the government of the PRC or any corporation, trust, financial institution or other entity owned or controlled by the government of the PRC or any of the foregoing; and
- (ii) “control” means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Bond will also be deemed to be not outstanding if the Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Bond has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or

otherwise and the Ministry of Finance has previously satisfied its obligations to make all payments due in respect of the Bond in accordance with its terms.

In advance of any meeting of Bondholders, or in connection with any Written Resolution, the Ministry of Finance shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to paragraph (d) (*Certificate*) of Condition 9, which includes information on the total number of Bonds which are for the time being held by or on behalf of the Central People's Government (including the Ministry of Finance) or by or on behalf of any person which is owned or controlled directly or indirectly by the Central People's Government or by any public sector instrumentality of the Central People's Government and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Bondholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) **Publication**

The Ministry of Finance shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with paragraph (g) (*Manner of publication*) of Condition 9.

(k) **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Ministry of Finance's option by way of a mandatory exchange or conversion of the Bonds and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Bonds is notified to Bondholders at the time notification is given to the Bondholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Bondholders.

9 Aggregation Agent, Aggregation Procedures

(a) **Appointment**

The Ministry of Finance will appoint an aggregation agent (the "Aggregation Agent") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of the Bonds, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Ministry of Finance.

(b) **Extraordinary Resolutions**

If an Extraordinary Resolution has been proposed at a duly convened meeting of Bondholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds and, where relevant, each other affected series of debt securities, have voted in favour of the

Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) **Written Resolutions**

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) **Certificate**

For the purposes of paragraph (b) (*Extraordinary Resolutions*) and paragraph (c) (*Written Resolutions*), the Ministry of Finance will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of this Series of Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) of Condition 8, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total principal amount of Bonds and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Ministry of Finance*) of Condition 8 on the record date identifying the holders of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) **Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 9 to be notified to the Ministry of Finance as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders.

(f) **Binding nature of determinations; no liability**

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

(g) **Manner of publication**

The Ministry of Finance will publish all notices and other matters required to be published pursuant to the Fiscal Agency Agreement including any matters required to be published pursuant to Condition 8 and this Condition 9:

- (i) through Euroclear Bank SA/NV or Clearstream Banking S.A. or any Alternative Clearing System (as defined in the Fiscal Agency Agreement);
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

10 Waiver or Authorisation of Breach of Fiscal Agency Agreement

Notwithstanding any provision of Condition 8, the Ministry of Finance shall only permit any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, without the consent of the Bondholders, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

11 Prescription

The right of a Bondholder to receive any payment under the Bonds shall become void ten years (in the case of principal) or six years (in the case of interest) after the due date for payment thereof.

12 Notices

Any notice to the holder of any definitive Bond shall be validly given if published in a leading newspaper having a general circulation in Hong Kong (which is expected to be the *South China Morning Post*) or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Hong Kong or, in either case, in such other manner as the Ministry of Finance shall determine. Any such notice shall be deemed to have been given on the date of first publication in an English language newspaper.

13 Replacement of Bonds

Any Certificate which is lost, stolen, mutilated, defaced or destroyed may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Ministry of Finance for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the expense incurred in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Ministry of Finance may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Further Issues

The Ministry of Finance may from time to time, without the consent of holders of the Bonds, create and issue further bonds having the same terms and conditions as the Bonds in all respects, except for the issue date, issue price and the first payment of interest thereon. Additional bonds issued in this manner will be consolidated with and will form a single series with the Bonds.

15 Contracts (Rights of Third Parties) Act 1999

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

16 Governing Law and Jurisdiction

(a) Governing law

The Bonds 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.

(b) Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any suit, action or proceedings arising out of or in connection with the Bonds (together referred to as “Proceedings”) may be brought in such courts. The Ministry of Finance irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings have been brought in an inconvenient or inappropriate forum. This submission is made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction.

(c) Agent for Service of Process

The Ministry of Finance hereby appoints Bank of Communications Co., Ltd. London Branch (currently at 4th Floor, 1 Bartholomew Lane, London, United Kingdom) as its agent in England to receive service of process in any Proceedings in England based on the Fiscal Agency Agreement and the Bonds.

(d) Waiver of immunity

To the extent that the Ministry of Finance may in any jurisdiction claim for itself immunity from any such Proceedings, and to the extent that in any such jurisdiction there may be attributed to the Ministry of Finance such immunity (whether or not claimed), the Ministry of Finance hereby agrees not to claim and hereby waives and will waive such immunity in the face of the courts; provided, however, that the Ministry of Finance has not waived, and shall not waive, its sovereign and other immunity with respect to assets of the PRC wherever located from execution or attachment, whether in aid of execution, before judgment or otherwise.

TERMS AND CONDITIONS OF THE 2035 BONDS

The terms and conditions of the 2035 Bonds will be identical to those under “*Terms and Conditions of the 2030 Bonds*” except as set out below and references to “Bonds” shall be construed as references to the 2035 Bonds.

1. The principal amount of the 2035 Bonds shall be EUR1,250,000,000.
2. The rate of interest of the 2035 Bonds shall be 0.625% per annum, and the amount of interest payable on each Interest Payment Date shall be EUR6.25 per Calculation Amount.
3. The maturity date of the 2035 Bonds shall be on the Interest Payment Date falling on 25 November 2035.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Fiscal Agency Agreement and each Global Certificate contain provisions which apply to the relevant series of Bonds while they are in global form, some of which modify the effect of the terms and conditions of the relevant series of Bonds set out in this Offering Circular. The following is a summary of certain of those provisions. Capitalised terms used but not defined in this section have the meanings given to them in the Fiscal Agency Agreement.

1. Principal Amount and Exchange

The principal amount of the Bonds shall be the aggregate amount from time to time entered in the records of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”) or the Central Moneymarkets Unit Service (the “CMU”), as the case may be, or any alternative clearing system (the “Alternative Clearing System”) (each a “relevant Clearing System”). The records of such relevant Clearing System shall be conclusive evidence of the principal amount of the relevant series of Bonds represented by the relevant Global Certificate and a statement issued by such relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time. Each Global Certificate will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream or in the name of the Hong Kong Monetary Authority (“HKMA”) as operator (the “Operator”) of the CMU, as the case may be, and may be delivered on or prior to the Issue Date. Upon the registration of the relevant Global Certificate in the name of any nominee for Euroclear and Clearstream or in the name of the HKMA as the Operator of the CMU, as the case may be, and delivery of such Global Certificate to the common depositary or a sub-custodian for the HKMA as the Operator of the CMU, as the case may be, Euroclear or Clearstream or CMU, as the case may be, will credit each subscriber with a principal amount of the relevant series of Bonds equal to the principal amount thereof for which it has subscribed and paid. For persons seeking to hold a beneficial interest in the 2030 Bonds or the 2035 Bonds through the CMU or the 2025 Bonds through Euroclear or Clearstream, such persons will hold their interest through an account opened and held by the CMU with Euroclear or Clearstream (in the case of the 2030 Bonds and the 2035 Bonds) or through an account opened and held by Euroclear or Clearstream with the CMU (in the case of the 2025 Bonds). Each Global Certificate is exchangeable in whole or, in certain circumstances, in part, for Definitive Certificates as described in the relevant Global Certificate.

2. Payments

Payments of principal, interest (if any) and premium (if any) in respect of the Bonds represented by the Global Certificates will be made without presentation or if no further payment falls to be made in respect of the Bonds, against surrender of the relevant Global Certificate at the specified office of any Transfer Agent or of the Registrar. So long as any of the 2030 Bonds and the 2035 Bonds are represented by the relevant Global Certificate, each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January. So long as any of the 2025 Bonds are represented by the relevant Global Certificate, each payment will be made to the persons for whose account a relevant interest in the relevant Global Certificate is credited as being held by the Operator as notified by the CMU to the Fiscal Agent in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or in any other relevant notification by the Operator (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error), and each payment will be made to, or to the order of, person(s) for whose account(s) interest(s) in the relevant Global Certificate are credited as being held by the CMU in accordance with the CMU Rules at the close of business on the

Business Day immediately prior to the date for payment where “Business Day” means a day on which the relevant clearing system is operating and open for business. Such payment will discharge the Ministry of Finance’s obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants. So long as the 2030 Bonds and the 2035 Bonds are represented by the relevant Global Certificate and such Global Certificate is held on behalf of a relevant Clearing System, the Ministry of Finance has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the *Terms and Conditions of the 2030 Bonds* and the *Terms and Conditions of the 2035 Bonds*, respectively, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the relevant Global Certificate.

3. Notices

For so long as the 2030 Bonds and the 2035 Bonds are represented by the relevant Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System, notices required to be given to holders of such Bonds shall be given by delivery of the relevant notice to that relevant Clearing System rather than by publication as required by the *Terms and Conditions of the 2030 Bonds* or, as the case may be, the *Terms and Conditions of the 2035 Bonds*.

For so long as the 2025 Bonds are represented by the relevant Global Certificate and such Global Certificate is held by or on behalf of the Operator or any Alternative Clearing System, notices required to be given to holders of such Bonds may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU, or as the case may be, to the person(s) confirmed by the relevant Alternative Clearing System, on the Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Certificate rather than by publication as required by the *Terms and Conditions of the 2025 Bonds*, where “Business Day” means a day on which the relevant clearing system is operating and open for business.

4. Meetings

The registered holder of the relevant Global Certificate shall (unless such Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of holders of the Bonds and, at any such meeting, as having one vote in respect of each EUR1,000 in principal amount of Bonds.

5. Default

If principal in respect of any Bonds is not paid when due and payable (but subject as provided in the relevant Global Certificate), the holder of the Bonds represented by the relevant Global Certificate may from time to time elect that Direct Rights under the provisions of the relevant Global Certificate shall come into effect. Such election shall be made in the manner described in the relevant Global Certificate.

6. Electronic Consent and Written Resolution

While the relevant Global Certificate is held on behalf of a relevant Clearing System, then:

- (a) approval of a resolution proposed by the Ministry of Finance given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures (i) by or on behalf of the holders who for the time being are entitled to receive notice of a Meeting under the Fiscal Agency

Agreement or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of persons holding at least the relevant percentage of the aggregate principal amount of the outstanding Bonds of the relevant series as provided in the Fiscal Agency Agreement, shall, for all purposes take effect as a resolution in accordance with the Fiscal Agency Agreement and shall be binding on all relevant Bondholders of the relevant series whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the *Terms and Conditions of the Bonds*) has been validly passed in respect of a series, the Ministry of Finance shall be entitled to rely on consent or instructions given in writing directly to the Ministry of Finance by accountholders in the relevant Clearing System with entitlements to the relevant Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement beneficially held, subject to and in accordance with the provisions as further set out in the Fiscal Agency Agreement.

THE ISSUER

General

The Ministry of Finance of the People's Republic of China (the "Ministry of Finance") is the issuer of the Bonds. The full faith and credit of the Central People's Government of the People's Republic of China (the "Central People's Government") is pledged for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People's Government with respect to the Bonds. The State Council, that is, the Central People's Government, is the executive body of the highest organ of state power; it is the highest organ of State administration. The Ministry of Finance is one of the governmental bodies that form the State Council. The address of the Ministry of Finance is No. 3 Sanlihe Nansanxiang, Xicheng District, Beijing, China, and its contact number is +86 10 68551114.

The Bonds have been included in the 2020 Treasury Bond Issuance Plan approved by the National People's Congress of the People's Republic of China. Treasury bonds are the principal component of the Central People's Government's indebtedness. With the approval of the Standing Committee of the National People's Congress, treasury bonds have been managed based on their outstanding balance since 2006. In 2020, the limit on the outstanding balance of the Central People's Government's treasury bonds is RMB21,300.835 billion. Proceeds from treasury bond issues are used mainly for developing agricultural infrastructures, improving the well-being of rural residents, developing housing projects for the low-income population, education, medical and health care, adjusting the industry structure, financing energy conservation, emissions reduction and ecological conservation, supporting independent innovation and technological advancement of enterprises, developing service industries as well as financing infrastructure facilities such as railways, highways, airports and ports.

Geographical location

China is located in the east of the Asian continent, on the western shore of the Pacific Ocean. China is bordered by North Korea to the east; Mongolia to the north; Russia to the northeast; Kazakhstan, Kyrgyzstan and Tajikistan to the northwest; Afghanistan, Pakistan, India, Nepal and Bhutan to the west and southwest; and Myanmar, Laos and Vietnam to the south. Across the seas to the east and southeast are the Republic of Korea, Japan, the Philippines, Brunei, Malaysia and Indonesia.

Economy

In 2019, China's national economy performed within an appropriate range and China achieved its main development goals. Gross domestic product ("GDP") and nationwide per capita disposable income grew by 6.1% and 8.9%, respectively. The newly increased employed people in urban areas totalled 13.52 million, and the surveyed urban unemployment rate was 5.2%. The real growth of the total value added of industrial enterprises above the designated size increased by 5.7%. The profits made by industrial enterprises above the designated size dropped by 3.3% year-on-year. Total value of imports and exports of goods grew by 3.4%. The actual utilisation of the foreign direct investment reached the amount of U.S.\$138.1 billion.

China's GDP was RMB91,928.1 billion (after final audit) and RMB99,086.5 billion (based on preliminary audit) in 2018 and 2019, respectively. Of the RMB91,928.1 billion in GDP in 2019, RMB7,046.7 billion was attributable to the primary industry (an increase of 3.1% from 2018); RMB38,616.5 billion was attributable to the secondary industry (an increase of 5.7% from 2018) and RMB53,423.3 billion was attributable to the tertiary industry (an increase of 6.9% from 2018).

Political system

China is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants.

The socialist system is the fundamental system of China.

All power in the People's Republic of China belongs to the people. The National People's Congress and the local people's congresses at various levels are the organs through which the people exercise state power.

The National People's Congress and the local people's congresses at various levels are constituted through democratic elections. They are responsible to the people and subject to their supervision. All administrative, supervisory, judicial and procuratorial organs of the State are created by the people's congresses to which they are responsible and by which they are overseen.

Taxation system

Since 1994, as a result of a series of tax regulations aimed at allocating tax between different levels of government, China has established two separate tax administration systems split between the central and local governments.

Pursuant to the State Council Institutional Reform Proposal (《国务院机构改革方案的决定》) on 17 March 2018, China reformed the aforesaid central and local taxation administration system. The central and local taxation authorities at and below the provincial level shall be merged to specifically undertake the duties of tax and non-tax revenues administration, among others, within their respective jurisdictions. Upon the merger, an administrative system of dual leadership by the State Administration of Taxation at the centre and the provincial people's governments shall be implemented. Currently the merger of central and local taxation authorities has been completed.

Currently, China has 18 categories of tax, including value added tax, consumption tax, enterprise income tax, individual income tax, resource tax, urban land use tax, real estate tax, urban maintenance and construction tax, farmland occupation tax, land value added tax, automobile sales tax, vehicle and vessel tax, stamp duty tax, deed tax, tobacco tax, custom tax, tonnage tax and environmental protection tax.

China has rolled out a nationwide pilot program to replace business tax with value-added tax from 1 May 2016, which was approved by the State Council. All the business tax taxpayers including construction, real estate, financial services and lifestyle services which were business sectors that used to fall under the business tax regime shall pay value-added tax instead of business tax. Current business tax taxpayers in China should all pay value-added tax.

Pursuant to the Environmental Protection Tax Law of the People's Republic of China (《中华人民共和国环境保护税法》) issued on 25 December 2016, environmental protection tax came into effect in China since 1 January 2018.

Budgetary system

China's state budget comprises the central government's general public budget and the local governments' general public budget. The local governments' budget includes the general budgets of provinces, autonomous regions and municipalities (the lower levels of government) under the direct jurisdiction of the State Council.

The central government's general public budget includes the budget for government departments at the central level (including the departments under the direct jurisdiction of the central government) and the tax rebates and

transfer payments from the central government to the local governments. Revenue in the central government's general public budget includes revenue at the central level and the revenue provided by the local governments to the central government. Expenditure from the central government's general public budget includes expenditures at the central level and the tax rebates and transfer payments from the central government to the local governments.

The local governments' general public budget includes the budget for the departments of local governments (including the departments under the direct jurisdiction of the local governments) and the tax rebates and transfer payments from the local governments to the lower levels of government. Revenue in the local governments' general public budget includes revenue at the local level and rebates and transfer payments from the higher levels of government to the local governments and the revenue provided by the lower levels of government. Expenditure from the local governments' general public budget includes expenditures at the local level, expenditures provided to the higher level of government and the tax rebates and transfer payments to the lower levels of government.

Sovereign debt

As at the end of 2018 and 2019, the sovereign debt balance was RMB14,960.8 billion and RMB16,803.8 billion, respectively. As at the end of 2018, the domestic debt balance and foreign debt balance were RMB14,820.9 billion and RMB139.9 billion, respectively. As at the end of 2019, the domestic debt balance and foreign debt balance were RMB16,603.2 billion and RMB200.6 billion, respectively.

Since the establishment of the People's Republic of China in 1949, the central government has always paid, when due, the full amount of principal of, any interest and premium on, and any amortisation or sinking fund requirements of, external and internal indebtedness incurred by it.

Foreign Trade

China's total value of imports and exports of goods was RMB30,505.0 billion and RMB31,550.5 billion in 2018 and 2019, respectively. The balance (being equal to the value of exports of goods less imports of goods) was RMB2,330.3 billion and RMB2,918.0 billion in 2018 and 2019, respectively.

Foreign exchange reserves

As at the end of 2018 and 2019, China's foreign exchange reserves totalled U.S.\$3,072.7 billion and U.S.\$3,107.9 billion, respectively.

Income and expenditure

In 2018, revenue in general public budgets nationwide totalled RMB18,336.0 billion and expenditures in general public budgets nationwide amounted to RMB22,090.4 billion. In 2019, revenue in general public budgets nationwide totalled RMB19,038.2 billion and expenditures in general public budgets nationwide amounted to RMB23,887.4 billion.

Audit process

The State Council has established an auditing body to supervise the audit of the revenue and expenditure of all departments under the State Council and the local governments at various levels, and the revenue and expenditure of all financial and monetary organisations, enterprises and institutions of China.

USE OF PROCEEDS

The net proceeds from the sale of the Bonds will be used by the Ministry of Finance for general governmental purposes.

TAXATION

The following summary of certain taxation provisions under the PRC and Hong Kong law is based on current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice. Prospective investors should consult their own tax advisers regarding the tax consequences of an investment in the securities.

The Bonds are not subject to any individual or enterprise income tax or stamp duty in the PRC nor to any profits tax or stamp duty in Hong Kong.

SUBSCRIPTION AND SALE

The Ministry of Finance and the Joint Lead Managers have entered into a subscription agreement dated on or about 16 November 2020 (the “Subscription Agreement”), as supplemented by the pricing supplement dated 18 November 2020, pursuant to which the Ministry of Finance has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to subscribe and pay for or procure subscribers to subscribe and pay for each of the 2025 Bonds at their issue price of 100.763% of their principal amount, the 2030 Bonds at their issue price of 99.332% of their principal amount and the 2035 Bonds at their issue price of 99.445% of their principal amount.

The Ministry of Finance is entitled to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

United States

The Bonds have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States. Each Joint Lead Manager has agreed that it will not offer, sell or deliver any Bonds within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and undertaken that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Ministry of Finance; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the U.K.

Hong Kong

Each Joint Lead Manager has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Mainland China

The Bonds are not intended to be offered directly or indirectly within the Mainland China. This Offering Circular has not been and will not be submitted to or approved by or registered with any governmental authorities in the PRC and may not be supplied to the public in the Mainland China. This Offering Circular

does not constitute an offer to sell or the solicitation of an offer to purchase any Bonds in the Mainland China. The Bonds may only be offered to investors in Mainland China which are authorised to invest in the Bonds.

Each Joint Lead Manager has represented, warranted and agreed that the Bonds not being offered or sold and may not be offered or sold, directly or indirectly, in Mainland China, except where permitted by applicable law of Mainland China.

Taiwan

The Bonds have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other government authority or agency of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other government authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Bonds in Taiwan. The Bonds may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan.

Macau

This is an offering targeted at institutional investors. Each Joint Lead Manager has represented, warranted and agreed that the Bonds may not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act approved by the Decree Law no. 32/93/M (“FSA”) and Guidelines no. 009/B/2019-DSB/AMCM as well as any other laws in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds are not authorised for public offer in Macau under the FSA and Guidelines no. 009/B/2019-DSB/AMCM, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed financial institution according to the FSA and upon their communication to the Monetary Authority of Macau and Chongwa (Macao) Financial Asset Exchange Co., Ltd., in observation of the guidelines and recommendations issued by the Monetary Authority of Macau from time to time.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Ministry of Finance has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) 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).

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "FIEA") and each Joint Lead Manager has represented and agreed that it will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Law No. 228 of 1949, as amended)), or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Joint Lead Managers has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Bonds to the public in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and Article L.411-2 1° of the French Code monétaire et financier, and that the Offering Circular and any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to qualified investors (investisseurs qualifiés), all as defined in, and in accordance with, Regulation (EU) 2017/1129 as amended.

Germany

Each Joint Lead Manager has represented and agreed that the Bonds have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC or, as the case may be, the German Capital Investment Act (*Vermögensanlagegesetz*) each as amended from time to time and all other applicable legislation and regulation in Germany governing the issue, offering and sale of securities.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Bonds constitutes a prospectus compliant with the requirements of Article 109 of the Swiss Financial Services Ordinance ("FinSO") and Article 652a or Article 1156 of the Swiss Code of Obligations (as such Articles were in effect immediately prior to the entry into effect of the FinSA) or pursuant to the FinSA for a public offering of the Bonds in Switzerland and no such prospectus has been or will be prepared for or in connection with the offering of the Bonds in Switzerland. Neither this Offering Circular nor any other offering and marketing material relating to the offering of the Bonds have been or will be filed with or approved by a Swiss review body (*Prüfstelle*) and none of these shall be publicly distributed or otherwise made publicly available in Switzerland.

Republic of Italy

The offering of the Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Bonds be distributed in the Republic of Italy, except: (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "PD Regulation") and any applicable provision of Legislative Decree No. 58 of February 24, 1998, as amended (the "Financial Services Act") and Italian *Commissione Nazionale per le Società e la Borsa* ("CONSOB") regulations; or (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and applicable Italian laws.

Any offer, sale or delivery of the Bonds or distribution of copies of this Offering Circular or any other document relating to the Bonds in the Republic of Italy under (i) or (ii) above must: (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of February 15, 2018 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the "Banking Act"); and (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy as amended from time to time) and/or any other Italian authority.

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Offering Circular or any other offering material relating to the Bonds. Persons into whose hands this Offering Circular comes are required by the Ministry of Finance and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream, in the case of the 2030 Bonds and the 2035 Bonds, and the CMU, in the case of the 2025 Bonds. The securities codes for the Bonds, as the case may be, are as follows:

	CMU Instrument Number	ISIN	Common Code
2025 Bonds:	BCMKZB20011	HK0000659794	225895856
2030 Bonds:	-	XS2259626856	225962685
2035 Bonds:	-	XS2259627235	225962723

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium; and the address of Clearstream is 42 Avenue JF Kennedy L-1855 Luxembourg; and the address of the CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

2. **Legal Entity Identifier:** the Legal Entity Identifier of the Ministry of Finance is 300300CHN201808MOF68.
3. **Authorisations:** The Ministry of Finance has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds.
4. **Listing:** Application will be made to the London Stock Exchange for the Bonds to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of MiFID II. Such admission to trading is expected to be effective on or immediately following the Issue Date.

Application will be made to the LuxSE for the Bonds to be admitted to trading on the Euro MTF Market and listed on the Official List of the LuxSE. In respect of Bonds admitted to trading on the Euro MTF Market and listed on the Official List of the LuxSE and as long as the rules of such exchange so require, all notices regarding the Bonds will be published in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be Luxemburger Wort) or on the LuxSE website (www.bourse.lu).

The Bonds will also be listed on the SEHK.

5. **Significant Change:** There has been no significant change in the PRC's tax and budgetary systems, sovereign debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources and income and expenditure figures since 31 December 2019.
6. **Legal Proceedings:** There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Ministry of Finance is aware) during the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the financial position of the Ministry of Finance.
7. **Yield:** The yield of the 2025 Bonds, the 2030 Bonds and the 2035 Bonds is -0.152%, 0.318% and 0.664% on an annual basis respectively. The yields are calculated as at the Issue Date on the basis of the relevant Issue Price. They are not an indication of future yields.
8. **Available Documents:** From the date hereof and for so long as any of the Bonds remains outstanding, copies (and English translations where the documents in question are not in English) of the government budget for the current fiscal year, will be available for inspection at the specified office of the Fiscal

Agent at 20 Pedder Street, Central, Hong Kong, during normal business hours. The email address of the Fiscal Agent is securities_service@bankcomm.com.hk.

9. **Immunity:** To the extent that the Ministry of Finance may claim for itself immunity from any Proceedings (as defined in the *Terms and Conditions of the Bonds*), and to the extent that in any such jurisdiction there may be attributed to the Ministry of Finance such immunity (whether or not claimed), the Ministry of Finance hereby agrees not to claim and hereby waives and will waive such immunity in the face of the courts; provided, however, that the Ministry of Finance has not waived, and shall not waive, its sovereign and other immunity with respect to assets of the PRC wherever located from execution or attachment, whether in aid of execution, before judgment or otherwise.

ISSUER

The Ministry of Finance of the People's Republic of China
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People's Republic of China

FISCAL AGENT, PRINCIPAL PAYING AGENT, CMU LODGING AGENT AND REGISTRAR

Bank of Communications Co., Ltd. Hong Kong Branch
20 Pedder Street Central
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LEGAL ADVISERS

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