

Agricultural Bank of China

Report on the Use of Proceeds from Green Bond

(As of September 30, 2017)

On October 13, 2015, the Agricultural Bank of China Limited ("ABC") issued USD 1 billion equivalent, dual-currency green bond at London Stock Exchange, including 3-year USD 400 million (issue rate 2.125%), 5-year USD 500 million (issue rate 2.773%) and 2-year CNY 600 million (issue rate 4.15%).

This report has been developed to indicate the use of proceeds from the Green Bond for the period ended September 30, 2017. ABC is responsible for the preparation and fair presentation of the *Report on the Use of Proceeds from Green bond* (as of 30 September, 2017) ("Report"). For the Green Bond issued on October 13, 2015, ABC confirms that the use of proceeds has fully complied with the *Green Bond Management Statement* issued by ABC on September 28, 2015.

1. Net Proceeds

The proceeds from the Green Bond issuance is about CNY 6.322 billion equivalent (exchange rate used in this report based on central parity rate by the People's Bank of China on October 20, 2015, which was USD 1 to CNY 6.3614), received on October 20, 2015. Green Bond issuance costed about CNY 15 million equivalent. As a result, the net proceeds from the issuance of the Green Bond amounted to approximately CNY 6.306 billion.

2. Green projects funded by the net proceeds

For the period ended September 30, 2017, the net proceeds from the Green Bond have been fully invested in the green projects. The green projects include the clean transportation category and renewable energy category. The clean transportation category is directed to subway construction projects, and the renewable energy category is directed to wind power projects, photovoltaic power generation projects and biomass power generation projects. The amount of net proceeds invested in the eligible green projects is indicated as following.

Table 1. Net proceeds invested in the eligible green projects

No.	Green Industry	Amount (CNY Billion)	Examples of Green Project
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1	Clean transportation	Subway construction	1.00	<p>A Subway Line Construction Project in Beijing</p> <p>The length of the subway line is around 26km, planned to build 17 stations. In the initial stage (2019), the annual passenger flow is expected to reach 327.04 million passengers per year, about 341.64 million in mid stage (2026) and 389.62 million in long-term stage (2041).</p>
2	Renewable energy	Wind power generation	2.601	<p>A Wind Power Generation Project in Gansu Province</p> <p>The project installs 24 sets of wind turbines with capacity of 2MW, and the total installed capacity is 48MW. The annual grid-in power of the wind power project is expected to 100,270 MWh, and the average annual operation hour is 2089h.</p>
3		Photovoltaic power generation	2.525	<p>A Photovoltaic Power Project in Qinghai Province</p> <p>The total installed capacity of the project is 530MW. The grid-in power in the first operation year is expected to 929,372MWh. The average annual grid-in power in the total 25 operation years is expected to 837,462.6MWh, and the average annual operation hour is 1519.2h.</p>
4		Biomass power generation	0.18	<p>A Biomass Power Generation Project in Jiangsu Province.</p> <p>The main fuel of this biomass power generation project is the local wood processing residues (bark), with wheat and corn stalks as a supplement. The</p>

			project installs a 30MW generating unit and a boiler with 130t/h capacity. During the project operation, the annual biomass fuel consumption is expected to 196,593t, and the annual operation hour is 7000h. The annual power generation and grid-in power are 210,000MWh and 185,850MWh, respectively.
Total Amount		6.306	

3. Environmental Benefits

The green projects funded by the net proceeds include subway construction projects, wind power generation projects, photovoltaic power generation projects and biomass power generation projects. The construction of subway lines meets the need of urban traffic developments, relieving urban traffic pressure, and optimizing the mode of travel. Subway, as a green transportation to substitute automobile, improves the quality of urban environment by reducing vehicle emissions. The construction and operation of wind power, photovoltaic power and biomass power generation projects makes the fullest use of the renewable energy and saves non-renewable fossil fuel, which reduces the environment pollution from the fossil energy consumption.

By referring to *The Calculation Guidelines of Energy Conservation and Emission Reduction for Green Credit Project* issued by China Banking Regulatory Commission, ABC evaluates the environment benefits of wind power generation projects, photovoltaic power generation projects and biomass power generation projects funded by the net proceeds. The renewable energy projects funded by the net proceeds could substitute 1,286,503 ton fossil fuel per year, and reduce 3,087,606 ton carbon dioxide (CO₂) emission per year.

Agricultural Bank of China Limited.

September 10th, 2018

