



中华人民共和国财政部
MINISTRY OF FINANCE PEOPLE'S REPUBLIC OF CHINA

RMB300,000,000 Fixed Rate Bonds due 2021

Denomination: RMB10,000

Issue Price: 100%

The Ministry of Finance of the People's Republic of China (the "**Ministry of Finance**") proposes to offer RMB300,000,000 fixed rate bonds due 2021 (the "**Bonds**"). The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Central People's Government of the People's Republic of China (the "**Central People's Government**"). The full faith and credit of the Central People's Government will be pledged for the due and punctual payment of all principal and interest on the Bonds and for the due and timely performance of all obligations of the Central People's Government with respect to the Bonds. The Ministry of Finance will pay interest on the Bonds semi-annually in arrear on the interest payment dates on 25 January and 25 July of each year, beginning on 25 January 2020 and shall not redeem the Bonds prior to the maturity date, subject to the terms and conditions of the Bonds.

The Bonds will be listed on Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**"). The Bonds will be issued in bearer form and represented by a global bond held in MOX. See the section headed "Description of the Bonds" for further details.

Sole Global Coordinator, Joint Lead Manager and Joint Bookrunner

BOC Macau Branch

Joint Lead Managers and Joint Bookrunners

BOCOM Macau Branch

Banco Nacional Ultramarino, S.A.

Placing Banks

BOC Macau Branch

BOCOM Macau Branch

Banco Nacional Ultramarino, S.A.

ICBC (Macau)

CCB Macau Branch

CGB Macau Branch

LUSO International Bank

Banco Comercial de Macau

5 July 2019

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IMPORTANT

*You must read and fully understand the contents of this selling manual (the “**Selling Manual**”) before subscription. The Bonds are issued by the Ministry of Finance, with the full faith and credit of the Central People’s Government being pledged for their performance, and are not secured. If you are in doubt as to any aspect of this offer, you should consult a bank, solicitor, certified public accountant or other professional adviser.*

The Bonds carry a fixed interest rate. The market prices of the Bonds may decrease if Renminbi interest rates increase during the term of the Bonds. Under this situation, you may incur a loss from the decrease in the market price if you sell the Bonds before final maturity.

You will hold your Bonds through your placing bank. You will have to rely on your placing bank to credit your account with principal and interest on the Bonds. Any notices (if any) the Ministry of Finance gives after the issuance of the Bonds will be given through MOX, and you will have to rely on your placing bank to ensure that such notices reach you.

This Selling Manual is available in both Chinese and English from each placing bank listed on page 16 of this Selling Manual. The English version of this Selling Manual is a translation for your reference only and the Chinese version will prevail in the event of any discrepancy. 中華人民共和國財政部(「財政部」)的銷售手冊的中英文版本可於銷售手冊第 3 頁所列的各配售銀行索取。財政部的銷售手冊以中文版為準，英文譯本僅供閣下參考。

SUMMARY OFFERING TERMS

This summary of offering terms highlights information contained elsewhere in this Selling Manual. It is not complete and does not contain all the information that you should consider before investing in the Bonds. You should read this entire Selling Manual. If necessary, you may inspect the terms and conditions of the Bonds set out in the fiscal agency agreement and the documents referred to on page 20 carefully at the specified office of the fiscal agent.

Issuer	The Ministry of Finance of the People's Republic of China.
Bonds offered	RMB300,000,000 Fixed Rate Bonds due 2021.
Subscription period	9:00 a.m., 5 July 2019 to 5:00 p.m., 19 July 2019.
Issue date	25 July 2019. The Ministry of Finance may decide to close the offer early, or allow more time, without prior notice. The issue date, interest payment dates and maturity date may change accordingly. If these dates are changed, the Ministry of Finance will inform you by notice. The Ministry of Finance also reserves the right to cancel the offer of the Bonds at any time on or before the scheduled issue date.
Maturity date	The last interest payment date falling in July 2021. As 25 July 2021 is a Sunday, the expected maturity date of the Bonds is on 26 July 2021 (Please refer to the section headed "interest payment dates" below). This is the date the Ministry of Finance will repay 100% of the principal amount of the Bonds. The Ministry of Finance will not repay the principal amount of the Bonds before the maturity date.
Subscription price	100% of the principal amount.
Interest rate	The interest rate for the Bonds will be a fixed rate to be announced by the Ministry of Finance on or about 4 July 2019 (which announcement will be available on the website of the Ministry of Finance: http://www.mof.gov.cn). A notice setting out the interest rate will also be published in Macao Daily News (in Chinese), Macau Post Daily (in English) and Hoje Macau (in Portuguese) in Macau on or about 5 July 2019. Such notice shall be read together with, and is deemed to be incorporated by reference into and forms part of, this selling manual, and will be available on display at the placing banks during the subscription period.
Interest payment dates	Semi-annually in arrear on 25 January and 25 July of each year, beginning on 25 January 2020. If any of the dates on which the Ministry of Finance should pay interest is not a business day in Macau or Beijing, the relevant interest payment date will be postponed to the next day which is a business day in both Macau and Beijing unless the next business day would thereby fall into the next calendar month, in which event the relevant interest payment date will be brought forward to the immediately preceding business day.

Ranking	The Bonds will rank equally with all other direct, unconditional, unsubordinated and unsecured obligations of the Central People's Government. The Central People's Government will pledge its full faith and credit for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People's Government with respect to the Bonds.
Handling fee	The placing banks will not charge any handling fees when you submit your application. However, there may be custodian fees, transfer fees or other fees (as the case may be) charged by your placing bank. Please ask your placing bank for further details.
Listing	The Bonds will be listed on MOX. The listing date is expected to be on the Macau business day following the issue date of the Bonds, which is currently expected to be on 26 July 2019.
Denomination, minimum purchase and transfer amount	The denomination of the Bonds is RMB10,000 and you may purchase or transfer Bonds in RMB10,000 or integral multiples of RMB10,000.
Form	The Bonds will initially be represented by a global bond in bearer form without interest coupons, held in MOX.
Clearance and settlement	For so long as your Bonds are held by you in the form of a book-entry security, the Bonds will be only shown on, and transfers thereof will be effected only through, records maintained by MOX and its participants. On the issue date of the Bonds, your placing bank through which you subscribe for the Bonds will arrange to hold the Bonds for you in an account at MOX (either such placing bank's own account or the account of its direct or indirect custodian with MOX). Transfer of your Bonds after the issue date may be effected through your placing bank.
Payment of principal and interest and delivery of notices	Principal and interest on the Bonds will be payable in Renminbi. As long as any Bonds are in the form of a book-entry security, the Ministry of Finance will pay interest and principal on the Bonds to the relevant accountholders at MOX and you will have to rely on your placing bank to ensure that payments on your Bonds are credited to your account by your placing bank. Any notices (if any) the Ministry of Finance gives after the issuance of the Bonds will be given through MOX, and you will have to rely on your placing bank to ensure that such notices reach you.
Fiscal agent	Bank of Communications Co., Ltd. Macau Branch.
Governing law	The laws of the Macau Special Administrative Region of the People's Republic of China.
Use of proceeds	The net proceeds from the sale of the Bonds, after deduction of underwriting commissions, placing fees and other offering

expenses, will be used by the Ministry of Finance for general governmental purposes.

Selling restrictions

An applicant can only apply for the Bonds if he/she holds a valid Macau identity card and applies for the Bonds in his/her personal capacity and as its actual owner rather than on behalf of any corporate or other body corporate. The Bonds have not been and will not be registered under the United States Securities Act of 1933 and may not be offered, sold, pledged or transferred within the United States.

HOW TO BUY BONDS AND OTHER INFORMATION

Application Channels for the Bonds

You can apply for the Bonds through any of the placing banks listed below. Call a hotline to find out more or to get a list of branches where you can place your order for the Bonds, or you may apply to buy the Bonds with designated placing banks via its mobile phone banking application.

Each placing bank may choose to extend the operating hours below to handle applications for the Bonds.

Placing Bank	Hotline Number Telephone	Application Number (if applicable)	Mobile Phone Banking Application (if applicable)
Bank of China Limited, Macau Branch	853-88895566	853-88895566 (only for enquiries relating to transaction status) Operating Hours: 24 hours	BOC Macau Application (中文: 澳門中銀手機銀行)
Bank of Communications Co., Ltd. Macau Branch	853-88988239 853-88988230	Not applicable	Not applicable
Banco Nacional Ultramarino, S.A.	853-28335533	Not applicable	Not applicable
Industrial and Commercial Bank of China (Macau) Limited	853-88995588	Not applicable	Not applicable
China Construction Bank Corporation Macau Branch	853-08005555	Not applicable	Not applicable
China Guangfa Bank Ltd., Co., Macau Branch	853-83986132 853-83986139	Not applicable	China Guangfa Bank Application (中文: 廣發銀行澳門手機銀行)
Luso International Banking Limited.	853-87995888	Not applicable	Not applicable
Banco Comercial de Macau, S.A	853-87968888 Operating Hours : 9:00-19:00	Not applicable	Not applicable

How to Apply for the Bonds Through a Placing Bank?

You may decide to instruct your placing bank to make the application for the Bonds in any of the following ways:

- **In Person.** You may go to any designated branch of your chosen placing bank (please telephone the “Hotline numbers” of the placing banks above for a list of the designated branches for each placing bank) and give the instructions in person to the placing bank to apply for the Bonds on your behalf. If

you need to open an investment account with the placing bank with which you have your bank account at the time of giving your application instructions, you must go to a branch of your chosen placing bank to open an investment account before or at the same time as you give your application instructions. You are urged to give your application instructions in good time before the closing of the subscription period of the Bonds to ensure the paperwork can be completed.

- **By Mobile Phone Banking Application.** You may make an application through a designated placing bank's mobile phone banking application if you already have both a bank account and an investment account with a placing bank which offers facilities for application via mobile phone banking application and if you have made the necessary arrangements to use the relevant services provided by such placing bank. By making an application through a placing bank's mobile phone banking application, you are required to comply with such placing bank's terms and conditions in respect of the mobile phone banking application services provided by such placing bank.

The mobile phone banking application of the placing banks which offer such application facilities for the Bonds are set out on page 16 of this Selling Manual.

Reference to any mobile phone banking application in this Selling Manual is intended to assist you to access further public information relating to the subject as indicated. You should, however ensure that you are viewing the most up-to-date information and the mobile phone banking application that you are viewing is genuine. Except for the electronic version of this Selling Manual (if any), information appearing on such mobile phone banking application does not form part of this Selling Manual. The Ministry of Finance, the Sole Global Coordinator, the Joint Lead Managers and Joint Bookrunners, the placing banks, and the fiscal agent do not accept any responsibility whatsoever that such other information, if available, is accurate and/or up-to-date. The offer of the Bonds is made solely on the basis of the information contained in this Selling Manual and prospective investors should exercise an appropriate degree of caution when assessing the value of other information which may appear on such mobile phone banking applications.

Am I Eligible to Apply for the Bonds?

You will need to ensure that you have sufficient Renminbi in your account to pay for the subscription price. When your application is accepted, your placing bank will freeze the relevant application monies until the third banking business day after the end of the subscription period. If your application is successful, the relevant amount will then be deducted from your account on the third banking business day after the end of the subscription period.

You can only apply for the Bonds if you hold a valid Macau identity card and you apply for the Bonds in your personal capacity and as its actual owner rather than on behalf of any corporate or other body corporate. An application using a joint account can only be made if either you or one of your joint account holders hold(s) a valid Macau identity card, all the holders of the joint account are individuals and the Macau identity card holder applies for the Bonds in the account holders' personal capacity and as its actual owner rather than on behalf of any corporate or other body corporate. You will be asked to confirm the above when you apply for the Bonds. See further the paragraph entitled "Do I Need an Application Form?".

By applying for the Bonds, you make the above confirmation to the Ministry of Finance and your placing bank. You understand that the Ministry of Finance would not otherwise issue you the Bonds for which you are applying.

Do I Need an Application Form?

The placing bank with which you place your order will ask you to fill in its applicant profile and subscription form and ask you to make a series of confirmations and acknowledgements. Ask your placing bank for further details.

What if the Bonds Are Over-Subscribed?

The Ministry of Finance intends to allocate at least one Bond to every account that applies. The remaining Bonds will then be allocated to each account approximately in proportion to the number of Bonds each investor (or investors in the case of a joint account) validly applied for. If the Bonds are over-subscribed to the extent that the Ministry of Finance cannot even allocate one Bond to each account, it will choose by ballot.

Who Is the Issuer? Are the Bonds Rated?

The issuer of the Bonds is the Ministry of Finance (Address: Nansanxiang, Sanlihe, Xicheng District, Beijing 100820) and the Bonds are not rated.

Who Should Buy the Bonds? Are They Suitable for Everyone?

The Bonds are designed for investors who wish to invest in Renminbi-denominated bonds providing periodic fixed interest payments and principal repayment in Renminbi at maturity. The Bonds are designed for investors looking for a buy-and-hold product who do not need to sell their Bonds before maturity for liquidity needs as there may not be an active secondary market for the Bonds.

You need to have a Renminbi bank account and a securities or investment account with a placing bank when you subscribe for the Bonds. The opening of Renminbi bank accounts is subject to restrictions applicable to Renminbi transactions in Macau. Bondholders looking to sell their Bonds before the maturity date of the Bonds may only be able to sell at the prevailing prices in the secondary market at the relevant time. Your investment return will be affected by the custodian fees, transfer fees charged by your placing bank and the bid-ask spread (as the case may be). Please ask your placing bank for details.

Where Can I Find more Information about China and the Bonds?

Please read this Selling Manual carefully before you decide whether to buy the Bonds.

The Ministry of Finance has not authorised anyone to give you any information about the Bonds other than the information in this Selling Manual. You should not rely on any other information.

The Sole Global Coordinator, the Joint Lead Managers and Joint Bookrunners, the placing banks and the fiscal agent are not persons responsible for and have not separately verified the accuracy, completeness or sufficiency of the information contained in this Selling Manual, and make no representation or warranty, express or implied in respect thereof, and nothing contained in this Selling Manual is, or should be relied upon as, a promise, representation or warranty by them.

The Ministry of Finance will give notice of any information relating to it which is necessary to avoid the establishment of a false market in the Bonds or which might reasonably be expected significantly to affect its ability to meet its commitments under the Bonds. Any notices the Ministry of Finance gives after the Bonds are issued will be given through MOX, and you will have to rely on your placing bank to forward the notices to you.

This Selling Manual is available in both Chinese and English and the English version is for your reference only. In the event of any discrepancy between the English and Chinese versions, the Chinese version of the Selling Manual will prevail.

What are the Arrangements Between the Issuer and the Placing Banks for Selling the Bonds? Is the Offer Underwritten? Who is the Fiscal Agent?

The Ministry of Finance has appointed the placing banks listed on page 16 of this Selling Manual to distribute the Bonds. Each placing bank will receive a placing fee from the Ministry of Finance of 0.18% of the principal amount of the Bonds issued to such placing banks.

There are no soft commission or rebate arrangements between the Ministry of Finance and any of the placing banks.

The details of the underwriting arrangements of the Bonds are set out in an underwriting agreement entered into by the Ministry of Finance with Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Banco Nacional Ultramarino, S.A. dated 4 July 2019.

The Ministry of Finance entered into a fiscal agency agreement on 4 July 2019 with Bank of Communications Co., Ltd. Macau Branch, as fiscal agent, calculation agent and principal paying agent, setting out administrative matters relating to the Bonds.

All these agreements record the detailed arrangements between the Ministry of Finance and the parties involved in the issue, sale, administration or underwriting of the Bonds. You do not, as investors in the Bonds, have any rights under these agreements. Bondholders are deemed to have notice of the provisions in the fiscal agency agreement applicable to them.

What Are the Arrangements for Listing the Bonds on MOX after the Completion of the Subscription Period?

The Bonds will be listed on MOX and will be deposited, cleared and settled through MOX with effect from the Macau business day following the issue date of the Bonds. The listed Bonds will be quoted and traded on the basis of a price expressed as a percentage of their principal amount. For example, a price of “99.50” means 99.50% of the principal amount of the Bond.

All activities under MOX are subject to its rules and operating procedures in effect from time to time.

Listing does not assure an active secondary trading market for the Bonds or that you will have access to a firm bid price or a firm offer price for the Bonds in a principal amount which you wish to purchase or sell.

How Do I Sell My Bonds?

You can sell your Bonds over-the-counter.

Your placing bank through which you subscribe for the Bonds will arrange to hold the Bonds for you in an account at MOX. Should you wish to sell your Bonds held either through your placing bank’s own account or the account of its direct or indirect custodian with MOX, you will have to submit an application through your placing bank. Your placing bank will, using best endeavours, quote prices at which they are willing to purchase the Bonds. Your placing bank may charge fees in respect of the sale of your Bonds.

Who are the Market Makers?

The Ministry of Finance has appointed the placing banks listed in this Selling Manual to act as the market makers in respect of the Bonds to assist in maintaining a market in the Bonds in over-the-counter transactions in the secondary market. They will do this by using their best efforts to quote prices at which they are willing to purchase the Bonds (bid prices) and prices at which they are willing to sell the Bonds (offer prices) during normal banking hours on any business day. Prices obtained by different placing banks may not be the same.

Such arrangements do not assure an active secondary market for the Bonds.

How Do I Transfer My Bonds?

To transfer the Bonds, you must give a transfer instruction to your placing bank in accordance with the terms and conditions applicable to your account with them.

The Bonds can be transferred from one MOX account to another MOX account. You can therefore transfer your Bonds to a person who:

- is a placing bank; or
- holds a securities or custody account with a placing bank.

Settlement and clearing of transfers are performed through MOX in accordance with the rules applicable to MOX. Such transfers will be subject to the terms of your agreement with your placing bank.

Where Can I See the Legal Documentation for the Bonds?

To find out more about the Bonds, you can read copies of the documents listed below during the subscription period and while any Bonds are outstanding by going to the offices of the fiscal agent at G08, AIA Tower, 251A-301 Avenida Comercial De Macau, Macau (a reasonable fee will be charged if you want to take photocopies of any of the documents). Its offices are open only during normal business hours and not on Saturdays, Sundays or public holidays.

- The Constitution of the People’s Republic of China;
- this Selling Manual (in Chinese and English);
- the notice setting out the interest rate of the Bonds dated on or about 5 July 2019 (in Chinese, English and Portuguese); and
- the fiscal agency agreement (in Chinese with English translation).

OBJECTIVES OF OFFERING THE BONDS IN MACAU

The Central People's Government offers the Bonds in Macau with a view to promoting and supporting the economic development plans of Macau and is also an important measure by the Central People's Government to promote a sustainable development of economic diversification in Macau. The issuance of the Bonds in Macau is a milestone achievement for the Renminbi business in Macau and will be instrumental in attracting more bond issuances in Macau as well as accelerate the development of the bond market in Macau. The issuance of the Bonds will further develop the fiscal and financial cooperation between Macau and the People's Republic of China, and will also provide investors with a safe and stable investment opportunity.

DESCRIPTION OF THE BONDS

The terms and conditions of the Bonds and the global bond are issued in Chinese (with an English version for reference). The Chinese version of these documents shall be the authoritative version. The English version of these documents are intended merely for ease of reference. In the event of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. 國債的條款及條件以及總額債券會以中文刊發（另備英文譯版供參考）。此等文件的釋義，以中文為準，英文本僅供參考。此等文件的中、英文本如有不一致之處，應以中文本為準。

General

The Ministry of Finance is the issuer of the Bonds. The full faith and credit of the Central People's Government is pledged for the due and punctual payment of the Bonds and for the due and timely performance of all obligations of the Central People's Government with respect to the Bonds.

The Bonds have been included in the 2019 Treasury Bond Issuance Plan approved by the National People's Congress of the People's Republic of China.

Treasury Bonds are the principal component of the Central People's Government's indebtedness. With the approval of the Standing Committee of the National People's Congress, treasury bonds have been managed based on their outstanding balance since 2006. In 2019, the limit on the outstanding balance of the Central People's Government's treasury bonds is RMB17,520.835 billion. Proceeds from treasury bond issues are used mainly for developing agricultural infrastructures, improving the well-being of rural residents, developing housing projects for the low-income population, education, medical and health care, adjusting the industry structure, financing energy conservation, emissions reduction and ecological conservation, supporting independent innovation and technological advancement of enterprises, developing service industries as well as financing infrastructure facilities such as railways, highways, airports and ports.

The Bonds are to be issued under the fiscal agency agreement. The Bonds will be subject to the terms and conditions of the Bonds scheduled to the fiscal agency agreement.

The forms of the Bonds and related coupons are contained in the fiscal agency agreement. Copies of the fiscal agency agreement are available for inspection during normal business hours at the offices of the fiscal agent specified on page 20 of this Selling Manual. The holders of the Bonds are deemed to have notice of all the provisions of the fiscal agency agreement applicable to them.

This section describes the main provisions of the terms and conditions which apply to the Bonds.

Maturity

Unless the issue date is adjusted as described on page 13 of this Selling Manual, the Bonds will mature on the last interest payment date falling in 25 July 2021. As 25 July 2021 is a Sunday, the expected maturity date of the Bonds is on 26 July 2021.

Currency

The Bonds will be issued in Renminbi. All the subscription price, redemption price and interests are to be paid in Renminbi.

Denomination

The Bonds will be in the denomination of RMB10,000.

Aggregate Principal Amount

The Bonds will be limited to the aggregate principal amount of RMB300,000,000.

Interest

Unless the issue date is adjusted as described on page 13 of this Selling Manual, the Bonds bear interest from 25 July 2019 at a fixed interest rate to be announced by the Ministry of Finance on or about 4 July 2019 (which announcement will be available on the website of the Ministry of Finance: <http://www.mof.gov.cn>). A notice setting out the interest rate will also be published in Macao Daily News (in Chinese), Macau Post Daily (in English) and Hoje Macau (in Portuguese) in Macau on or about 5 July 2019. Such notice shall be read together with, and is deemed to be incorporated by reference into and forms part of, this Selling Manual, and will be available on display at the placing banks during the subscription period.

Interest on the Bonds is payable semi-annually in arrear on the interest payment dates on 25 January and 25 July of each year. If any such interest payment date would otherwise fall on a day which is not a business day (defined below), it will be postponed to the next day which is a business day unless it would, as a result, fall into the next calendar month, in which event it will be brought forward to the immediately preceding business day.

The fiscal agent will calculate the amount of interest payable on the Bonds by counting the actual number of days in the interest period assuming a fixed year of 365 days.

For this purpose, a “business day” means a day (other than Saturdays and Sundays) on which (i) MOX is operating, (ii) commercial banks in Macau are open for business and for the settlement of Renminbi payments, and (iii) banks in Beijing are not authorised or obligated by law or executive order to be closed.

Ranking

The Bonds constitute direct, unsecured and unsubordinated obligations of the Central People’s Government. The bondholders rank for payment equally with all other creditors of the Central People’s Government whose claims are not preferred by law, secured on its assets or subordinated.

Form

The Bonds will be held in MOX. The Bonds are issued in bearer form. The Bonds will be represented by a single global bond which the Ministry of Finance will issue in a principal amount equal to the total principal amount of the Bonds. The global bond will be deposited for safekeeping with MOX.

The Ministry of Finance will not issue individual certificates for the Bonds except in the limited circumstances specified in the global bond. The fiscal agency agreement provides in detail for the arrangements which will apply in the unlikely event that individual certificates have to be issued. If this happens, the Ministry of Finance will give a notice summarising these arrangements.

Listing

The Bonds will be listed on MOX.

Repurchase

The Ministry of Finance may at any time buy back Bonds in the open market or through designated lawful institutions at any price. If the Ministry of Finance does buy back any Bonds, it may hold them, resell them or decide to cancel them, at its choice.

Payments and Notices

You will hold your Bonds through your placing bank. For so long as the Global Bond is held by MOX, the Ministry of Finance will pay interest or principal to a special account, opened and held in the name MOX, with the fiscal agent (acting as a bank). The fiscal agent (acting in its capacity as account bank) will, at the relevant time, pay the persons who are standing on the records of MOX as the owners of the Bonds, in accordance with the instructions from MOX. Such payment by the fiscal agent shall discharge the obligations

of the Ministry of Finance. Once any payment is made in this way, investors in the Bonds will have no further rights against the Ministry of Finance for that payment, even if the placing bank or any custodian fails to transmit the investors' share of the payment to the investors or transmits it late. You will have to rely on your placing bank to credit your account with principal and interest on the Bonds.

Any notices the Ministry of Finance gives after the Bonds are issued will be given in the same way: the fiscal agent will arrange for the notice to be sent to the accountholders via MOX and you will have to rely on your placing bank to forward the notice to you.

Both the Ministry of Finance and the fiscal agent will treat MOX or its custodian as the bondholder for all purposes under the terms and conditions of the Bonds.

Tax Withholding and Gross Up

If the Ministry of Finance is required by the People's Republic of China law to withhold or deduct taxes, duties or other charges from payments of principal or interest, then the Ministry of Finance will make the withholding or deduction and remit it to the tax authorities. In that event, the Ministry of Finance shall pay such additional amounts as will result in the receipt by the bondholder of such amounts as would have been received by such bondholder if no such withholding or deduction had been required, subject to the limited exceptions set forth in the terms and conditions of the Bonds. There is, however, currently no requirement for the Ministry of Finance to make any withholding or deduction.

Taxation

The Bonds are not subject to any individual or enterprise income tax or stamp duty in the People's Republic of China. During the financial year of 2019, the Bonds are also not subject to any complementary tax or stamp duty in Macau.

Meetings of Bondholders

The fiscal agency agreement contains provisions for convening meetings of bondholders to consider any matter affecting their interests. A meeting could be convened, for example, if the Ministry of Finance proposes any change to an important term of the Bonds.

There are detailed provisions in the fiscal agency agreement about how meetings will be conducted in the unlikely event that a meeting is ever called. A meeting may be called either by the Ministry of Finance or by the fiscal agent. Bondholders holding at least 10% in principal amount of the Bonds may also call a meeting by written request to the fiscal agent.

A resolution passed at a meeting of bondholders will be binding on all the holders of the Bonds, whether or not they were present at the meeting.

Fiscal Agent

Administrative matters relating to the Bonds are dealt with in the fiscal agency agreement. This agreement sets out the arrangements between the Ministry of Finance and the fiscal agent for:

- making payments of principal and interest on the Bonds;
- giving notices to the bondholders;
- issuing individual certificates for Bonds, in the unlikely event that the Ministry of Finance ever needs to do so;
- organising and running meetings of the bondholders; and
- keeping records and dealing with other administrative matters.

The agents are agents of the Ministry of Finance and do not owe any duty to any investors of the Bonds.

Governing Law and Jurisdiction

The Bonds and the fiscal agency agreement are governed by the laws of the Macau Special Administrative Region of the People's Republic of China. The Ministry of Finance has agreed that the courts of the Macau Special Administrative Region have non-exclusive jurisdiction to settle any dispute in connection with the Bonds and has appointed Bank of Communications Co., Ltd. Macau Branch as its agent to accept service of process in any such proceedings.

To the extent that the Ministry of Finance may claim for itself immunity from any such proceedings, and to the extent that there may be attributed to the Ministry of Finance such immunity (whether or not claimed), the Ministry of Finance will not claim, has waived and will waive such immunity; provided, however, that the Ministry of Finance has not waived, and will not waive, its sovereign and other immunity with respect to assets of the People's Republic of China wherever located from execution or attachment, whether in aid of execution, before judgment or otherwise.