

PRODUCT KEY FACTS STATEMENT

**CHINA CONSTRUCTION BANK (ASIA)
CORPORATION LIMITED (the "Bank")**

**Gold Trading
15 May 2020**

This statement provides you with key information about the Bank's Gold Trading (the "Scheme").

This statement is part of the offering documents of the Scheme and must be read in conjunction with the Principal Brochure of the Scheme (in particular, Part 2 : THE RISKS ASSOCIATED WITH THE SCHEME).

You should not invest in the Scheme based on this statement alone.

What are the Key Risks?

- **NOT Principal Protected**

Your investments in the Scheme are NOT principal protected. In the worst case scenario, you may lose your entire principal.

- **NOT a Bank Deposit**

Your investments in the Scheme are NOT and are NOT equivalent to a bank deposit.

- **NOT an Interest-Bearing Account**

The Gold Trading Account ("**Account**") through which your investments in the Scheme are conducted is not an interest-bearing account and provides no yield.

- **NOT Protected Deposit**

Your investments in the Scheme are NOT protected deposits and are not protected by the Deposit Protection Scheme in Hong Kong.

- **NO Physical Delivery of Gold**

The Scheme does NOT involve any physical delivery of gold. You do not have any right, ownership and possession of any physical gold. The allocation of units in your Account is notional. The unit prices of the Scheme (being the Bank's buying price and selling price per unit of the Scheme in HK Dollar) are calculated with reference to the price of Loco London Gold ("**Reference Asset**") and incorporate the Bank's profit margins.

- **There is NO collateral**

The Scheme is NOT secured on any assets or any collateral of the Bank.

- **NO Guarantee**

The Scheme does NOT guarantee your capital invested nor any return on the capital.

What are the Key Risks? (Continued)

- **NOT the Same as Investment in the Reference Asset**

Investing in the Scheme is NOT the same as investing directly in the Reference Asset. Price changes in the Reference Asset might not be reflected exactly in the price changes of the Scheme due to the mechanism set out in the paragraph entitled "Pricing Mechanism" under the section "The Major Features of the Scheme" on page 4 of the Principal Brochure.

- **Volatility of Price**

The unit prices of the Scheme are calculated with reference to the price of the Reference Asset and incorporate the Bank's profit margins. You should recognize that the unit prices of the Scheme are volatile due to price changes in the Reference Asset which may depend on the demand and supply of the Reference Asset and may go up and down. You will bear potential losses due to fluctuations in the unit prices of the Scheme. Such price fluctuations may exceed your expectation and the losses may substantially reduce your capital invested and earnings (if any).

- **Market Risk**

The price of the Reference Asset may go up and down due to movements in macroeconomic factors which include but are not limited to interest rates, inflation, economic growth and geopolitical tension. The unit prices of the Scheme are calculated with reference to the price of the Reference Asset and incorporate the Bank's profit margins, your investments in the Scheme are therefore subject to market risk.

- **Concentration Risk**

You have to be aware of concentration risk in investing in one Reference Asset and are reminded to avoid over-concentration of investment in the Scheme.

- **The Bank's Credit Risk**

Your investments in the Scheme are subject to the credit risk of the Bank. Material adverse changes in the financial position of the Bank may impair or affect its ability to meet its obligations under the Scheme.

- **The Bank's Insolvency Risk**

There is no assurance of protection against a default by the Bank in respect of its payment obligations. If you invest in the Scheme, you are relying upon the creditworthiness of the Bank and of no other person. If the Bank becomes insolvent or default in its obligations under the Scheme, you can only claim as the Bank's unsecured creditor. In the worst case scenario, you may lose your capital invested and all earnings (if any).

- **Early Termination Risk**

Termination of Scheme

The Bank has the right to terminate the Scheme in good faith and in a commercially reasonable manner with at least 3 months' prior written notice to you.

What are the Key Risks? (Continued)

Termination of Account

The Bank may terminate your Account in good faith and in a commercially reasonable manner by giving at least 1 month's prior notice in writing to you.

The Bank also has the right to terminate your Account at any time in good faith and in a commercially reasonable manner in the circumstances as described under the Bank's Terms and Conditions for Gold Trading. The circumstances are as follows: (i) if the Account is suspected of being used for illegal activities or if any change of law prohibits or renders illegal the maintenance or operation of the Scheme and/or the Account; (ii) if, in the opinion of the Bank, you commit any material breach of the Bank's Terms and Conditions for Gold Trading; (iii) if any acknowledgement, representation or warranty by you is or becomes materially incorrect (including if you become a U.S. person after opening your Account); or (iv) if the Account carries a zero balance for the minimum period determined by the Bank from time to time.

U.S. persons are those within the meaning of Regulation S under the Securities Act of the United States (which includes any person resident in the United States of America and any partnership or corporation organized or incorporated under the laws of the United States of America), and a U.S. citizen or resident for U.S. tax purposes.

In such scenarios as stated above for termination of Account and/or Scheme, if you could not sell your units in the Scheme back to the Bank before the termination date, the amount payable by the Bank back to you on such termination will be the prevailing Bank's Buying Price of your units in the Scheme as quoted by the Bank at the date of termination, which may be substantially less than your capital invested in the Scheme.

- **Hedging Activities Risk relating to the Bank's Hedging Activities**

The Bank may enter into gold hedging transactions, which typically involve the establishment of long and/or short positions in the Reference Asset, with its respective hedging counterparties in the market. It is likely that these hedging transactions could adversely affect the price of the Reference Asset if the size of hedging transactions is substantial. In the circumstances, the unit prices of the Scheme, which are calculated with reference to the price of the Reference Asset, will be affected as well. The value of your investments in the Scheme may be adversely affected.

- **Set-off and Lien**

The Bank has the right to combine or consolidate any credit balances in your Account with the Bank to set-off any indebtedness owed by you to the Bank. Under the Bank's Terms and Conditions for Gold Trading (as amended from time to time), if you fail to pay the Bank any amount due to the Bank within 5 business days after demand, the Bank may sell all or so much of the units held in your Account and apply the sale proceeds to discharge your liability to the Bank. Copies of the Bank's Terms and Conditions for Gold Trading are available at the Bank's branches and website (www.asia.ccb.com) free of charge.

What are the Key Risks? (Continued)

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by the Bank and its subsidiaries and affiliates in connection with the Scheme, for example, the Bank's hedging activities as described under the section "Hedging Activities Risk relating to the Bank's Hedging Activities" above. Although the Bank's economic interests in each role may be adverse to your interest in the Scheme, the Bank establishes necessary regulatory information barriers among its different business areas as well as formulates policies and procedures for minimizing and managing such conflicts of interest, so as to comply with applicable laws and regulations, and to ensure the Bank's transactions or dealings will be transacted at arm's length.

- **Force Majeure Events**

The Bank is not liable for any failure or delay to meet its obligations due to any causes beyond its control including local or international happenings such as natural disaster, fire, storms, riots, strikes, wars, government intervention, restriction or prohibition, closure of markets, capital market crash, technical failure of any equipment, power failures, blackouts or any other causes which result or are likely to result in the erratic behavior of gold prices, the closure of international gold markets, or exchanges of gold, or any other cause affecting the operation of your Account.

The Major Features of the Scheme

Product Name:	Gold Trading
Product Type:	Paper gold scheme
Account Type:	A non-interest bearing account
Account Mechanism:	Your investments in the Scheme will be made through a non-interest bearing Account of the Scheme in units. The purchase of units of the Scheme will be credited to this Account, and the sale of units of the Scheme will be debited from it. The transactions under the Scheme are executed by the Bank as principal.
Currency Denomination:	The selling and buying prices per unit of the Scheme are denominated in HK Dollar (" HKD ").
Reference Asset:	Loco London Gold. It represents the basis for international trading and settlement in gold in the London bullion market and is a global over-the-counter gold trading market without geographical limitation, where quotes are made by market dealers based on US Dollars (" USD ") per ounce. The fineness is not less than 99.5%.
Quotation Unit Mechanism:	The quotation unit of the Scheme is one unit. One unit of the Scheme is equal to one ounce of the Reference Asset. The quotation price of one unit of the Scheme is equal to Loco London Gold price based on USD per ounce after converting into HKD and is subject to the Bank's profit margins. The quotation price of one unit of the Scheme is set out below.

The Major Features of the Scheme (Continued)

Pricing Mechanism: The price per unit of the Scheme is quoted by the Bank as the "**Bank's Selling Price**" and the "**Bank's Buying Price**" respectively.

The Bank's Selling Price is the price you pay if you wish to buy one unit of the Scheme from the Bank. The Bank's Selling Price is the aggregate of (i) the prevailing offer price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined by the Bank at its sole discretion in good faith and commercially reasonable manner) and (ii) the Bank's profit margins. The Bank's profit margin would not exceed 1% of the Bank's Selling Price per unit of the Scheme from time to time (e.g. if the offer price of one ounce of the Reference Asset is HKD9,900.00, the Bank's profit margin will not exceed HKD100.00 and the Bank's Selling Price will not exceed HKD10,000.00).

The Bank's Buying Price is the price you receive if you wish to sell one unit of the Scheme to the Bank. The Bank's Buying Price is the prevailing bid price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined by the Bank at its sole discretion in good faith and commercially reasonable manner) less the Bank's profit margins. The Bank's profit margin would not exceed 1% of the Bank's Buying Price per unit of the Scheme from time to time (e.g. if the bid price of one ounce of the Reference Asset is HKD10,100.00, the Bank's profit margin will not exceed HKD100.00 and the Bank's Buying Price will not be below HKD10,000.00).

The Bank's Selling Price and Buying Price are rounded to 2 decimal places, with 0.005 or above being rounded upwards and with below 0.005 being rounded downwards (e.g. if the Bank's Selling Price is HKD10,000.037, it will be quoted as HKD10,000.04 and if the Bank's Selling Price is HKD10,000.032, it will be quoted as HKD10,000.03).

Minimum Transaction Amount: Minimum transaction amount is one unit (or in multiples thereof for each increment).

The Major Features of the Scheme (Continued)

Maximum Transaction Amount: Maximum transaction amount for online banking (including mobile banking is HKD6,000,000 per transaction.

Fees and Charges

No separate handling fee or charge will be levied on any transactions under the Scheme. In a sale by you, the Bank's profit margin would not exceed 1% of the Bank's Buying Price per unit of the Scheme as applicable from time to time. In a purchase by you, the Bank's profit margin would not exceed 1% of the Bank's Selling Price per unit of the Scheme as applicable from

time to time. The Bank may vary or impose fees and charges by giving at least 1 month's prior written notice.

Suspension of Dealing of Units

The Bank may suspend any dealing of unit of the Scheme at any time in good faith and in a commercial reasonable manner in the event of any technical failure of trading channel, unavailability of price quote or a Force Majeure Event (which is defined under Part 2 of the Principal Brochure to mean, among others, closure of markets, capital market crash, technical failure of any equipment, power failures, blackouts or any other causes which result or are likely to result in the erratic behavior of gold prices, the closure of international gold markets, or exchanges of gold, or any other cause affecting the operation of your Account, etc...) .

In case of a suspension of dealing of units of the Scheme, the Bank shall inform Scheme participants as soon as reasonably practicable (including posting a relevant notice at the Bank's website (www.asia.ccb.com)).

Amendment to the Terms and Conditions of the Scheme

The Bank reserves the right to amend the terms and conditions of the Scheme as set out in the Bank's Terms and Conditions for Gold Trading (as amended from time to time. Any amendment will be made by the Bank in its absolute discretion (acting in good faith and in a commercially reasonable manner) with at least 1 month's prior written notice to you. Copies of the Bank's Terms and Conditions for Gold Trading are available at the Bank's branches and website (www.asia.ccb.com) free of charge.

Ongoing Obligations

The Bank will notify the Securities and Futures Commission and all investors as soon as reasonably practicable if the Bank ceases to meet any requirements of the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and, to the extent permitted by any applicable laws, changes in the Bank's financial condition or other circumstances which could reasonably be expected to have a material adverse effect on the Bank's ability to fulfill its commitment in connection with the Scheme. For enquires, please contact any branches of the Bank. The Bank shall inform Scheme participants as soon as reasonably practicable of any information concerning the Scheme which is necessary to enable Scheme participants to appraise the position of the Scheme.

The Bank will give at least 1 month's prior written notice (or such other period of notice in compliance with applicable laws and regulations) and submit any proposed changes to the Scheme in respect of the following to the SFC for prior approval:

- (a) changes to constitutive documents (including, without limitation, the terms and conditions of the Scheme);
- (b) changes of key operators and their regulatory status and controlling shareholder;
- (c) changes in investment objectives, policies and restrictions, fee structure and dealing and pricing arrangements; and
- (d) any other changes that may materially prejudice Scheme participants' rights or interests.

If the Scheme is to be terminated or withdrawn from authorization, in addition to following any procedures set out in the Scheme constitutive documents or governing law, notice (with at least 3 months' prior written notice period) must be given to Scheme participants.

Please refer to the section “Ongoing Obligations” on page 12 of the Principal Brochure for details.

The Documentation of the Scheme

The offering documents of the Scheme comprise:

- (i) The Principal Brochure for the Scheme dated 15 May 2020; and
- (ii) This Product Key Facts Statement dated 15 May 2020.

The offering documents of the Scheme contain detailed information in respect of the Bank and the Scheme. You should read all such documents before deciding whether or not to invest in the Scheme.

The Bank has the obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer. Copies of the offering documents of the Scheme are available at the Bank’s branches free of charge.

Contact Details of the Bank

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Telephone: (852) 2779 5533
Fax: (852) 3718 3273
Website: www.asia.ccb.com

Contact Details for Enquiries / Complaints

If you have any enquiries or complaints regarding the Scheme, you can visit any of our branches or call our Customer Services Hotline at (852) 2779 5533 or fax us at (852) 3718 3273.

Financial Information about the Bank

You can access the latest financial statements of the Bank from its website at http://www.asia.ccb.com/hongkong/aboutus/financial_results/financial_results.html or at its branches.

Important

If you are in doubt, you should seek independent professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.