

Agricultural Bank of China

Report on the Use of Proceeds from Green Bond

(As of September 30, 2016)

On October 13, 2015, the Agricultural Bank of China co., LTD. ("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 green bond as of September 30, 2016. ABC is responsible for the preparation and fair presentation of the "Report on the Use of Proceeds from Green bond (as of 30 September, 2016)" ("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 issuance of green bond, about CNY 6.322 billion equivalent (All translations of USD into RMB in this report is based on central parity rate by the People's Bank of China on October 20, 2015, which was USD 1to CNY 6.3614.), has all received on October 20, 2015. Green Bond issuance costs about CNY 15 million equivalent. As a result, after deduction of the combined management, underwriting and selling

commission payable to the Managers, the net proceeds from the issuance of green bond amounted to approximately CNY 6.306 billion.

2. Use of Proceeds

As of September 30, 2016, the net proceeds of green bond have been fully invested in the green projects. The green projects falls into 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 to invest in the eligible green projects are as indicated in the following table.

Table 1. Net Proceeds Invested in the eligible green projects

No.	Green Industry		Amount(CNY 100 Million)	Examples of Green Project
1	Clean transportation	Subway construction	10.00	<p>The Subway Line Construction Project in Beijing</p> <p>The length of subway line is around 26km, which plans to build 17 stations. In the initial stage (2019), the annual passenger flow is expected to reach 327.04 million passengers per year, meanwhile, the expectations of mid stage (2026) and long-term stage (2041) are respectively 341.64 million and 389.62 million passengers per year.</p>

2	Renewable energy	Wind power generation	44.27	<p>The Wind Power Generation Project in Gansu Province</p> <p>The project installs 24 sets of wind turbines with the capacity of 2MW, and the total installed capacity is 48MW. The annual grid-in power of the wind power plant is expected to 100,270MWh, and the average annual operation hour is 2089h.</p>
3		Photovoltaic power generation	6.89	<p>The 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. The average annual operation hour is 1519.2h.</p>
4		Biomass power generation	1.90	<p>The 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 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.</p>
Total Amount			63.06	

3. Environmental Benefits

The green projects invested by net proceeds involve subway construction projects, wind power generation projects, photovoltaic power generation projects and biomass power generation projects. The construction of subway lines is in accordance with the needs of urban traffic developments, which optimize the mode of travel and conducive to alleviate urban traffic. Subway, as a green transportation to replace the 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 are conducive to the full utilization of renewable energy as well as saving non-renewable fossil energy, which reduce the environment pollution.

By following "*The Calculation Guidelines of Energy Conservation and Emission Reduction for Green Credit Project*" issued by China Banking Regulatory Commission, ABC measures the environment benefits obtained from the wind power generation projects, photovoltaic power generation projects and biomass power generation projects which invested by net proceeds. The renewable energy projects invested by the net proceeds could replace 1,450,200ton fossil energy consumption, and cause 3,480,500ton carbon dioxide (CO₂) emission reduction each year.

Agricultural Bank of China co., LTD.

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