

Announcement on Offering Registration, Custody, Clearing and Settlement Services for SDR-denominated Bonds

With the approval of the People's Bank of China (hereinafter referred to as PBC), as of today, Shanghai Clearing House (hereinafter referred to as SHCH) offers registration, custody, clearing and settlement services for SDR-denominated Bonds. Pursuant to *Administration Measures on Registration, Custody and Settlement of Bonds in Inter-Bank Bond Market* (PBC Decree [2009] No.1), SHCH hereby makes the following announcement on SDR-denominated bonds.

1. Before conducting the initial registration for issuance, SDR-denominated bonds issuer (hereinafter referred to as issuer) shall apply for opening issuer account in accordance with *Guidance for Account Operation and Notice on Adjusting Execution Method of Issuer Service Agreement* (SHCH [2016] No. 80). Where there is already an issuer account, it could also be used for issuing SDR-denominated bonds.
2. 3 business days before the issuance, issuer shall disclose the updated issuance documents through SHCH official website. Issuer may issue SDR-denominated bonds through public offering or private placement, by the means of book-building, system bidding or other means accepted by PBC. Issuer may submit application materials related to issuance registration to SHCH independently or through Beijing Financial Assets Exchange. Based on such materials, SHCH will conduct initial registration for issuance of SDR-denominated bonds. Subscription for underwriting and distribution of SDR-denominated bonds, and record of SDR-denominated bonds rights, etc shall be subject to existing procedures in SHCH.
3. SHCH offers clearing and settlement services for SDR-denominated bonds transaction. Clearing and settlement procedures for SDR-denominated bonds settled in RMB are identical to that for existing bonds in SHCH. Clearing and settlement of SDR-denominated bonds

settled in foreign currencies may be subject to relevant rules in Inter-Bank bond market.

4. SHCH offers interest payment and redemption services for issuer. Issuer shall disclose relevant documents, such as announcement on interest payment and redemption for the current period, on SHCH official website, 5 business days prior to interest payment date/redemption date. Issuer shall, convert relevant funds into corresponding amounts in RMB or foreign currencies based on the exchange rates agreed in Prospectus, and notify specific amount for interest payment/redemption calculated in single currency to SHCH by public disclosure or written statement (affixed with official seal or signed by authorized person). For SDR-denominated bonds settled in foreign currency, bonds holder shall assign corresponding foreign currency account in order to receive cashed principal or paid interest.

5. Charging standards of SDR-denominated bonds shall be subject to *Announcement on Methods on Charging for Registration and Settlement (Trial Implementation)* (SHCH Announcement [2011] No.1). Specific fees shall be paid in RMB by accounting into corresponding exchange rates.

6. SHCH offers SDR-denominated bonds valuation service. Market participants may check bonds valuation on SHCH website through the following path: "Product Valuation-Bond Market Data-Bonds Valuation" (<http://www.shclearing.com/cpgz/zqjqysp/zqgz/>).

7. *This Announcement* will be explained by SHCH. Other unspecified issues shall be subject to relevant rules of SHCH.

Shanghai Clearing House
August 29, 2016