

Attestation Report on Post Issuance of Bank of China (Hong Kong) Limited's 2020 Green Deposit

To the Management of Bank of China (Hong Kong) Limited

Scope

We have been engaged by Bank of China (Hong Kong) Limited ("BOCHK" or the "Bank") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement (the "engagement"), to report on the Bank's use of proceeds, process for project evaluation and selection, management of proceeds, and information disclosure of the 2020 Green Deposit (the "Subject Matter") for the period from 10 December 2020 to 31 December 2022 (the "Reporting Period").

Criteria applied by BOCHK

The *Description on Bank of China (Hong Kong) Limited's 2020 Green Deposit* (the "Description") issued by the Bank on 10 December 2020 described the criteria for the handling of proceeds from Green Deposit in accordance with the *Green Bond Principle 2018* as published by the International Capital Market Association: covering the use of proceeds, process for project evaluation and selection, management of proceeds, and information disclosure (the "Criteria").

Management's Responsibility

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

- Selecting the Criteria, and for the use of proceeds, process for project evaluation and selection, management of proceeds, and information disclosure of the Bank's 2020 Green Deposit in accordance with that Criteria, in all material respects.
- Establishing and maintaining appropriate internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibility

In accordance with the agreed terms with BOCHK, we conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" issued by the International Auditing and Assurance Standards Board.

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

We plan and perform our engagement to obtain the information and evidence which we considered sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1, *“Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements”* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Procedures

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the use of proceeds, process for project evaluation and selection, management of proceeds as well as information disclosure of the Bank's 2020 Green Deposit and related information, and applying analytical and other appropriate procedures.

Our engagement includes performing interviews, reviewing documents and tests on a sample basis. Our procedures performed included, but not limited to:

- Obtaining and assessing relevant information (i.e. policies, procedures and internal controls) established by BOCHK in relation to the operation of the Bank's 2020 Green Deposit;
- Interviewed personnel of selected business units in BOCHK to understand how they identify any risk associated with the situation which could not meet the Criteria and how they implement the policies and procedures to address these risks;
- Interviews with relevant management and personnel in BOCHK involved in overseeing the nominated projects, and use and management of proceeds from the 2020 Green Deposit;
- Reviewed the implementation of BOCHK's policies and procedures in relation to how Management used and managed proceeds appropriately in accordance with the Criteria;
- Reviewed the project documents and checked the eligibility of green projects for inclusion in BOCHK's 2020 Green Deposit in accordance with the Criteria.
- Reviewed the documents regarding the evaluation of environmental performance information for selected projects, and documentation supporting assertions made in the Description;
- Conducted sample testing of documentary evidence relating to the above-mentioned; and
- Evaluated whether there would be any findings that have come to our attention to cause us to believe that the 2020 Green Deposit has not been operated in accordance with the Criteria.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that would lead us to believe that the Bank's 2020 Green Deposit has not been followed, in all material respects, in accordance with the Criteria.

Limitations

There are inherent limitations, for example, assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is substantially less in scope than reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Our engagement and post-issuance attestation report will not express an opinion on effectiveness of the Bank's management

system and procedures as well as performance. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity.

Our Conclusion was formed based on our interpretation of the Bank's 2020 Green Deposit operating in adherence to the Criteria, which is subjective, and will be interpreted differently by different stakeholder groups.

Our work is substantially less in scope than an audit conducted in accordance with *International Standards on Auditing* issued by the International Auditing and Assurance Standards Board. Accordingly, we do not express an audit opinion. Our assurance is limited to the Bank's 2020 Green Deposit as of 31 December 2022, and does not include statutory financial statements. Our assurance is limited to policies and procedures in place as at 31 December 2022, post issuance of the Bank's 2020 Green Deposit.

Use of Report

Our responsibility in performing our procedures and reporting thereon is limited to BOCHK only and in accordance with terms of reference for this engagement as agreed with the Bank, for the issuance of this post-issuance attestation report. This report may not be suitable for another purpose. We do not accept or assume any responsibility for any other purpose or to any other person or organization our work or the contents of this post-issuance attestation report. Any reliance of any such third party may place on the Bank's 2020 Green Deposit is entirely at its own risk.



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 February 2023