

## Appendix I

### Bank of China (Hong Kong) Limited Phnom Penh Branch Description on Post Issuance of Bank of China (Hong Kong) Limited Phnom Penh Branch's 2022 Social Deposit

(Reporting Period: 19 December 2022 to 31 December 2023)

Bank of China (Hong Kong) Limited Phnom Penh Branch ("BOCPP") has established the *Management Guidelines on Green / Social / Sustainability Product* ("Guidelines"), introducing and standardizing BOCPP product definitions on ESG products, theme design and work process of product promotion, product characteristics, product pipeline, management requirements, application processes, etc. With respect to social deposit, the Guidelines followed the *Social Bond Principles 2023* issued by the International Capital Market Association, which elaborates on the requirements for the use of proceeds, project evaluation and selection, management of proceeds, and information disclosure.

#### 1. Use of Proceeds

The deposit absorbed through social deposit must be used in eligible social projects that meet the defined requirements. Eligible social project categories include providing and/or promoting:

- 1) Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)
- 2) Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)
- 3) Affordable housing
- 4) Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance

The social deposit must provide clear social benefits which will be assessed and, where feasible, quantified by the issuer, and the social project category must be consistent with the use of proceeds. Deposit absorbed through the social deposit must be directed to the corresponding social project category.

#### 2. Project Evaluation and Selection

In accordance with the Guidelines, BOCPP conducted project evaluation and selection in accordance with the criteria and standards as specified in the Guidelines, determined the project categories of the Social Deposit, and formed an Eligible Social Project list. Besides, the Eligible Social Project(s) selected shall meet the relevant requirements as defined in the *Social Bond Principles 2023*.

For this 2022 Social Deposit, BOCPP nominated one eligible social project, with a total deposit amount of USD 20 million, under the theme of affordable basic infrastructure summarized as follows:

<b>Social Project Category</b>	<b>Amount (USD)</b>	<b>Proportion</b>
Affordable Basic Infrastructure	20,000,000	100%
<b>Total</b>	<b>20,000,000</b>	<b>100%</b>

Examples of the expected social benefits are as follows:

- A transmission line development project in Cambodia, which expanded transmission line by approximately 135km in Oddar Meanchey and Siem Reap, improving on the accessibility and reliability of electricity in these areas

### **3. Management of Proceeds**

According to the Guidelines, social deposit currencies does not need to match social loan currencies, but the total size of deposits in equivalent currencies (e.g., RMB) in principle should not exceed the total size of social loan projects in equivalent currencies (e.g., RMB). In order to ensure that all social deposit absorbed are directed to social loan projects, the initial total size of social deposit issued each time should be smaller than the total size of corresponding social loan projects.

The Corporate Banking Department takes the lead in regularly reviewing the approved amount of social loan projects under all themes at the beginning of each month. If the social loan project matures or the approved amount decreases due to other reasons, new social loan projects will be added to the corresponding theme according to business needs to restore the total size of social loan projects under all themes, or new time deposit will be paused according to business needs. If there is incomplete utilization of social deposit absorbed, the remaining idle deposits can be directed to social loan projects of other themes according to the established use of proceeds.

### **Information Disclosure**

In accordance with the Guidelines, BOCPP has already engaged a qualified independent third party to conduct pre-issuance assurance, prior to the issuance of the 2022 Social Deposit. BOCPP will consider disclosing information, during the period of 2022 Social Deposit, on eligible social projects as follows:

- Information related to the social deposit taking and the allocation of deposit to relevant social loan projects
- The amount and percentage of allocation of deposit to the social loan project category

BOCPP will also consider making information disclosure through official website, annual report, WeChat official account, and other channels.

A handwritten signature in black ink, appearing to be the name 'Key' written in a cursive style.

For and on behalf of

Bank of China (Hong Kong) Limited Phnom Penh Branch

29 February 2024