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*This announcement is not an offer of securities of the Issuer for sale, or the solicitation of an offer to buy securities of the Issuer, in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws of the United States, and may not be offered or sold within the United States except pursuant to an exemption under, or in a transaction not subject to, the U.S. Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.*

Notice to Hong Kong investors*: The Issuer confirms that the Bonds (as defined below) are intended for purchase by Professional Investors (as defined in the Listing Rules) only and are listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF THE OFFERING CIRCULAR

CIMC ENRIC

CIMC Enric Holdings Limited
中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3899)

HK$1,680,000,000 Zero Coupon Convertible Bonds Due 2026

(Stock Code: 40949)

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Please refer to the offering circular dated 25 November 2021 (the "**Offering Circular**") appended hereto in relation to the HK$1,680,000,000 in aggregate principal amount of zero coupon convertible bonds due 2026 (the "**Bonds**"). As disclosed in the Offering Circular, the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been be listed on the Hong Kong Stock Exchange on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

Hong Kong, 1 December 2021

As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) as a non-executive Director, Mr. Yang Xiaohu (General Manager) as an executive Director; Mr. Yu Yuqun, Mr. Wang Yu and Mr. Zeng Han as non-executive Directors; and Ms. Yien Yu Yu, Catherine, Mr. Tsui Kei Pang, Mr. Zhang Xueqian and Mr. Wang Caiyong as independent non-executive Directors.

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must not be located in the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to Morgan Stanley & Co., International plc (the "**Manager**") that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1993, as amended (the "**Securities Act**") (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission, (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a "**connected person**" (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of CIMC Enric Holdings Limited (the "**Issuer**"), which includes but is not limited to any director, chief executive or substantial shareholder of the issuer or any of its subsidiaries or any associate of any of them within the meaning of the Listing Rules, and (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the issuer.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Manager, the Trustee (as defined in the attached Offering Circular) or the Agents (as defined in the attached Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Manager or any affiliate of the Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Manager or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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CIMC Enric Holdings Limited
中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3899)

HK$1,680,000,000 Zero Coupon Convertible Bonds Due 2026
Issue Price: 100.0 per cent.

The HK$1,680,000,000 zero coupon convertible bonds due 2026 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with the terms and conditions of the Bonds set out in *"Terms and Conditions of the Bonds"* (the "**Conditions**" and each of the Conditions, a "**Condition**") and consolidated and forming a single series therewith) will be issued by CIMC Enric Holdings Limited (the "**Issuer**"). The issue price of the Bonds shall be 100.0 per cent. of the aggregate principal amount of the Bonds and the denomination of each Bond shall be HK$2,000,000 and integral multiples of HK$1,000,000 in excess thereof.

The Bonds will, upon issue, constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 10 January 2022 up to the close of business on the 10th day prior to the Maturity Date (as defined below) (both days inclusive) into fully paid ordinary shares of the Issuer with a nominal value of HK$0.01 each (the "**Shares**") at an initial conversion price of HK$11.78 per Share (the "**Conversion Price**"). The Conversion Price is subject to adjustment in the circumstances described under "*Terms and Conditions of the Bonds – Conversion*".

Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Bond at 103.81 per cent. of its principal amount together with accrued and unpaid Default Interest (as defined in the Conditions) (if any) thereon on 30 November 2026 (the "**Maturity Date**"). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the date specified in the Tax Redemption Notice (as defined in the Conditions) for redemption at the Early Redemption Amount (as defined in the Conditions), together with unpaid Default Interest (if any) accrued to but excluding such date, in the event of certain changes in or amendment to the laws or regulations of the Cayman Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, subject to the non-redemption option of each Bondholder which may be exercised after the Issuer gives a Tax Redemption Notice. The Issuer may redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption (i) at any time after 14 December 2024 and prior to the Maturity Date, provided that the Closing Price (as defined in the Conditions) of the Shares (derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange (as defined in the Conditions)) for each of 20 out of 30 consecutive Trading Days (as defined in the Conditions), the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption, is published, was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio (as defined in the Conditions) then applicable; or (ii) at any time prior to the Maturity Date provided that prior to the date on which the Issuer gives a redemption notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled. The Issuer will, at the option of the holder of any Bond redeem all or some only of such holder's Bonds on 30 November 2024 at 102.27 per cent. of their principal amount, together with unpaid Default Interest (if any) accrued to but excluding such date. The holder of each Bond will also have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined in the Conditions) at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding such date (if any) following (i) the Shares ceasing to be listed or admitted to trading or being suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) the occurrence of a Change of Control (as defined in the Conditions). See "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation*".

For a detailed description of the Bonds, see "*Terms and Conditions of the Bonds*".

Application will be made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Investing in the Bonds and the Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of Conversion Rights of the Bonds, and there are various other risks relating to the Bonds, the Issuer or the Group, its business and its jurisdiction of operations which investors should familiarise themselves with before making an investment in the Bonds. See "Risk Factors" beginning on page 14.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, or other securities laws and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see "*Subscription and Sale".*

The Bonds will be represented by beneficial interests in a global certificate (the "**Global Certificate**") in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about 30 November 2021 (the "**Issue Date**") with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

Morgan Stanley

The date of this Offering Circular is 25 November 2021

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IMPORTANT INFORMATION

This Offering Circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Issuer's affairs since the date of this Offering Circular or that the information contained in this Offering Circular is correct as of any time after that date.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Group and the Bonds. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquires, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Issuer, having made all reasonable enquiries, confirms that: (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries taken as a whole (collectively, the "**Group**") and to the Shares and the Bonds which is material in the context of the issue and offering of the Bonds (including any information (if any) which is required by applicable laws of the Cayman Islands, the PRC and Hong Kong, if any, and according to the particular nature of the Issuer, the Shares and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Shares and the Bonds); (ii) the statements contained in this Offering Circular relating to the Issuer and to the Group are in all material respects true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and to the Group are honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group or the Shares or the Bonds the omission of which would, in the context of the issue and offering of the Bonds make any statement in this Offering Circular misleading in any material respect; (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in the Offering Circular and (vi) this Offering Circular does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Issuer accepts responsibility accordingly.

This Offering Circular is highly confidential. The Issuer is providing it solely for the purpose of enabling the investors to consider a purchase of the Bonds. Investors should read this Offering Circular before making a decision whether to purchase the Bonds. Investors must not use this Offering Circular for any other purpose or disclose any information in this Offering Circular to any other person.

The Issuer has prepared this Offering Circular and is responsible for its contents. Investors are responsible for making their own examination of the Issuer and the Group and their own assessment of the merits and risks of investing in the Bonds. By purchasing the Bonds, investors will be deemed to have acknowledged that they have made certain acknowledgements, representations and agreements as set forth under the section entitled "*Subscription and Sale*" below.

No representation or warranty, express or implied, is made by Morgan Stanley & Co., International plc (the "**Manager**"), the Trustee (as defined in the Conditions) or the Agents (as defined in the Conditions) or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them. None of the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has independently verified any of the information contained in this Offering Circular and none of them can give any assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. To the fullest extent permitted by law, none of the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them or on any of their behalf in connection with the Group, the Bonds or the Shares. Each of the Manager, the Trustee and the Agents and each of their respective affiliates, directors, officers, employees, representatives, agents and advisers and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

In making an investment decision, investors must rely on their own examination of the Issuer and the Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Each person receiving this Offering Circular acknowledges that: (i) such person has been afforded an opportunity to request from the Issuer and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them in connection with any investigation of the accuracy of such information or its investment decision; (iii) no person has been authorised to give any information or to make any representation concerning the Group, the Bonds or the Shares (other than as contained herein and information given by the Issuer's duly authorised officers and employees in connection with investors' examination of the Group and the terms of the offering of the Bonds) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them; (iv) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is not a "**connected person**" (as defined in the Listing Rules) of the Issuer, which includes but is not limited to any director, chief executive or substantial shareholder of the Issuer or any of its subsidiaries or any associate of any of them within the meaning of the Listing Rules; and (v) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is, and will immediately after completion of the offering of the Bonds be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Issuer.

None of the Issuer or the Manager is making an offer to sell the Bonds, in any jurisdiction except where an offer or sale is permitted. The distribution of this Offering Circular and the offering of the Bonds may in certain jurisdictions be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*" below.

The Issuer is not making any representation to the investors regarding the legality of an investment in the Bonds by the investors under any legal, investment or similar laws or regulations. Investors should not consider any information in this Offering Circular to be legal, business or tax advice. Investors should consult their own professional advisers for legal, business, tax and other advice regarding an investment in the Bonds.

Prohibition of Sales to EEA Retail Investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The attached offering circular is not a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom (the "**UK**") by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**EUWA**").

Prohibition of sales to UK retail investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the UK's Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The communication of the attached offering circular and any other document or materials relating to the issue of the Bonds offered thereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the UK. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the UK who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). In the UK, the Bonds offered in the attached offering circular are only available to, and any investment or investment activity to which the attached offering circular relates will be engaged in only with, relevant persons. Any person in the UK that is not a relevant person should not act or rely on the attached offering circular or any of its contents.

Singapore SFA Product Classification: *In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, all references to the "**Group**" and the "**Issuer**", refer to CIMC Enric Holdings Limited and, as the context requires, its subsidiaries; all references to "**U.S.$**" or "**U.S. dollars**" are to United States dollars, the legal currency of the United States; all references to "**HK$**" or "**Hong Kong dollars**" are to Hong Kong dollars, the legal currency of the Hong Kong Special Administrative Region of the People's Republic of China; all references to "**RMB**" or "**Renminbi**" are to Renminbi, the legal currency of the People's Republic of China; and all references to the "**PRC**", the "**Mainland**" and "**China**" are to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

References in this Offering Circular to accounting periods are based on the Issuer's fiscal year, which ends on 31 December.

The Issuer records and publishes its financial statements in Renminbi. Unless otherwise stated in this Offering Circular, Hong Kong dollar amounts have been translated into Renminbi at an exchange rate of HK$1.00 to RMB0.8321 for illustration purpose only, being the rate on 30 June 2021 as published by the People's Bank of China ("**PBOC**"); and U.S. dollar amounts have been translated into Renminbi at an exchange rate of U.S.$1.00 to RMB6.4566 for illustrative purpose only, being the rate on 30 June 2021 as set forth in H.10 statistical release of the Federal Reserve Board. All such translations in this Offering Circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or other currencies at any particular rate or at all. For further information relating to the exchange rates, see the section entitled "*Exchange Rate Information*".

In this Offering Circular, because certain amounts have been rounded, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items, and actual numbers may differ from those contained herein due to rounding.

The English names of PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that state the Group's intentions, beliefs, expectations or predictions for the future that are, by their nature, subject to significant risks and uncertainties.

These forward-looking statements include, without limitation, statements relating to:

- the Group's business prospects;
- future developments, trends and conditions in the industry and markets in which the Group operates;
- the Group's business strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which the Group operate;
- changes to the regulatory environment and general outlook in the industry and markets in which the Group operate;
- the Group's ability to reduce costs;
- the Group's dividend policy;
- the amount and nature of, and potential for, future development of the Group's business;
- capital market developments;
- the actions and developments of the Group's competitors;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- other factors beyond the Group's control.

When used herein, the words "aim", "anticipate", "believe", "can", "could", "estimate", "expect", "going forward", "intend", "may", "ought to", "plan", "potential", "project", "prospects", "seek", "should", "sustain", "will", "would" and similar expressions, as they relate to the Group, are intended to identify these forward looking statements. All statements (other than statements of historical facts included in this Offering Circular), including statements regarding the Group's strategy, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements reflect the current views of the Group's management as of the date of this Offering Circular with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described under "*Risk Factors*" and elsewhere in this Offering Circular. One or more of these risks or uncertainties may materialise, or the underlying assumptions may prove to be incorrect. Actual results and events may differ materially from information contained in the forward-looking statements. Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, the Group's business, results of operations and financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed or expected. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on such forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by the Group that its plans and objectives will be achieved or realised.

Subject to the requirements of applicable laws, the Group undertakes no obligation to update or otherwise revise any forward-looking statements contained in this Offering Circular, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Offering Circular might not occur in the way the Group expects or at all. All forward-looking statements contained in this Offering Circular are qualified by reference to this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in this Offering Circular:

(i) the audited consolidated financial statements of the Issuer (including the notes thereto) as at and for the years ended 31 December 2019 and 2020 (with comparative financial information as at and for the year ended 31 December 2018), which are contained in the annual reports of the Issuer for the years ended 31 December 2019 and 2020; and

(ii) the unaudited consolidated financial information of the Issuer (including the notes thereto) as at and for the six months ended 30 June 2021 (with comparative financial information for the six months ended 30 June 2020) which are contained in the interim reports of the Issuer for the six months ended 30 June 2021 (the "**2021 Interim Financial Statements**").

The 2021 Interim Financial Statements have not been audited by the Issuer's auditor, PricewaterhouseCoopers. Consequently, the 2021 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with financial statements that have been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. None of the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial results for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Issuer's financial condition and results of operations. The 2021 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Issuer for the full financial year ending 31 December 2021.

Copies of these documents can be downloaded from the website of the Hong Kong Stock Exchange at http://www.hkexnews.hk and the website of the Issuer at http://www.irasia.com/listco/hk/enric/ (the other contents of these websites do not form part of this Offering Circular).

SUMMARY

This summary below is intended only to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all the information that may be important to investors. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety, including "Risk Factors", to determine whether an investment in the Bonds is appropriate.

OVERVIEW

Founded in 2004, the Issuer, one of the subsidiaries of China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), has been listed on the Hong Kong Stock Exchange since 2005. The Issuer is primarily engaged in the provision of key equipment, engineering service and integrated solutions for transportation, storage and processing for the clean energy, chemical and environmental and liquid food sectors and has become a leading integrated business service provider and key equipment manufacturer in the industry. CIMC, the Issuer's controlling shareholder, is a global leading equipment and solution provider in the logistics and energy industries.

The main products and services of the Group include: (i) storage equipment, (ii) process equipment, (iii) integrated devices for refuelling stations and (iv) compressors.

The Group operates three main business segments:

- *Clean Energy:* the Group specialises in the manufacture, sale, operation and service of a wide range of equipment and construction for the storage, transportation, processing and distribution of natural gas. This includes LNG, CNG, LPG and hydrogen (in high-pressure gaseous and liquid forms). The Group also provides EPC services for the clean energy sector, including LNG plants, LNG and liquified ethylene/ethane gas receiving terminals and hydrogen refuelling stations. In addition, the Group engages in the design, production and sale of small and medium sized gas carriers, such as LPG, LNG and LEG carriers, LNG powered ship fuel supply systems and oil and gas modules. Furthermore, the Group provides value-added services such as data services, intelligent IOT, intelligent operation and real-time monitoring for the clean energy industry based on an IOT operation management platform.

- *Chemical and Environmental:* the Group specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquified chemicals, gaseous chemicals and powder products. The Group also provides maintenance and value-added services for tank containers. In addition, the Group provides professional consulting services in relation to environmental protection.

- *Liquid Food:* the Group specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing of liquid food, such as beer, fruit juice and dairy products. The Group also provides EPC services for the brewery industry and other liquid food industries.

The ISO standard liquid tank containers and high-pressure transportation vehicles produced and sold by the Group are among the top in the world. In addition, the Group maintains a leading market share of cryogenic transportation vehicles and cryogenic storage tanks in China. The Group is ranked among the top three in terms of market share regarding its large storage tank for LNG receiving terminals and modular products for LNG refuelling stations and CNG refuelling stations. The Group is also actively developing its business in the hydrogen industry chain. The

Group has built a global marketing network and has over 20 domestic and overseas subsidiaries located in China, the Netherlands, Germany, Belgium, the UK and Canada operating production bases and advanced R&D centres.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue was RMB13,051.7 million, RMB13,743.0 million and RMB12,289.6 million, respectively, representing a year-on-year increase of 5.3 per cent. and year-on-year decrease of 10.6 per cent., respectively. For the six months ended 30 June 2020 and 2021, the Group's revenue was RMB5,319.4 million and RMB7,940.0 million, respectively, representing a period-on-period increase of 49.3 per cent.

COMPETITIVE STRENGTHS

The Group believes that its success and its ability to capitalise on future growth opportunities attributable to its competitive strengths are as follows:

- Substantial market potential;
- Solid industry leading position;
- Full industry chain coverage with high entry barriers;
- Strong shareholder support and high standard corporate governance;
- Intelligent manufacturing technology;
- Strong brand recognition;
- Well positioned to support China's carbon net-zero push and clean energy transition;
- Prudent financing policy and low leverage ratio; and
- Experienced and professional management team.

For more details, see "*The Group – Competitive Strengths*".

BUSINESS STRATEGIES

The Group will continue to grow its business by focussing on the following strategies:

- Actively track national policies and cover the entire industry chain with natural gas and hydrogen so as to promote the achievement of national "dual carbon" goals;
- To be an industry leader in the manufacturing of key hydrogen equipment;
- Continue to increase investments in the R&D of transforming and upgrading advanced manufacturing technologies, as well as expand the application fields of tank containers while consolidating the leading position in the tank container market; and
- Focus on expanding industrial beer opportunities in the Latin American market, while actively expand the Chinese craft beer and baijiu market; expand into liquor and other liquid food catalogues such as pharmaceuticals, juice, dairy and hard soda turn-key projects.

For more details, see "*The Group – Business Strategies*".

RECENT DEVELOPMENTS

Connected Transaction About Disposal of Equity Interest in CIMC Finance

On 2 September 2021, the Issuer published an announcement regarding the disposal of its 7.0109 per cent. equity interest in CIMC Finance to CIMC Group, which is a controlling shareholder of the Issuer, for a consideration of RMB117,363,742. The Issuer's 7.0109 per cent. equity interest in CIMC Finance was held through CIMC Enric Jiangmen, which is an indirect wholly-owned subsidiary of the Issuer and principally engaged in investment holding. CIMC Finance is a banking financial institution established in the PRC and principally engaged in the provision of financial services to the fellow subsidiaries of CIMC Group.

This disposal constituted a connected transaction under Chapter 14A of the Main Board Listing Rules of Hong Kong Stock Exchange and was subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and shareholders' approval requirements thereunder. As a result of the disposal, the Issuer expects to recognise an estimated gain of RMB6,745,138 upon the completion of the share transfer, being the difference between the consideration to be received by CIMC Enric Jiangmen and the initial acquisition cost of RMB99,739,162. However, the actual gain on the share transfer is subject to audit and may be different from the estimated amount. The Issuer considered the disposal as a good opportunity to realise its investment in CIMC Finance and will enable it to increase its working capital.

Publication of Unaudited Operating Data and Indicators for the Third Quarter of 2021 and the Nine Months Ended 30 September 2021

On 18 October 2021, the Issuer published a voluntary announcement regarding its unaudited key operating data and indicators for the third quarter of 2021 and the nine months ended 30 September 2021. For the third quarter of 2021, the Group's revenue significantly increased by 41.1 per cent. to RMB4,909.0 million (corresponding period in 2020: RMB3,478.0 million). The clean energy segment's revenue rose by 35.3 per cent. to RMB2,534.0 million (corresponding period in 2020: RMB1,873.0 million), and accounted for 51.6 per cent. of the Group's total revenue (corresponding period in 2020: 53.9 per cent.); the chemical and environmental segment's revenue rose by 114.6 per cent. to RMB968.0 million (corresponding period in 2020: RMB451.0 million), and accounted for 19.7 per cent. of the Group's total revenue (corresponding period in 2020: 13.0 per cent.); and the liquid food segment's revenue slightly decreased by 11.6 per cent. to RMB923.0 million (corresponding period in 2020: RMB1,043.0 million), and accounted for 18.8 per cent. of the Group's total revenue (corresponding period in 2020: 30.0 per cent.). The decrease in the revenue of the Group's liquid food segment was mainly due to early termination of the segment's projects in the corresponding period of 2020, and the relevant revenue was recognised in that period, which was a one-off positive impact on the Group's revenue. During the third quarter of 2021, the revenue from the Group's clean energy segment was mainly contributed by the sales of and engineering services for spherical tanks, cryogenic small storage tanks, cryogenic trailers, and LPG trailers.

THE OFFERING

The following contains summary information of the terms and conditions of the Bonds. Some of the terms and conditions described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Bonds" and "Provisions relating to the Bonds in Global Form" shall have the same meanings in this summary. For a more complete description of the terms of the Bonds, see "Terms and Conditions of the Bonds" in this Offering Circular.

Issuer	CIMC Enric Holdings Limited.
Issue	Hong Kong dollar-denominated zero coupon convertible bonds due 2026 in an aggregate principal amount of HK$1,680,000,000, convertible into the Issuer's fully-paid ordinary shares of nominal value of HK$0.01 each (the "**Shares**").
Interest	The Bonds will be zero coupon and will not bear any interest.
Issue Price	100.0 per cent. of the principal amount of the Bonds.
Issue Date	30 November 2021.
Maturity Date	30 November 2026.
Form and Denomination	The Bonds will be issued in registered form in the denomination of HK$2,000,000 and integral multiples of HK$1,000,000 in excess thereof.
Status	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.
Negative Pledge	So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer shall procure that none of its Principal Subsidiaries (other than a Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance, upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto the Bonds are secured (i) equally and rateably by the same Encumbrance or (ii) by such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

	"**Relevant Indebtedness**" means any future or present indebtedness incurred outside the PRC which is in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which, for the time being are, or are issued with the intention on the part of the issuer thereof that they should be, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market. For the avoidance of doubt, "Relevant Indebtedness" does not include indebtedness under any bilateral, syndicated or club loans or credit facilities.
Conversion Right	Subject to the Conditions, the Bondholders will have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.
Conversion Period	At any time (i) on or after 10 January 2022 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the 10th day prior to the Maturity Date (both days inclusive) (but, except as provided in Condition 6(a)(iv) and Condition 10 of the Conditions, in no event thereafter), or (ii) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or (iii) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) or Condition 8(e) of the Conditions then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. See "*Terms and Conditions of the Bonds – Conversion – Conversion Right*".
Conversion Price	HK$11.78 per Share, subject to adjustment for, among other things, consolidation, subdivision, redesignation or reclassification of Shares, capitalisation of profits or reserves, Capital Distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than Current Market Price, other issues at less than Current Market Price, modification of rights of conversion, other offers to Shareholders and other events as described in Condition 6(c) and/or Condition 6(d) of the Conditions.

Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 of the Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding such date, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 of the Conditions as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 November 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) of the Conditions, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 of the Conditions shall not apply in respect of any payment of principal, Early Redemption Amount, premium (if any) or interest to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 of the Conditions and payment of all amounts by the Issuer to such Bondholder in respect of such Bond shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. See "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Taxation Reasons*".

Redemption at the Option of the Issuer	On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 16 of the Conditions (which notice will be irrevocable), the Issuer: (i) may at any time after 14 December 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption, provided that the Closing Price of the Shares (derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption, is published was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio then applicable; or (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled. *See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation Redemption at the Option of the Issuer".*
Redemption at the Option of the Bondholders	The Issuer will, at the option of the holder of any Bond, redeem all or some only of such holder's Bonds on 30 November 2024 (the "**Put Option Date**") at 102.27 per cent. of their principal amount, together with unpaid Default Interest (if any) accrued up to but excluding such Put Option Date. To exercise such option, the holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed, not more than 60 days and not less than 30 days prior to the Put Option Date. See "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Bondholders*".

Redemption for Delisting or Change of Control	If at any time (i) the Shares cease to be listed or admitted to trading or are suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) a Change of Control occurs, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued up to but excluding such date. See "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Delisting or Change of Control*".
Issuer and Shareholder Lock-up	The Issuer has agreed in the Subscription Agreement that neither the Issuer nor any person acting on its behalf will (a) issue, offer, pledge, sell, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds and (ii) any Shares or options granted pursuant to the Share Schemes (as defined in the Subscription Agreement).
Securities Lending Arrangement	In connection with the proposed issue of the Bonds, Morgan Stanley & Co., International plc as borrower (the "**Borrower**") has entered into a securities lending agreement with China International Marine Containers (Hong Kong) Limited as lender (the "**Lender**") dated 16 November 2021 (the "**Securities Lending Agreement**"), pursuant to which the Lender will lend, in aggregate, up to 80,000,000 Shares to the Borrower, upon and subject to the terms and conditions stated in the Securities Lending Agreement.

	China International Marine Containers (Hong Kong) Limited has executed a lock-up undertaking on the date of the Subscription Agreement whereby such person undertakes that none of China International Marine Containers (Hong Kong) Limited, any of other subsidiaries or affiliates over which China International Marine Containers (Hong Kong) Limited exercises management or voting control, nor any person acting on their behalf will directly or indirectly sell Shares or enter into other transactions with a similar effect for a period from the date of the undertaking to 90 days after the Issue Date. The lock-up undertaking provided by China International Marine Containers (Hong Kong) Limited shall exclude up to 80,000,000 Lock-up Shares (as defined in the Subscription Agreement) which are subject to the Securities Lending Agreement.
Events of Default	For a description of certain events of default that will permit the Bonds to become immediately due and repayable at the Early Redemption Amount, together with any premium and unpaid Default Interest (if any) accrued to but excluding the date of payment, see "*Terms and Conditions of the Bonds – Events of Default*".
Clearing Systems	The Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Governing Law	The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, the laws of England.
Jurisdiction	The courts of Hong Kong will have exclusive jurisdiction.
Trustee	The Bank of New York Mellon, London Branch.
Principal Agent	The Bank of New York Mellon, London Branch.
Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Registrar	The Bank of New York Mellon SA/NV, Dublin Branch.

Listing	Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and such permissions are expected to become effective on 1 December 2021 and when such Shares are issued, respectively.
Use of Proceeds	See section entitled "*Use of Proceeds*".
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United States, the EEA, the United Kingdom, Hong Kong, Singapore, Japan, the PRC and the Cayman Islands. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see *"Subscription and Sale"*.
Legal Entity Identifier	254900RKJGCDZN5ZOB09.
ISIN	XS2411368926.
Common Code	241136892.

SUMMARY FINANCIAL INFORMATION

The consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular have been extracted from the audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, respectively of the Issuer, which have been audited by PricewaterhouseCoopers ("**PwC**"), the independent auditors of the Issuer, and are incorporated by reference in this Offering Circular. The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 have been prepared and presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

The consolidated financial information of the Issuer as at and for the six months ended 30 June 2020 and 2021 included in this Offering Circular have been extracted from the 2021 Interim Financial Statements. The 2021 Interim Financial Statements have not been audited by PwC but reviewed by PwC in accordance with Hong Kong Standards on Review Engagements ("**HKSRE**") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Consequently, the 2021 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with financial statements that have been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. None of the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial results for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Issuer's financial condition and results of operations. The 2021 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Issuer for the full financial year ending 31 December 2021.

The Group adopted HKFRS 16 "Leases" since 1 January 2019. The details of the adoption and its impact on financial statements are set out in Note 2 to the annual report for the year ended 31 December 2019.

The summary financial information set out below and in this Offering Circular should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer's audited financial statements as at and for the years ended 31 December 2019 and 2020 (including the notes thereto) and the Issuer's unaudited financial statements as at and for the six months ended 30 June 2021.

Consolidated Statement of Comprehensive Income

	Year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	(RMB'000) (audited)	*(RMB'000)* (audited)	*(RMB'000)* (audited)	*(RMB'000)* (unaudited)	*(RMB'000)* (unaudited)
Revenue	**13,051,651**	**13,743,019**	**12,289,567**	**5,319,352**	**7,940,016**
Cost of sales	(10,825,903)	(11,391,725)	(10,194,844)	(4,562,425)	(6,759,415)
Gross profit	**2,225,748**	**2,351,294**	**2,094,723**	**756,927**	**1,180,601**
Change in fair value of financial instruments	(2,064)	4,100	23,744	(4,312)	(8,501)
Other revenue	255,663	243,845	225,868	105,364	88,053
Other income, net	90,195	82,369	112,775	67,544	32,924
Net impairment loss on financial assets	(10,678)	(71,569)	(128,562)	(23,873)	(17,780)
Selling expenses	(372,379)	(359,902)	(283,205)	(144,145)	(177,833)
Administrative expenses	(1,088,398)	(1,111,564)	(1,233,352)	(469,727)	(583,504)
Profit from operations	**1,098,087**	**1,138,573**	**811,991**	**287,778**	**513,960**
Finance costs	(73,577)	(62,132)	(44,730)	(23,603)	(33,429)
Share of post-tax profit/(loss) of associates	(4,094)	9,371	5,998	4,228	3,744
Profit before taxation	**1,020,416**	**1,085,812**	**773,259**	**268,403**	**484,275**
Income tax expenses	(237,966)	(184,407)	(207,051)	(63,173)	(97,970)
Profit for the year	782,450	901,405	566,208	205,230	386,305
Attributable to:					
Equity shareholders of the Company	785,502	911,007	579,923	215,993	383,411
Non-controlling interests	(3,052)	(9,602)	(13,715)	(10,763)	2,894
Profit for the year	**782,450**	**901,405**	**566,208**	**205,230**	**386,305**
Earnings per share					
Basic	0.403	0.464	0.293	0.109	0.195
Diluted	0.398	0.459	0.293	0.109	0.195
Profit for the year					
Other comprehensive income for the year					
Items that may be reclassified to profit or loss:					
Currency translation differences	(38,689)	(17,272)	(28,501)	(16,839)	55,368
Share of other comprehensive loss of an associate	–	48	1	–	–
Total of other comprehensive income for the year	**(38,689)**	**(17,224)**	**(28,500)**	**(16,839)**	**55,368**
Total comprehensive income for the year	**743,761**	**884,181**	**537,708**	**188,391**	**441,673**
Attributable to:					
Equity shareholders of the Company	746,813	893,783	551,423	199,154	438,779
Non-controlling interests	(3,052)	(9,602)	(13,715)	(10,763)	2,894
Total comprehensive income for the year	743,761	884,181	537,708	188,391	441,673

Consolidated Balance Sheet

	Year ended 31 December			Six months ended 30 June
	2018	2019	2020	2021
	(RMB'000) (audited)	*(RMB'000)* (audited)	*(RMB'000)* (audited)	*(RMB'000)* (unaudited)
Non-current assets				
Property, plant and equipment	2,615,084	2,966,655	3,069,709	3,043,711
Construction in progress	148,938	425,145	366,939	472,260
Right-of-use assets	–	33,718	116,548	105,804
Lease prepayments	577,541	578,151	542,764	546,956
Intangible assets	204,976	200,152	183,713	173,051
Investments in associates	131,400	161,430	192,370	213,673
Investment properties	–	–	38,700	36,258
Prepayment for acquisition of equity interests	50,000	50,000	–	–
Goodwill	256,849	251,962	236,801	261,865
Deferred tax assets	107,333	113,963	99,451	108,621
Total non-current assets	**4,092,121**	**4,781,176**	**4,846,995**	**4,962,199**
Current assets				
Financial instruments at fair value through profit or loss	1,749	3,210	87,115	29,865
Inventories	3,864,951	3,676,319	3,924,638	4,579,413
Contract assets	787,547	919,042	1,001,746	1,383,868
Trade and bills receivables	3,011,733	2,715,828	2,389,147	2,980,725
Deposits, other receivables and prepayments	616,760	884,109	855,325	1,032,892
Amounts due from related parties	183,251	128,568	99,366	88,651
Restricted bank deposits	364,971	257,029	309,498	439,880
Cash and cash equivalents	2,930,271	2,534,752	2,560,890	2,130,233
Total current assets	**11,761,233**	**11,118,857**	**11,227,725**	**12,665,527**
Current liabilities				
Financial instruments at fair value through profit or loss	3,515	876	1,037	14,714
Bank loans	477,787	263,955	24,941	304,277
Lease liabilities	–	8,496	24,024	38,513
Loans from related parties	35,000	186,402	667,506	720,348
Other borrowings	8,305	21,586	13,449	8,736
Trade and bills payables	2,711,308	2,420,392	2,461,023	3,197,866
Contract liabilities	2,950,127	2,870,689	2,438,378	2,486,428
Other payables and accrued expenses	1,525,315	1,375,569	1,643,752	1,690,574
Amounts due to related parties	151,699	84,200	146,532	272,400
Warranty provision	199,902	113,915	98,659	121,665
Income tax payable	26,196	51,226	131,764	32,108
Employee benefit liabilities	480	511	–	–
Total current liabilities	**8,089,634**	**7,397,817**	**7,651,065**	**8,887,629**
Net current assets	**3,671,599**	**3,721,040**	**3,576,660**	**3,777,898**
Total assets less current liabilities	**7,763,720**	**8,502,216**	**8,423,655**	**8,740,097**

	Year ended 31 December			Six months ended 30 June
	2018	2019	2020	2021
	(RMB'000) (audited)	*(RMB'000)* (audited)	*(RMB'000)* (audited)	*(RMB'000)* (unaudited)
Non-current liabilities				
Bank loans	686,320	544,144	270,996	259,624
Warranty provision	86,311	67,880	86,855	73,424
Deferred tax liabilities	169,235	199,639	175,337	213,607
Deferred income	248,646	235,858	282,018	277,983
Employee benefit liabilities	4,321	4,603	4,413	4,533
Other borrowings	23,093	38,455	36,197	4,387
Lease liabilities	–	27,126	96,481	80,459
Total non-current liabilities	**1,217,926**	**1,117,705**	**952,297**	**914,017**
Net assets	**6,545,794**	**7,384,511**	**7,471,358**	**7,826,080**
Capital and reserves				
Share capital	18,253	18,371	18,376	18,468
Reserves	6,349,454	7,117,737	7,261,700	7,594,687
Equity attributable to equity shareholders of the Company	**6,367,707**	**7,136,108**	**7,280,076**	**7,613,155**
Non-controlling interests	178,087	248,403	191,282	212,925
Total equity	**6,545,794**	**7,384,511**	**7,471,358**	**7,826,080**

Consolidated Statement of Cash Flows

	Year ended 31 December		
	2018	2019	2020
	(RMB'000) (audited)	*(RMB'000)* (audited)	*(RMB'000)* (audited)
Operating activities			
Profit before taxation	1,020,416	1,085,812	773,259
Adjustments for:			
Depreciation and amortisation	279,466	299,527	341,306
Depreciation of right-of-use assets	–	8,335	19,305
Net impairment losses on financial and contract assets	10,678	71,569	128,562
Impairment of goodwill and intangible assets	17,087	63,460	48,225
Impairment of investments in associates	–	–	910
Impairment of inventories and prepayments	–	–	41,454
Equity-settled share-based payment expenses	26,777	36,669	7,961
Equity-settled share-based payment expenses for share option scheme	3,183	–	–
Share of (profits)/losses of associates	4,094	(9,371)	(5,998)
Gain on derecognition of contingent consideration payable	–	(48,000)	–
Change in fair value of derivative financial instruments	2,064	(4,100)	(23,744)
Amortisation of deferred income	–	–	(10,787)
Interest income	(17,229)	(11,745)	(21,917)
Interest charges	67,676	49,029	35,012
Net (gain)/loss on disposal of property, plant and equipment and derivative financial instruments	1,143	5,371	(17,922)
Provision for special reserve	–	–	1,519
Foreign exchange loss/(gain)	(38,990)	(4,302)	60,003
Operating profit before changes in working capital	**1,376,365**	**1,542,254**	**1,377,148**
Decrease/(increase) in inventories	(792,679)	197,533	(266,731)
Decrease/(increase) in trade receivables and bills receivables	(82,648)	234,834	231,769
(Increase)/decrease in contract assets	264,181	(131,495)	(111,539)
Increase in deposit, other receivables and prepayments	(99,819)	(220,056)	(35,651)
Decrease in amounts due from related parties	2,836	87,047	79,201
(Decrease)/increase in trade and bills payables	278,374	(314,988)	37,335
(Decrease)/increase in other payables and accrued expenses	70,009	(228,124)	163,911
(Decrease)/increase in contract liabilities	781,540	(81,399)	(432,311)
(Decrease)/increase in amounts due to related parties	23,987	(67,499)	62,332
Increase in employee benefit liabilities	568	313	(701)
Decrease in deferred income	(5,402)	(15,040)	56,947
(Decrease)/increase in warranty provisions	17,754	(103,754)	1,203
(Increase)/decrease in restricted bank deposits	–	107,942	(52,469)
Cash generated from operations	**1,835,066**	**1,007,568**	**1,110,444**
Income tax paid	(245,170)	(146,023)	(150,362)
Net cash from operating activities	**1,589,896**	**861,545**	**960,082**

	Year ended 31 December		
	2018	2019	2020
	(RMB'000) (audited)	*(RMB'000)* (audited)	*(RMB'000)* (audited)
Investing activities			
Payment for acquisition of property, plant and equipment and construction in progress	(286,711)	(426,333)	(369,053)
Payment for lease prepayments	(83,005)	(77,399)	–
Payment for acquisition of intangible assets	(9,146)	(6,300)	(17,694)
Payment for financial instrument	–	–	(60,000)
Proceeds from disposal of property, plant and equipment, lease prepayment	32,355	129,697	23,940
Interest received	17,229	11,745	21,917
Acquisition of subsidiaries, net of cash acquired	(3,000)	(118,558)	(52,280)
Prepayment for acquisition of equity interest	(50,000)	–	–
Payment for investment in associates	(129,739)	(23,275)	(26,395)
Payment for additional interest in subsidiaries	–	(43,000)	(27,875)
Dividends from associates	–	2,664	4,850
Restricted bank deposits	(99,379)	–	–
Cash received from settlement of derivative financial instruments	–	–	21,750
Net cash used in investing activities	**(611,396)**	**(550,759)**	**(480,840)**
Financing activities			
Proceeds from new bank loans	1,134,576	725,866	1,284,913
Repayment of bank loans	(1,404,499)	(1,350,208)	(1,770,656)
Interest paid	(71,155)	(48,731)	(29,078)
Repayment of other borrowings	(8,209)	(13,824)	(13,083)
Capital contribution from the non-controlling interest	35,998	40,500	3,500
Proceeds from shares issued under the Restricted Share Award Scheme	142,863	–	–
Purchase of shares for share award scheme	–	–	(115,454)
Proceeds from shares issued under share option scheme	21,446	45,920	1,240
Proceeds in relation to share-based transactions of a subsidiary	–	–	139,719
Loans from related parties	345,640	271,402	1,842,000
Repayment of loans from related parties	(415,640)	(120,000)	(1,360,896)
Principal elements of lease payments	–	(6,317)	(20,684)
Dividends paid to the Company's shareholders	(131,486)	(246,109)	(364,380)
Dividends paid to non-controlling interest	–	(1,915)	(3,581)
Net cash used in financing activities	**(350,466)**	**(703,416)**	**(406,440)**
Net (decrease)/increase in cash and cash equivalents	**628,034**	**(392,630)**	**72,802**
Cash and cash equivalents at 1 January	2,259,890	2,930,271	2,534,752
Effect of foreign exchange rate changes	42,347	(2,889)	(46,664)
Cash and cash equivalents at 31 December	**2,930,271**	**2,534,752**	**2,560,890**

	Six months ended 30 June	
	2020	**2021**
	(RMB'000)	*(RMB'000)*
	(unaudited)	
Operating activities		
Cash (used in)/generated from operations	272,276	(240,180)
Income tax paid	(44,810)	(168,600)
Net cash (used in)/generated from operating activities	**227,466**	**(408,780)**
Investing activities		
Payment for acquisition of property, plant and equipment and construction in progress	(162,161)	(204,509)
Payment for acquisition of intangible assets	(3,592)	(2,326)
Acquisition of subsidiaries, net of cash acquired	(52,280)	(29,672)
Capital contribution to the associate	(11,948)	(15,260)
Proceeds from disposal of property, plant and equipment	5,680	9,857
Interest received	5,807	3,914
Dividends from associates	4,850	3,950
Cash received from/(paid to) settlement of derivative financial instruments	(1,019)	36,422
Disposal for transaction assets	–	60,000
Net cash used in investing activities	**(214,663)**	**(137,624)**
Financing activities		
Proceeds from new bank loans	174,821	411,465
Repayment of bank loans	(141,446)	(143,501)
Interest paid	(16,720)	(26,647)
Proceeds from shares issued under share option scheme	117	22,938
Purchase of shares for share award scheme	(18,672)	(9,670)
Proceeds from disposal of shares for share award scheme	–	102,782
Dividends paid to non-controlling interests	(1,407)	(2,199)
Dividends paid to the Company's shareholders	(364,380)	(235,891)
Proceeds of loans from related parties	235,301	405,000
Repayment of loans from related parties	(75,000)	(352,159)
Repayment of other borrowings	(5,646)	(39,814)
Repayment of lease liabilities	(4,553)	(15,390)
Capital contribution from non-controlling interests	–	10,500
Net cash generated from/(used in) financing activities	**(217,585)**	**127,414**
Net decrease in cash and cash equivalents	**(204,782)**	**(418,990)**
Cash and cash equivalents at 1 January	2,534,752	2,560,890
Effect of foreign exchange rate changes	652	(11,667)
Cash and cash equivalents at 30 June	**2,330,622**	**2,130,233**

Investing in the Bonds involves risks, and you should carefully consider the risks described below before making an investment decision. The following describes some of the significant risks that could affect the Group and the value of the Bonds. Some risks may be unknown to the Group and other risks, currently believed to be immaterial, could be material. All of these could materially and adversely affect the Group's business, financial condition and results of operations. The market price of the Bonds could decline due to any of these risks and investors may lose all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks the Group faces described below and elsewhere in this Offering Circular. In addition, you should also carefully consider all of the information.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group operates in cyclical industries and its results of operations tend to fluctuate with the performance of the PRC and global industrial sector and overall economic development in world.

The Group is primarily engaged in the provision of key equipment, engineering service and integrated solutions for transportation, storage and processing for the clean energy, chemical and environmental and liquid food sectors. Its business depends significantly on the performance of the PRC and global economy and tend to move in response to cycles in the overall economic environment. The demand for the Group's equipment and related services are influenced by, among other factors, global and regional economic conditions, currency exchange rates, the globalisation of manufacturing, fluctuation in the levels of global and regional international trade and regulatory developments. Global trade volumes and Chinese import and export volumes are affected by changes or developments in global economic, financial and political conditions, which are outside the Group's control. The rate of spending in infrastructure, construction, container transport and logistics industries affects Group's operations as Group's products are primarily used in these industries. Fuel costs, cargo transportation prices and availability of suitable road networks also impact the Group's businesses. An economic slowdown in the PRC and/or globally may materially and adversely affect the Group's business, financial condition and results of operations. Changes in the performance of the PRC and global industrial sector and overall economic development in world are difficult to predict and will in turn affect the demand for the Group's products and related services. Decreases in such demand and/or increases in the supply of similar products or services could lead to significantly lower sale price, reduced volume, cancellation of orders or a combination of the foregoing, which would have a material adverse effect on the Group's business, financial condition and results of operations. Other extraneous factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, epidemics or terrorism, could adversely affect trading volumes and lead to a material decline in the demand for the Group's products and services, and consequently, the business, financial condition and results of operations of the Group will be materially and adversely affected.

The Group operates in competitive industries and if the Group does not compete successfully, its business, financial condition and results of operations may be adversely affected.

The Group operates in concentrated and intensely competitive industries. In particular, the manufacturing business of key equipment, engineering service and integrated solutions for transportation, storage and processing for the clean energy, chemical and environmental and liquid food sectors are highly competitive. The Group faces competition from both domestic and international competitors who compete with it based on price, quality of products, value added services and other customer requirements. The Group expects the current competitive pressures will continue. The competitive landscape in these industries may also change due to the emergence of new entrants in the industry or the increase in production capacity of existing competitors. The Group's competitors, domestic or foreign, may have competitive advantages over it, such as greater financial or other resources, stronger manufacturing and distribution capabilities, more advanced technologies and equipment, better product quality, higher brand recognition, and a wider customer base. They could change their strategy and compete in price against the Group's products and services, as a consequence the Group may lose its market share and may require to lower the price to compete. To compete successfully, the Group may need to incur additional capital expenditures to improve product quality, enhance product performance and strengthen its existing sales network through further marketing and promotional efforts. However, there is no assurance that the Group's strategies will be effective nor can the Group predict what measures its competitors may take. If the Group cannot maintain its competitiveness in the market, the Group may lose its market share, experience slower growth of its customer base, or suffer a reduction in its profit margin, any of which could adversely affect its business, financial condition and results of operations.

If the Group cannot renew, extend or comply with its business license, qualification certificates, operating permits and other approvals, its business, financial condition and results of operations will be materially and adversely affected.

The Group's business and operation require it to obtain various licenses, certificates, permits and approvals from relevant government authorities in the PRC and other countries. Renewal of such licenses, certificates, permits and approvals may require it to pay requisite fees and maybe subject to further review and approval by the relevant authorities. In the event the Group fails to apply in advance, renew, extend or comply to the laws and regulations, the relevant government authorities could impose fines or require it to cease operations, resulting in a material adverse effect on its business, financial condition and results of operations.

Production processes for some of the Group's products are complex and dangerous and the occurrence of material operational problems, major accidents or deaths may materially and adversely affect its business, financial condition and results of operations.

The Group is subject to extensive laws, rules and regulations imposed by the governments in its operating jurisdictions regarding production safety. The Group has experienced and expects to experience increased costs of production arising from compliance with production safety laws and regulations. There can be no assurance that more stringent laws, regulations or policies regarding production safety will not be implemented or that the existing laws, regulations and policies will not be more stringently enforced. The Group may not be able to comply with all future laws, regulations and policies in relation to production safety economically or at all. Should the Group fail to comply with any production safety laws or regulations in the future, it may be subject to fines, or may be required to rectify the production safety problems within a limited period, failing which suspension of operations would be required.

The production processes for some of the Group's products such as tank containers are complex. They require technically advanced and costly equipment and involve risks, including breakdown, failure or substandard performance of equipment, improper installation, maintenance or operation of equipment, accidents and other environmental hazards. The Group may be also under ongoing responsibilities for the injured workers, including maintaining the injured workers' salaries and providing subsidies to workers disabled because of the injuries.

There is no assurance that the safety measures the Group has in place for its operations will be sufficient to mitigate or reduce industrial accidents. There is no assurance that casualties or accidents will not occur in the future or that its insurance coverage would be sufficient to cover costs associated with major accidents. The occurrence of material operational problems, major accidents may materially and adversely affect the Group's business, financial condition and results of operations.

The Group's operations are exposed to risks in relation to the mishandling of dangerous or hazardous articles.

The Group's operations involve the handling and storage of explosive, toxic and other dangerous or hazardous articles. More stringent laws, regulations and policies may be implemented by the relevant authorities, and there can be no assurance that the Group will be able to comply with any existing or future laws, regulations and policies in relation to the handling of dangerous or hazardous articles economically or at all. In addition, there can be no assurance that accidents arising from the mishandling of dangerous or hazardous articles will not occur in the future. Should the Group fail to comply with any relevant laws, regulations or policies or should any accident occur as a result of the mishandling of dangerous or hazardous articles, its business, reputation, financial condition and results of operations may be materially and adversely affected, and the Group may be subject to penalties and civil and criminal liabilities.

The Group may not be able to meet its construction and delivery schedules. Any such delays may have a material adverse impact on its business, financial condition and results of operations.

The Group's ability to meet its construction and delivery schedules is subject to various factors beyond its control. The Group depends on its suppliers for the timely delivery of raw materials required for production. The Group counts on the completion of its production bases within the planned timeframe and uninterrupted operations of its production bases and other manufacturing facilities. The Group also relies on a skilled workforce and competent management to carry out its business strategies. The Group also depends on the timely completion of outsourced work for some projects. Any breach by the Group's subcontractors or outsourcing partners of their contractual obligations or any failure by them to timely complete their work according to specifications will affect its ability to deliver products to its customers in accordance with the specifications in the relevant engineering or other purchase contracts.

The Group's success depends in part on its ability to enhance its manufacturing capabilities and its efforts to enhance its manufacturing capabilities may not achieve the expected benefits.

The Group's future success in part, depends on its ability to enhance its manufacturing capabilities, which include expanding its manufacturing capacity, improving its manufacturing efficiency or modifying its manufacturing lines to meet the varying demands for its products. If the Group is unable to do so, it may not be able to achieve the desired level of economies of scale in its operations, to reduce manufacturing costs to the level that will allow it to compete effectively or to maintain its pricing and other competitive advantages. The Group's ability and efforts to enhance its manufacturing capabilities is subject to significant risks and uncertainties, including:

- its ability to obtain funding for the additional capital expenditures, working capital and other corporate requirements to be used to enhance its manufacturing capabilities. The Group may be unable to obtain such funds in a timely manner or on commercially reasonable terms or at all;

- unexpected delays and cost overruns resulting from a number of factors, many of which may be beyond its control. These include increases in the prices of raw materials, parts and components and utilities, shortages of workers, transportation constraints, disputes with contractors, engineering firms, construction firms and equipment vendors as well as equipment malfunctions and breakdowns;

- its ability to obtain the required permits, licenses and approvals from relevant government authorities;

- availability of the necessary technology or equipment from third parties or its internal research and development ("**R&D**") department;

- diversion of management attention and other resources; and

- manufacturing interruptions caused by natural disasters or other unforeseen events.

The Group's efforts to enhance its manufacturing capabilities may not achieve the expected benefits. There is no assurance that the demand for the Group's products or services will continue to increase, or remain at the current levels, which is affected by various factors beyond its control, including underlying economic conditions and market competitiveness. If the demand for its products is weaker than anticipated, the Group may experience problems associated with overcapacity and under-utilisation of headcounts, which may have an adverse effect on its business, financial condition and results of operations.

The Group may incur significant expenses to maintain its manufacturing equipment and any interruption in the operations of its facilities may harm its operating performance.

The Group regularly incurs significant expenses to maintain its manufacturing equipment and facilities across each of the segments in which it operates. The machines and equipment that the Group uses to produce its products are complex, have many parts and may be run on a continuous basis. The Group must perform routine maintenance on its equipment and will have to periodically replace a variety of parts. Some of the Group's production facilities are highly technical and require specialised maintenance and inspections to ensure they remain operational.

In addition, some of the Group's facilities require periodic shutdowns to perform major maintenance. These scheduled shutdowns of facilities result in decreased sales and increased costs in the periods in which a shutdown occurs and could result in unexpected operational disruptions in future periods as a result of changes to equipment and operational and mechanical processes made during the shutdown period. Any prolonged disruption in operations at any of the Group's facilities could cause significant lost production, which would have a material adverse effect on its business, financial condition and results of operations.

The Group's ability to shift production or sourcing to other facilities during such maintenance is limited at such facilities. If a production facility was shut down temporarily, the Group would likely suffer production delays and, to the extent that facility was used for the production of input material for its downstream products, the Group could incur additional costs in sourcing alternative supplies, either of which could have a material adverse effect on its business, financial condition and results of operations.

The Group's R&D efforts may not yield the benefits that it expected and failure to design and introduce new products that are tailored for the different regional markets and purposes may cause losses of customers and market share.

The Group believes that consumer preferences and market demands for its key equipment and integrated business services vary from region to region due to factors such as level of industrial development, environment, climate, purpose, topography, local economy and local development policies. In order to serve the diverse markets, the Group has developed and engineered various types of products. In order to maintain and increase its current competitive position and to continue to grow its business, the Group needs to introduce market-leading products consistently. The Group has been focusing on its R&D activities, which require considerable human resources and capital investments. However, its R&D efforts may not be successful or yield the anticipated level of economic benefits. In addition, even if its R&D efforts are successful, the Group may not be able to apply those newly developed technologies to products that will be accepted by the market, or the Group may not be able to apply them in a timely manner to benefit from the first-mover advantages in the market. Furthermore, the success of its new products depends upon a number of factors, some of which are beyond its control, such as the prevailing economic conditions and the inherent uncertainty in market demand. The level of economic benefits that can be derived from newly developed technologies or products may also be affected by the ability and promptness of its competitors to replicate these technologies or products or develop products that are more advanced or cheaper alternatives. If its technologies or products are replicated, replaced or made redundant, or if the demand for its products is not as well as anticipated, the Group's revenue associated with such technologies or products may not offset the costs that the Group has incurred in developing such new technologies. Furthermore, if the Group is unable to anticipate the trends in technological or product development and rapidly develop new and innovative technologies or products that are required by its customers, the Group may not be able to produce sufficiently advanced products at competitive prices, which in turn may have a material and adverse impact on its business, financial condition and results of operations.

The Group is exposed to concentration risks of reliance on major suppliers for the supply of raw materials.

The Group relies on its major suppliers for the supply of raw materials. If any of the Group's major suppliers cease to supply to the Group or increase the price of the materials drastically, the Group's business, financial condition and results of operations may be materially and adversely affected.

In addition, the Group outsources the processing of certain parts and components, principally steel pipes, pressurised soft pipes and pressurised valves, for its major products. A reliable supply of outsourced parts and components, which are subject to price fluctuations, is crucial to the operations of the Group. There is no assurance that the Group will not suffer from any interruptions, delays or shortages in the supply of these parts and components in the future. As such, any interruptions, delays or shortages in the supply of any type of outsourced parts and components or any significant fluctuations in any of the prices of these outsourced parts and components may have an adverse impact on the Group's business, financial condition and results of operations.

The Group is exposed to concentration risks of reliance on major customers for product or service orders.

The Group relies on sales to its major customers for a sizable portion of its revenue. There is no assurance that the Group will be able to retain its major customers or that the volume of orders from them will remain at current levels. Any material cancellation, reduction in orders and/or claims for whatever reasons by any of the major customers could materially and adversely affect the Group's business, financial condition and results of operations.

The Group faces credit risks associated with its customers.

The credit terms extended to the Group's customers differ with each business segment. Each of the Group's business segments has its own credit policies and industry customs. The Group's credit policies also vary upon different customers' credit and transaction history. The payment terms granted to customers are also typically negotiated on a case-by-case basis and vary depending on, among the others, the required delivery time, complexity of the systems and contract size. For contracts with smaller amount, invoices will generally be issued and the whole contract sums will become due upon delivery and acceptance by customers of the products. For contracts with larger amount, deposits will be required.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers.

There is no assurance that the Group will not encounter material difficulties for whatever reason in collecting trade receivables in the future, and in such case, the Group may be exposed to the risk of significant amount of bad and doubtful debts and the business, financial condition and results of operations of the Group may be materially and adversely affected.

Failure to maintain inventory levels in line with the approximate level of demand for the Group's products could cause it to lose sales or suffer from excess inventory risks and holding costs, either of which could have a material adverse effect on its business, financial condition and results of operations.

To operate its business successfully and meet its customers' demands and expectations, the Group must maintain a certain level of finished goods inventory for its products to ensure immediate delivery when required. Furthermore, the Group is required to maintain an appropriate level of inventory of its raw materials, parts and components for its manufacturing. However, forecasts are inherently uncertain. If its forecasted demands are lower than actual demands, the Group may not be able to maintain an adequate inventory level of its products or manufacture its products in a timely manner, and may lose sales and market share to its competitors. On the other hand, the Group may also be exposed to increased inventory risks due to accumulated excess inventory of its products or raw materials, parts and components for its products. Excess inventory levels may increase its inventory holding costs, risk of inventory obsolescence, markdown allowances or write-offs.

The Group faces risks associated with its joint ventures.

Some of the Group's existing businesses are carried out through joint ventures. In addition, during its business expansions, the Group may form additional joint ventures in the future. Such existing or future joint venture arrangements involve a number of risks, including:

- disputes with joint venture partners in connection with the performance of each party's obligations under the joint venture agreements;
- disputes as to the scope of each party's responsibilities under these agreements;
- financial difficulties encountered by a joint venture partner affecting its ability to perform its obligations under the joint venture agreements with the Group; and

- conflicts between the policies or objectives adopted by the joint venture partners and those adopted by the Group.

Any of these risks and other factors may lead to disputes with its joint venture partners and cause disruptions in the operations of the joint ventures and, as a result, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group's measures to protect its intellectual property rights against infringement may not be adequate and the Group may be exposed to infringement claims.

The Group owns or otherwise has rights in a number of trademarks, designs and patents relating to the products the Group manufacture and sell. See "*The Group – Intellectual Property and Patents*" for more details. The Group also possesses confidential and proprietary technologies, know-how and processes. Existing laws in China may offer limited protection for its intellectual property rights. The Group relies upon a combination of patent, copyright and trademark laws, trade secrets, confidentiality policies, non-disclosure and other contractual arrangements to protect its intellectual property rights. However, the steps the Group take in this regard may not be adequate to prevent or deter infringement or other misappropriation of its intellectual property rights. The Group's products may be subject to unauthorised copying or other misappropriation. There is assurance that the Group will be able to detect unauthorised use or take appropriate and timely actions to enforce its intellectual property rights.

The Group's competitors may have independently developed technologies or designs that contain similarities to its, and these competitors may have applied for registration of patents or other intellectual property rights in respect of their technologies or designs. The Group's competitors or other third parties may consider its application of certain intellectual properties an infringement of their intellectual property rights. In addition, as the Group procures various parts and components from third-party suppliers, it has been involved and may continue to be involved in infringement claims against the suppliers from whom the Group purchases parts and components that are alleged to infringe certain intellectual property rights. As a result, the Group may be exposed to infringement claims even where there may be a genuine case in its favor. Any involvement in intellectual property rights infringement litigation may result in substantial costs, reputational damage and diversion of resources and management attention. If the Group is barred from using certain material trademarks, technologies, designs or other intellectual properties and fail to develop non-infringing substitutes or replacements or to obtain licenses to such intellectual properties, its business, financial conditions and results of operations could be materially and adversely affected.

The Group's existing and future major capital expenditure projects may not be completed within the expected timeframe or within its budget, or at all, and may not achieve the intended economic results.

The Group intends to invest in projects at its existing operations to increase its production efficiency and capacity. The Group is also currently in the process of making significant capital expenditures in connection with the expansion of its operations. The Group typically conducts feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by its feasibility studies. Such projects could be delayed or adversely affected by a variety of factors, including the failure to obtain the necessary regulatory approvals or sufficient funding, construction difficulties, technical difficulties and manpower or other resource constraints. In particular, the disruptions, uncertainty or volatility in the capital and credit markets resulted from the global financial crisis may limit its ability to obtain financing to meet its funding requirements and the Group may postpone certain construction projects if it determines that doing so would be in the interest of the Group after taking into consideration the then market conditions, its financial performance and other relevant factors. Costs of these projects may also exceed its planned investment budget. Even if the Group is able to complete the projects without any delay and within its budget, as a consequence of changes in market circumstances or other factors, the Group may not achieve the intended economic benefits of these projects. As a consequence of any delay in completing its capital expenditure projects, cost overruns, changes in market circumstances or other factors, the intended economic benefits from these capital expenditure projects may not materialize, and the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group may not be able to continue to expand into foreign markets successfully.

The Group provides its services and products in various overseas markets, including the United States, European countries and other Asian countries (other than China). However, the Group may not be able to continue to expand into foreign markets successfully due to various factors, including the following:

- there may not be a steady increase in its overseas orders or the Group may not be able to predict market trends and customer needs to offer an appropriate product mix to foreign markets;

- its lack of experience and lack of substantial presence in the overseas market may make it difficult for the Group to effectively expand into foreign markets successfully;

- some regions and countries have been affected by the global financial crisis and to the extent that they continue to be affected by the global financial crisis, there may not be sufficient demand for the Group's products;

- some regions and countries may experience political instability and military conflicts, and any future political, social and military turmoil in these regions and countries may disrupt the Group's overseas expansion plan; and

- current and future trade and economic sanctions among countries may cause difficulties in exporting its products to certain countries and in implementing the Group's export expansion plan.

The Group is exposed to risks in respect of COVID-19 and other epidemics, pandemics and natural or other calamities.

The Group's business could be adversely affected by the effects of global epidemics, pandemics and natural or other calamities, including, for example, the ebola virus, H1N1 flu, H5N1 avian flu, Severe Acute Respiratory Syndrome ("**SARS**"), middle eastern respiratory syndrome ("**MERS**") and COVID-19. In 2006, 2007 and 2008, there have been reports on the occurrences of avian flu in various parts of China, including a few confirmed human cases and deaths. In April 2009, an outbreak of H1N1 flu occurred in Mexico and the United States and human cases of H1N1 flu were discovered in China and Hong Kong. In 2014, there was an ebola virus outbreak in Africa which has yet to be contained.

More recently and in particular, the ongoing COVID-19 pandemic has triggered a global economic downturn and global economic contraction, causing unprecedented disruptions to global financial, foreign exchange, commodity and energy markets. In December 2019, the first case of a novel strain of coronavirus, COVID-19, was identified. The pandemic has since spread globally and there have been increasing initial infection and fatality rates across the world. Governments of many countries (including the PRC) have declared a state of emergency, closed their borders to international travellers and issued stay-at-home orders with a view to containing the pandemic. There can be no assurance that such measures will be effective in ending or deterring the spread of COVID-19. The resulting disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the countries affected by the COVID-19 pandemic, directly and/or indirectly, if prolonged, could cause a global recession. While central banks of different countries have cut policy rates and/or announced stimulus packages, and national governments have proposed or adopted various forms of economic relief to contain the economic impacts of the pandemic and stabilise the markets, there can be no assurance that such monetary and fiscal policy measures will have the intended effects or that a global economic downturn or market volatilities will not persist. Any severe or prolonged slowdown, instability, crisis or recession in the global economy resulting from COVID-19 has or may materially and adversely affect the Group's business, financial condition and results of operations. In addition, there can be no assurance that the pandemic will not escalate, and that the Group will not be adversely affected by it, or that the Group's suppliers and customers will be able to sustain the global economic downturn and contraction. These factors result in significant fluctuations in the Group's profits and cash flows from period to period and over business cycles.

Any prolonged occurrence or recurrence of H1N1 flu, H5N1 avian flu, SARS, MERS, COVID-19 or other adverse public health developments in China or any of the major markets in which the Group operates, or the fear of such development, may have a material adverse effect on the Group's business, financial condition and results of operations. These could include travel or shipment restrictions affecting the Group's ability to deliver its products, as well as temporary closure of its manufacturing facilities, or its customers' facilities, leading to delayed or cancelled orders, which may disrupt the Group's operations and adversely affect its business, financial condition and results of operations.

The occurrence of any acts of God, war and terrorist attacks and any adverse political developments may adversely and materially affect the business, results of operations and financial position of the Group.

Acts of God, such as natural disasters, are beyond the control of the Group. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. The Group's business, financial condition and results of operations may be adversely affected should such acts of God occur.

Further, there is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not directly or indirectly, have an adverse effect on the Group's business, financial condition and results of operations.

A significant portion of the Group's revenue is linked to international sales and operations, and the Group's foreign operations are currently located in various countries with different political systems and social backdrop. Accordingly, the Group's business, financial condition and results of operations are subject to political developments in these countries.

The scale and complexity of the Group's operations may expose it to management and internal control risks.

The Group operates numerous subsidiaries and joint venture companies globally and has minority interests in companies operating in a variety of business domains. As a result of the diversity of the Group's portfolio companies and its operations in multiple business domains, it faces management challenges not faced by companies with a single business line.

Due to the Group's large number of subsidiaries, portfolio companies and production sets, its successful operation requires an effective management and internal control system that emphasises proper authorisations, reliability and accountability of financial reporting, imposes financial and internal control disciplines on portfolio companies, and creates value-focused incentives for management. Given the Group's size and large number of companies and production sets, it may fail to respond timely to problems faced by the lower level subsidiaries. If the Group is unable to exercise effective management control over its various business operations and different levels of subsidiaries, it may have a material adverse effect on its business, financial condition and results of operations.

Furthermore, the Group's portfolio companies in different segments may determine that it is in their shareholders' interests to pursue new business ventures. There can be no assurance that such business ventures will be successful or generate the synergies expected, if any. The successful completion of these business ventures will depend on a number of factors, including satisfactory due diligence and the receipt of necessary regulatory approval, among others. If the Group fails to complete such business ventures or such ventures prove to be unsuccessful, its segments involved may be adversely affected.

The Group's investment plans have significant capital expenditure and financing requirements, which are subject to a number of risks and uncertainties.

The Group's business is capital intensive and its ability to maintain and increase its revenues, cash flows depends upon continued capital spending, with each of its segments requires substantial capital investments from time to time. In the six months ended 30 June 2021, the Group has invested over RMB250.0 million in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures. The Group's capital expenditure needs may vary significantly due to various factors, including, among others, the Group's ability to generate sufficient cash flows from operations to finance capital expenditures, its ability to finance such expenditures through borrowings and other requirements that are beyond its control. The Group may also encounter unforeseen costs and expenses in the process of carrying out its investment plans.

In addition, there can be no assurance as to whether, or at what cost, capital projects will be completed or that such projects will be successful if completed. Operating losses may be incurred if the Group does not have adequate capital resources to complete its investment plans or if actual expenditures exceed planned expenditures. There can be no assurance that any required financing or working capital, either on a short-term or long-term basis, will be available to it on satisfactory terms, or at all. If adequate funds or working capital facilities are not available on satisfactory terms, the Group may need to curtail expansion plans, which could result in an inability to successfully implement its business strategies and limitations on the growth of its business.

The Group has the ability under its existing credit facilities to incur substantial additional indebtedness and it may incur significant additional indebtedness from time to time in the future. The Group's ability to make payments on its debt, fund its other liquidity needs and make planned capital expenditures will depend on its ability to generate cash in the future. The Group's ability to generate cash, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control.

There can be no assurance that the Group's business will generate sufficient cash flows from operations or that future borrowings will be available to the Group in an amount sufficient to enable it to make payments on its debt, fund its other liquidity needs and make planned capital expenditures. If the Group is unable to generate sufficient cash flows, Group may also face liquidity risk of not being able to meet the obligations under the borrowings when they fall due.

Compliance with environmental requirements may be very costly, and the Group may be exposed to liability as a result of its handling of hazardous materials and commodities.

The Group's operations are affected by extensive and changing environmental protection laws and other regulations, compliance with which may entail significant expenses for any of its segments. Additional laws and regulations may be adopted, which could limit the Group's ability to do business and have a material adverse effect on its business, financial condition and results of operations.

The Group's operations may discharge pollutants into the environment and also involve the handling and use of hazardous materials. The Group is subject to environmental protection and workplace safety laws and regulations in the countries and local areas where it operates, including those governing the labelling, use, transportation, storage, discharge and disposal of hazardous materials. These laws and regulations require the Group to implement procedures for the handling of hazardous materials and for operating in hazardous conditions, and they impose liability for the clean–up of any environmental contamination and the remedy of any workplace safety violations. Fines are imposed for violations of environmental laws, regulations or decrees and sometimes allow the relevant government or local authority to terminate any operation that fails to comply with orders requiring cessation or cure of activities causing environmental damage. There can also be no assurance that the Group is at all times in compliance with all relevant environmental laws, regulations and decrees, or that any such non-compliance would result in any adverse effect on its business, financial condition or results of operations.

The Group has implemented measures to control pollution and hazardous conditions caused by its operations and as at 30 June 2021, has not encountered any major environmental problems. However, environmental laws and regulations are subject to change at any time. Such changes may result in significant increases in regulatory compliance costs, including insurance costs, as well as incurrence of capital expenditures for remedial actions. Changes in environmental requirements and significant adverse environmental events or accidents resulting from those hazardous substances may nevertheless have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be exposed to risks arising from any failures or disruptions in its risk management, operational, data processing, financial accounting, computer information and/or other internal systems.

The Group's success and operations depends on efficient and effective risk management systems, operational systems, data processing systems, financial accounting systems and computer information systems to provide accurate and timely information to monitor and fine-tune production specifications, as well as to process a substantial number of complex transactions involving different markets, countries and currencies. To prevent the failure of such systems, the Group continuously monitors, maintains and updates the systems. However, there can be no assurance that there will not be any disruptions to its such systems and, in such event, that the production process will not be adversely affected. Despite the implementation of safety measures, the Group's systems are vulnerable to damage caused by computer viruses, natural disasters, unauthorised access and similar disruptions. Any system failure, accident or security breach could result in disruption to the Group's operations.

Further, the Group's systems may not detect illegal, unauthorised or fraudulent activities by the Group's employees. In particular, while the Group maintains strict internal controls restricting the dissemination and sharing of confidential information within the Group, the Group remains subject to the risk of such information being improperly used by the Group's employees or other personnel for insider dealing or other wrongful purposes, which may in turn lead to abnormal trading patterns or fluctuations in the Company's share price which could adversely affect the Group's business, financial condition and results of operations.

To the extent any disruption or security breach results in a loss of or damage to its data, such disruption or breach could harm the Group's business and damage the Group's reputation. In addition, the Group may be required to incur significant costs to protect against the damage caused by future disruptions or system failures.

The Group's operations are subject to disruptions in transportation and logistics infrastructure.

The Group's businesses depend on freight and transportation services provided in part by external service providers for delivery of its products to its customers across many different geographic locations. Disruption of the port and/or transportation services in these geographic locations to and from the port arising from factors such as unfavourable weather conditions, labour unrest, significant downtime arising from major and unexpected repairs, or other events could impair the Group's ability to supply its products to its customers on time. Failure to or delay in supply of the Group's products to its customers may result in contractual claims against the Group and any repeated delay or failure to supply its products to its customers may in the long-term hinder customers' confidence, and materially and adversely affect the demand for its products and its business, financial condition and results of operations.

The Group's factories are subject to its customers' stringent approval processes and its products are subject to strict quality requirements.

The Group's customers require their equipment suppliers and services providers to undertake a rigorous qualification and/or certification programme to ensure that their output meets the standards required. These qualification processes involve a range of tests, including on-site inspections. There is no assurance that the Group will be able to maintain its approval status and its approval status may be suspended or revoked at any time. A suspension or revocation of its approval status by any customer could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's customers also enforce strict quality requirements in relation to the Group's products. Any perceived or actual variations in quality can result in claims from the Group's customers which can materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be subject to product liability claims.

The products developed or to be developed by the Group are important to the operations of its customers. The Group has maintained product liability insurance to cover potential claims arising from or as a result of defects of certain of its products. However, the insurance only covers the personal injuries, illness, death and the relevant financial losses caused to the customers and other third parties by the products manufactured or sold by the Group but not other pure economic losses caused to the business of the customers and other third parties. Should there be any defect or error in such products that cause damage to operations and/or business of the customers and other third parties, the Group may have to incur additional expenses either to rectify the defect or error or to indemnify the customers for any losses that the customers may suffer as a result of such defect or error. Any occurrence of product liability claims arising from defects in the Group's products may have an adverse impact on the Group's business, financial condition and results of operations. As at 30 June 2021, so far as the directors of the Issuer are aware, no legal claim was made against any members of the Group by any customers of the Group in relation to any products and services provided by the Group. Nevertheless, there is no assurance that such claims will not be made in the future.

The Group's operations are subject to different legal systems where the application of various laws and regulations may be uncertain.

The Group's business is geographically diversified with operations spanning China, the United States, Denmark, the UK, Vietnam, Columbia, Belgium, Germany and the Netherlands. The application of laws and regulations in certain countries may be uncertain.

For example, in developing countries such as Vietnam, legal and regulatory regimes may be less certain than other markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations may be unclear, and the content of applicable laws and regulations may not be immediately available to the public. Under such circumstances, consultation with the relevant authorities in these countries may be necessary to obtain a better understanding or clarification of applicable laws and regulations.

Additionally, Vietnam as a civil law country, has a legal system based on written statutes and as such, decided legal cases do not constitute binding precedents. The administration of laws and regulations by courts and government agencies may be subject to considerable discretion. In addition, because relatively few disputes relating to commercial matters and modern financial transactions and instruments are brought before the courts in Vietnam, such courts do not necessarily have the experience of courts in other jurisdictions. There is no certainty as to how long it will take for proceedings in these courts to be concluded, and the outcome of proceedings in these courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, the Group may not be able to obtain timely and equitable enforcement of its legal rights.

Consequently, the uncertainty regarding the application and enforcement of various laws and regulations applicable to the Group's global operations in the countries the Group operates in, could have a material adverse effect on its business, financial condition and results of operations.

The Group's profitability will be affected if it fails to maintain its cost competitiveness due to increased costs of raw materials, energy and parts and components or other factors, or if its suppliers fail to deliver parts and components and raw materials that meet its product quality standards on a timely basis.

The Group's main raw materials include, among others, steel, aluminium and paint. Most of the Group's raw materials, energy and parts and components are provided by third-party suppliers. Prices of some raw materials used and energy consumed in the Group's manufacturing process have increased significantly in the past few years. Global fuel prices have increased significantly in the past few years and are expected to remain high in the near future. Such increases have added to the Group's cost of production and the Group may not be able to pass through such increased costs to its customers. In particular, since March 2020 steel prices in the United States have increased significantly. Prices are expected to remain high due to the high market demands caused by the COVID-19 pandemic and it will take time for steel manufacturers to replenish depleted steel stockpiles. The costs of its raw materials, energy and parts and components are subject to many economic and political factors which are beyond the Group's control. Certain factors such as the rising global demand for such raw materials and energy may result in upward pressure on their prices. There can be no assurance that the Group could maintain its cost competitiveness. If the Group fails to maintain cost competitiveness, it may experience lower profit margins, which will materially adversely affect its business, financial condition and results of operations. The Group's manufacturing depends on adequate supply of quality parts and components and raw materials on a timely basis. Suppliers may from time to time extend delivery time, limit supplies or increase prices due to capacity constraints or other factors. The Group does not have long-term supply arrangements with any of its major suppliers. The Group has in the past experienced delays by its suppliers in the delivery of some of its parts and components during peak seasons. If a supplier fails to meet the Group's requirements with respect to the time, quantity, quality and prices it requires, whether due to causes within or beyond its control, and the Group cannot locate a replacement in a timely manner, it could jeopardize or cause a delay in the Group's product delivery, result in the Group's products being unacceptable to its customers and/or otherwise materially and adversely affect its business, financial condition and results of operations.

The Group's operational performance and profitability are subject to price fluctuation in commodities including natural gas (such as LNG) and crude oil, which are closely related to the Group's business.

Prices for natural gas (such as LNG) and crude oil are subject to significant fluctuations and are affected by many factors, including actual and expected global macro-economic and political conditions, global and domestic supply, prevailing and expected level of demand, investments by commodity funds and actions of participants in the commodity markets. Any significant increase in the prices of natural gas or considerable decrease in crude oil price could have a material adverse effect on the demand for industrial coal-to-gas conversion and therefore the prices for natural gas equipment, which may in turn materially and adversely impact the Group's business, financial condition and results of operation.

The Group relies on the expertise and experience of its key management personnel and skilled employees.

To a certain extent, the Group's success is attributable to, among other things, the technical expertise and experience of the Group's key management personnel including its executive and non-executive directors, who are responsible for overseeing the management and development direction of the Group. In addition, the Group requires skilled employees in the manufacture of its products. In order to maintain its competitiveness, the Group has successfully trained a group of experienced and skilled employees to engage in the Group's production process. There is no assurance that the Group is able to retain members of the key management team or further recruit competent personnel for its future development. If any of the key management personnel ceases to be involved in the operation of the Group or if any of them fails to observe and perform their obligations under their service agreements and the Group fails to find immediate and adequate replacement or if the Group is unable to further recruit competent successors or competent personnel for its future development, the Group's future plans and prospects and the implementation of the Group's business strategies and objectives may be materially and adversely affected. There can also be no assurance that the Group can retain its skilled employees or that it can attract more of such employees and retain them in the future. If the Group fails to retain and recruit the necessary employees, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group's products are subject to a relatively long inventory turnover period.

For the years ended 31 December 2018, 2019 and 2020, the inventory turnover days of the Group were 117 days, 121 days and 136 days, respectively. For the six months ended 30 June 2020 and 2021, the inventory turnover days of the Group were 149 days and 114 days, respectively. If the Group fails to manage its inventory properly, it might lead to stock obsolescence and stock provision, which may in turn materially and adversely affect the Group's, business, financial condition and results of operations.

The Company's ownership is concentrated.

As at 30 June 2021, CIMC Group is a substantial shareholder of the Issuer and controls 67.8 per cent. of the total issued share capital of the Company. Accordingly, CIMC Group will, for the foreseeable future, exercise substantial influence over the Group's operations and business strategy. Such voting control may discourage certain types of transactions, including those involving an actual or potential change of control of the Company. In the event that there is a divergence of the Group's strategic and other interests from those of CIMC Group in the future, there can be no assurance that CIMC Group will not use its influence over the affairs of the Group in a manner which is not in the best interests of the Group, which may in turn materially and adversely affect the business, financial condition and results of operations of the Group.

RISKS RELATING TO THE PRC

Changes in China's economic, political and social conditions as well as governmental policies could affect the financial condition and results of operations of the Group.

Most of the Group's businesses, assets and operations are located in the PRC. Therefore, the performance of the PRC economy affects, to a significant degree, the Group's business, financial condition and results of operations.

China's economy differs from the economies of most developed countries in many respects, including the structure of economy, level of government involvement, level of development, growth rate, control of capital investment, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy. For the past three decades, the PRC government has implemented economic reform measures to emphasise the utilisation of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on its current or future business, financial condition and results of operations.

China has been one of the world's fastest growing economies as measured by GDP in recent years. However, China may not be able to sustain such a growth rate. In order to maintain the sustainable growth of the economy, the PRC government from time to time implements various macroeconomic and other policies and measures, including contractionary or expansionary policies and measures at times of or in anticipation of changes in China's economic conditions. In an effort to stimulate the growth of the Chinese economy, the PRC government has implemented and may continue to implement various monetary and other economic measures to expand investments in infrastructural projects, increase liquidity in the credit markets and encourage employment. However, there is no assurance that such monetary and economic measures will succeed. If the Chinese economy experiences a slowdown or even a downturn, the Group may experience a delay or reduction in, or cancellation of, projects available to them and demand for the services and products they provide in their various business segments may grow at a lower-than-expected rate or otherwise decrease. Furthermore, the Group cannot guarantee that it is able to make timely adjustments to its business and operational strategies so as to capture and benefit from the potential business opportunities presented to them as a result of the changes in the economic and other policies of the PRC government.

Also, the PRC government will continue to make adjustments to its economic policy objectives and measures in the future, which may include or result in a significant reduction in its budget for investments in infrastructure and other projects. This could have an adverse effect on the business and operations of the Group. Moreover, unfavourable financing and other economic conditions for the industries that the Group serve could negatively impact its customers and its customers' ability or willingness to fund capital expenditures in the future or pay for past services.

The Group is exposed to foreign currency fluctuations and interest rate risks.

The Group conduct most of its operations in the PRC and their functional currency is the Renminbi. A substantial portion of their revenues, capital expenditures and cost of sales were denominated in Renminbi. The Group's acquisitions of assets and purchases of raw materials from outside of the PRC are generally denominated in currencies other than Renminbi, and, as a result, the Group is exposed to foreign exchange policies and risks with regard to these purchases. The Group's foreign exchange-denominated assets and liabilities are expected to significantly increase as they further expand their overseas businesses to acquire more assets or purchase more raw materials and manufacturing equipment from outside of the PRC. In particular, the Group will be required to make interest payments and other payments in foreign currencies. Any future exchange rate volatility relating to the Renminbi or any significant revaluation of the Renminbi may materially and adversely affect the Group's cash flows, revenue, earnings and financial position, and the value of any dividends payable to the Group by its PRC subsidiaries. The Group is therefore subject to significant risks associated with foreign currency fluctuations. In addition, the Group's financing costs and, as a result, its business, financial condition and results of operations, are affected by changes in interest rates. A substantial portion of the Group's borrowings are linked to benchmark lending rates published by the PBOC, which may raise lending rates in the future.

The Group is exposed to foreign exchange policies and risks arising from various currency positions. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. In particular, changes in the value of foreign currencies could increase the Renminbi costs for, or reduce the Renminbi revenues from, the foreign operations of the Group, or affect the prices of their exported products and the prices of their imported equipment and materials. Any increased costs or reduced revenues as a result of foreign currency fluctuations could adversely affect the profits and margins of the Group. The fluctuation of foreign exchange rates also affects the value of the monetary and other assets and liabilities denominated in foreign currencies of the Group, primarily relating to the Group's international purchases and sales which are denominated in pound sterling, Euros and U.S. and Hong Kong dollars. Generally, an appreciation of the Renminbi against the U.S. dollar and other relevant foreign currencies could result in a foreign exchange loss for assets denominated in U.S. dollars and other foreign currencies, and a foreign exchange gain for liabilities denominated in U.S. dollars and other foreign currencies. Conversely, a devaluation of the Renminbi against the U.S. dollar and other relevant foreign currencies could result in a foreign exchange gain for assets denominated in U.S. dollars and other foreign currencies and a foreign exchange loss for liabilities denominated in U.S. dollars and other foreign currencies.

The value of the Renminbi is subject to changes in China's governmental policies and to international economic and political developments. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Since then, the PRC government has made, and may in the future make, further adjustments to the exchange rate system. PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for the trading against the Renminbi on the following working day. The PBOC surprised markets in August 2015 by thrice devaluing the Renminbi, lowering its daily mid-point trading price significantly against the U.S.

dollar. The currency devaluation of the Renminbi was intended to bring it more in line with the market by taking market signals into account. Renminbi depreciated significantly against the U.S. dollar following this August 2015 announcement by the PBOC. Since 2016, the exchange rate of Renminbi against the U.S. dollar experienced further fluctuation. Following the gradual appreciation against U.S. dollar in 2017, Renminbi experienced a recent depreciation in value against U.S. dollar followed by a fluctuation in 2018 and early 2019. In August 2019, the PBOC on 5 August 2019 set the RMB's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate significantly in value against the U.S. dollar or other foreign currencies in the long-term. Any significant appreciation of the Renminbi against these currencies may lead to a decline in the revenues of the overseas operations of the Group. Fluctuations in exchange rates may adversely affect the value, translated or converted into U.S., Hong Kong, pound sterling or European dollars of the net assets, earnings and any declared dividends of the Group. Management continuously monitors foreign exchange exposure and will prudently consider hedging significant foreign exchange exposure should the need arise. However, very limited hedging options are available in China to reduce their exposure to exchange rate fluctuations and, the availability and effectiveness of these hedges may be limited. Thus, the Group may not be able to adequately hedge their exposure or at all.

The PRC government's control of foreign currency conversion may limit the foreign exchange transactions of the Group.

Currently, the Renminbi still cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, the Group will have sufficient foreign exchange to meet their foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account, including profit distributions, interest payments and trade and service-related foreign exchange transactions, conducted by the Group do not require advance approval from the State Administration of Foreign Exchange of the PRC ("**SAFE**"), but they are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by the Group, however, must be approved, registered or filed in advance by or with the SAFE, its local branch or banks. If they fail to obtain or complete such approval, registration or filing to convert Renminbi into any foreign exchange for any purposes, their capital expenditure plans, and even their business, operating results and financial condition, may be materially adversely affected. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currency to satisfy their foreign currency demands, they may not be able to pay dividends in foreign currencies to the Bondholders.

The operations of the Group may be affected by inflation and deflation within the PRC.

Economic growth in the PRC has historically been accompanied by periods of high inflation. Increasing inflation rates has been caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and foreign governmental policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the price of its services and products in amounts that are sufficient to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's business, financial condition or results of operations. Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's business, financial condition or results of operations.

The PRC legal system is continuously evolving and has uncertainties, and the legal protections available to the Bondholders may be limited.

As some of the Group's subsidiaries are incorporated under PRC law and most of their businesses are conducted in China, their operations are principally governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited number of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, the Group may not be aware of their violation of these policies and rules until sometime after the violation.

Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection the Group enjoy than in more developed legal systems. These uncertainties may impede the ability of the Group to enforce the contracts they have entered into and could materially and adversely affect their business, financial condition and results of operations.

It may be difficult to enforce any judgments obtained from non-PRC courts against the Group or its directors, supervisors or senior executive officers residing in China.

The PRC legal framework is substantially different from other jurisdictions with respect to certain areas. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group are subject to are also relatively undeveloped and untested.

China is not a party to any treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the UK, most other Western countries or Japan, and therefore enforcement in the PRC of judgments of a court or to effect service of process upon the Group in the PRC or its directors, supervisors or senior executive officers residing in China in any of these jurisdictions may be difficult or impossible.

The enforcement of the Labour Contract Law and other labour-related regulations in the PRC may adversely affect the Group's business, financial condition and results of operations.

On 28 December 2012, the PRC government enacted the Labour Contract Law, which became effective on 1 July 2013. The Labour Contract Law establishes additional restrictions and increases the cost to employers upon termination of employees, including specific provisions related to fixed-term employment contracts, temporary employment, probation, consultation with the labour union and employee general assembly, employment without a contract, dismissal of employees, compensation upon termination and overtime work, and collective bargaining. According to the Labour Contract Law, an employer is obligated to sign an unlimited term labour contract with an employee if the employer continues to employ the employee after two consecutive fixed term labour contracts. The employer must also pay compensation to employees if the employer terminates an unlimited term labour contract unless an employee refuses to extend the labour contract with the employee under the same terms or better terms than those in the original contract. Further, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例) which became effective on 1 January 2008, employees who have served more than one year with an employer are entitled to a paid vacation ranging from five to 15 days, depending on their length of service. Employees who waive such vacation time at the request of employers shall be compensated at three times their normal salaries for each waived vacation day. Under the National Leisure and Tourism Outline 2013–2020 (國民旅遊休閒綱要(2013–2020年)), which became effective on 2 February 2013, regulations on paid annual leave of employees shall have been implemented on a general basis by 2020. As a result of these protective labour measures or any additional future measures, the Group's labour costs may increase. There can be no assurance that any disputes, work stoppages or strikes will not arise in the future.

RISKS RELATING TO THE BONDS AND THE SHARES

The Bonds will be unsecured obligations.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer ranking *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 4(a) of the Conditions, will rank at least equally with all of its other present and future unsecured and unsubordinated obligations. Therefore, the Bonds will be unsecured obligations of the Issuer. The payment obligations under the Bonds may be adversely affected if:

- the Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under the Group's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Group's indebtedness.

If any of the above events occurs, the Group's assets may not be sufficient to pay amounts due on the Bonds.

The Trustee may request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances (including, without limitation, the giving of notice and the taking of steps and/or actions and/or the instituting of proceedings as requested or directed by the

Bondholders pursuant to Conditions 10 and 12 of the Conditions), the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee will not be obliged to take any such steps and/or actions and/or institute such proceedings if it is not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding could be a lengthy process and may affect when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take such steps and/or actions and/or to institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable law or regulations, to the extent permitted by the agreements and the applicable law and regulations, it would be for the Bondholders to take such steps and/or actions and/or institute such proceedings directly.

Bondholders will have no rights as holders of the Shares prior to conversion of the Bonds.

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, Bondholders will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Upon conversion of the Bonds, these holders will be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record date occurs after the date of conversion.

Securities law restrictions on the resale and conversion of the Bonds may limit Bondholders' ability to sell the Bonds in the United States.

The Bonds and the Shares into which the Bonds are convertible have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold outside the U.S. in reliance on Regulation S under the Securities Act. Hence, future resales of the Bonds and the Shares into which the Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

The Bondholders may be subject to tax on their income or gain from the Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the Shares. See "*Taxation*" for certain Cayman Islands, PRC and Hong Kong tax consequences.

Gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

Under the EIT Law, gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

In accordance with the EIT Law, a non-resident enterprise is generally subject to enterprise income tax at a reduced tax rate of 10% with respect to PRC-sourced income if it (i) does not have an establishment or place of business in the PRC or (ii) has an establishment or place of business in the PRC but its PRC-sourced income has no *de facto* relationship with such establishment or place of business in the PRC. The aforesaid income tax payable by a non-resident enterprise is subject to withholding at source. The income tax must be withheld by the withholding agent at the time of payment of the gains. This tax could be exempted or reduced in accordance with the relevant tax treaty or agreement for avoiding double taxation. As at the date of this Offering Circular, no specific legislation or implementation rule has expressly provided whether it is required to and how to collect the tax from non-resident enterprises on gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of enterprise income tax on such gains in the future.

In addition, according to the IIT Law, non-resident individuals are generally subject to individual income tax at a rate of 20% with respect to PRC-sourced income from royalties, interest, dividends, bonuses, transfer of property and contingent income unless such tax is reduced or exempted under relevant double taxation treaties. Under the IIT Law, a "non-resident individual" means any non-resident PRC individual who has no domicile and does not reside in the PRC or who has no domicile but has resided in China for an aggregate of less than 183 days of a tax year. As at the date of this Offering Circular, no specific legislation or implementation rules have expressly provided whether it is required to and how to collect the tax from non-resident individuals on the gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of individual income tax on such gains in the future.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder's investment in the Bonds may be materially and adversely affected. See "*Taxation – PRC*". Any payment of interest on the Bonds would be subject to withholding at a rate of 10% for non-resident enterprises and at a rate of 20% for non-resident individuals

The market value of the Bonds may fluctuate.

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) of the Group and/or the subsidiaries and/or associated companies of the Group, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, the Group and/or the subsidiaries and/or associated companies of the Group generally. Adverse economic developments in the PRC could have a material and adverse effect on the results of operations and/or the financial condition of the Group and/or the subsidiaries and/or associated companies of the Group.

In addition, the market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of such Shares for future issue or sale, would have on the market price of the Shares prevailing from time to time and therefore on the market price of the Bonds. Disposals of Shares by shareholders or a perception in the market that such disposals could occur, may adversely affect the prevailing market price of the Shares and the Bonds.

The return on the Bonds may decrease due to inflation.

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

An active trading market for the Bonds may not develop.

The Bonds will be a new issue of securities for which there is currently no trading market. Application will be made to the Hong Kong Stock Exchange for the listing, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. However, no assurance can be given that an active trading market for the Bonds would develop or as to the liquidity or sustainability of any such market, the ability of Bondholders to sell their Bonds or the price at which Bondholders would be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall.

If an active trading market were to develop, the Bonds could trade at prices that may be lower than their initial offering price. Whether or not the Bonds would trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- the price of the Shares;
- the market prices of the Bonds;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Group's industry and competition; and general market and economic conditions; or
- the Group's financial condition and historical financial performance and future prospects.

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless he/she has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

The Bonds will contain provisions regarding modification and waivers, which could affect the rights of Bondholders.

The Conditions and the Trust Deed will contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of individual holders of the Bonds.

The Conditions and the Trust Deed will also provide that the Trustee may, without the consent of the holders of the Bonds, agree (i) to any modification (other than in respect of certain reserved matters) to, or the waiver or authorisation of any breach or proposed breach of, any of the Conditions, and any provisions of the Agency Agreement and/or the Trust Deed which in the opinion of the Trustee is not materially prejudicial to the interests of the holders of the Bonds and (ii) to any modification of any of the Conditions and any provisions of the Agency Agreement and/or the Trust Deed which is in the Trustee's opinion of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine that any Event of Default or a Potential Event of Default (both terms as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's debt agreements may contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under the Issuer's or such other subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Issuer would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer would be able to find alternative financing. Even if the Issuer could obtain alternative financing, it could not guarantee that it would be on terms that are favourable or acceptable to the Issuer.

Renminbi is not freely converted into foreign currency and remitted out of China, which may limit the Group's ability to utilise its revenue effectively and affect the value of your investment.

The Group expects that a substantial majority of its future revenues will be denominated in Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, the Group's PRC subsidiaries are allowed to pay dividends in foreign currencies to it without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

Any failure to complete the relevant filings under the NDRC Circular within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors in the Bonds.

The NDRC issued the Circular of the National Development and Reform Commission on Promoting the Administrative Reform of the Record-filing and Registration System for the Issuance of Foreign Debts by Enterprises (the "**NDRC Circular**") on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities and file the particulars of the relevant issue within the prescribed time period after the completion of the issue of the securities. The Issuer has obtained the NDRC Pre-Issuance Registration Certificate with respect to the Bonds on 10 November 2021 and has undertaken to file with the NDRC the requisite information and documents relating to the issue of the Bonds within 10 Registration Business Days (as defined in the Conditions) after the Issue Date. However, there is no clarity on the actual legal consequences of non-compliance with the post-issue filing requirement under the NDRC Circular. Failure to comply with the post-issuance filing requirement may result in the relevant entities being put on the credit blacklist in the PRC and subject them to credit-related sanctions. Potential investors in the Bonds are advised to exercise due caution when making their investment decisions.

Exchange rate risks and exchange controls may affect an investor's returns on the Bonds.

The Group will pay principal on the Bonds in Hong Kong dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Hong Kong dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Hong Kong dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Hong Kong dollar would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of any other jurisdiction with which holders of the Bonds are familiar.

Since the Issuer is incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. The Group conducts most of the Group's business operations in the PRC. The laws and regulations in the PRC relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of other jurisdictions with which the holders of the Bonds are familiar. Investors should analyse the risks and uncertainties carefully before they invest in the Bonds.

The Group relies on dividends paid by its subsidiaries for cash needs, and limitations under PRC laws on the ability of the Group's PRC subsidiaries to distribute dividends to the Group could adversely affect the Group's ability to utilise such funds.

As a holding company, the Issuer relies on dividends paid by its PRC subsidiaries for the Group's cash and financing requirements, including the funds necessary to perform its payment obligations under the Bonds, to service any foreign currency debt the Group may incur and to make any offshore acquisitions. If any of the Group's PRC subsidiaries incur debt on its own behalf in the future, the loan agreements may restrict its ability to pay dividends or make other distributions to the Group. Under PRC laws and regulations, the Group's PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, the Group's PRC subsidiaries are required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to the Group as dividends. These limitations on the ability of the Group's PRC subsidiaries to transfer funds to the Group limit the Group's ability to receive and utilise such funds.

As a result of the foregoing, there is no assurance that the Issuer will have sufficient cash flow from dividends or advances from its subsidiaries to satisfy its obligations under the Bonds. Should the Issuer be unable to make payments when due under the terms of the Bonds, the Bondholders would need to rely on the Trustee to take enforcement actions to recover their investment in the Bonds, the prospects of which are uncertain.

The Bonds will be structurally subordinated to subsidiary debt.

Payments under the Bonds will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries, and to all secured creditors of the Issuer. A substantial part of the Issuer's operations is conducted through its subsidiaries, associated companies and jointly controlled entities. Accordingly, the Issuer is and will be dependent on the operations of its subsidiaries, associated companies and jointly controlled entities to service its indebtedness, including interest and principal on the Bonds. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to its industry and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

The Issuer may not have the ability to redeem the Bonds.

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash some or all of their Bonds at the option of the Bondholders upon a Relevant Event as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Delisting or Change of Control*" or on the Put Option Date as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Bondholders*". The Issuer may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Issuer.

The Bonds may be early redeemed at the Issuer's option.

The Issuer may, on giving not less than 30 nor more than 60 days' notice in accordance with the Conditions, redeem the Bonds in whole, but not in part at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption: (i) at any time after 14 December 2024, provided that the Closing Price of the Shares (derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange), for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption is published, was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio then applicable; or (ii), at any time if, prior to the date of such notice, Conversion Rights shall have been exercised and/or purchases (and corresponding cancelations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued. In addition, the Bonds may be redeemed at the option of the Issuer in whole and not in part, on giving not less than 30 days' nor more than 60 days' notice, at the Early Redemption Amount, together with unpaid Default Interest (if any) to accrued but excluding the date specified in the Tax Redemption Notice, if the Issuer has or will become obliged to pay Additional Tax Amounts as a result of certain events as set out in the Conditions and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. As a result, the trading price of the Bonds may be affected when any redemption option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds.

Bondholders have limited anti-dilution protection.

The Conversion Price will be adjusted in the event that there is a sub-division, consolidation or re-denomination, rights issues, bonus issue, reorganisation, capital distribution or other adjustment including an offer or scheme which affects Shares, but only in the circumstances and only to the extent provided in "*Terms and Conditions of the Bonds – Conversion*". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

Short selling of the Shares by Bondholders could materially and adversely affect the market price of the Shares.

The issuance of the Bonds may result in downward pressure on the market price of the Shares. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling and similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares owned by an investor as well as on the trading price of the Bonds.

Future issuances of Shares or equity-related securities may depress the trading price of the Shares.

Any issuance of the Issuer's equity securities after this offering could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Shares. The Issuer may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt-to-equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares. The Issuer cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Issuer and by hedging or engaging in arbitrage trading activity involving the Bonds.

There may be less publicly available information about the Issuer than is available for public companies in certain other jurisdictions.

There may be less publicly available information about companies listed in Hong Kong, such as the Issuer, than is regularly made available by public companies in certain other countries. In addition, the Group's financial information in this Offering Circular has been prepared in accordance with HKFRS which differs in certain respects from generally accepted accounting principles ("**GAAPs**") in certain jurisdictions which might be material to the financial information contained in this Offering Circular. In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and the Group's financial information, and should consult their own professional advisers for an understanding of the differences between HKFRS and the GAAPs in their home jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

The Bonds will initially be represented by the Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be represented by the Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates representing the Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. None of the Issuer, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

USE OF PROCEEDS

The gross proceeds from the issuance of the Convertible Bonds will be HK$1,680,000,000. The Issuer intends to use the proceeds for the enhancement and expansion of business operations, improvement of research and development capabilities, potential acquisitions and general corporate purposes.

DIVIDENDS

Subject to the laws of the Cayman Islands and the articles of association of the Issuer, the Issuer may distribute dividends to shareholders out of the profits of the Issuer, realised or unrealised, or from any reserve set aside from profits which its directors determine is no longer needed. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. The Issuer may distribute dividends in any currency to be paid to the shareholders. Under favourable circumstances, the Issuer may distribute interim dividends in cash as appear to its board of directors to be justified by the profits of the Issuer. Pursuant to the articles of association of the Issuer, any dividend unclaimed after a period of one year after having been declared may be invested or otherwise made use of by its board of directors for the benefit of the Issuer until claimed. Any dividend unclaimed after a period of six years from the date of declaration shall be forfeited by the board of directors of the Issuer and shall revert to the Issuer.

The table below sets out certain statistics on ordinary dividends paid on the Shares for the years ended 31 December 2018, 2019 and 2020:

Year ended 31 December	**Interim dividend per Share**	**Final dividend per Share**	**Special dividend per Share**	**Total dividend per Share**	**Interim dividend**	**Final dividend**	**Special dividend**	**Total dividend**
	(HK$)	*(HK$)*	*(HK$)*	*(HK$)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
2018	–	0.14	–	0.14	–	131,486	–	131,486
2019	–	0.20	–	0.20	–	246,109	–	246,109
2020.	–	0.14	–	0.14	–	364,380	–	364,380

CAPITALISATION AND INDEBTEDNESS

As at 30 June 2021, the authorised share capital of the Issuer was HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each. As at the dame date, the total number of shares issued by the Issuer was 2,022,070,588 shares.

The following table sets forth the Issuer's consolidated capitalisation and indebtedness as at 30 June 2021 and as adjusted to give effect to the issue of the Bonds before deduction of any fees, commissions and expenses. The table should be read in conjunction with the financial statements and the accompanying notes incorporated by reference in this Offering Circular.

	As at 30 June 2021			
	Actual		As adjusted	
	(RMB'000)	*(U.S.$'000)*[1]	*(RMB'000)*	*(U.S.$'000)*[1]
	(unaudited)			
Total borrowings – current portion				
Bank loans	304,277	47,127	304,277	47,127
Loans from related parties	720,348	111,568	720,348	111,568
Other borrowings	8,736	1,353	8,736	1,353
	1,033,361	160,048	1,033,361	160,048
Total borrowings – non-current portion				
Bank loans	259,624	40,211	259,624	40,211
Other borrowings	4,387	679	4,387	679
Bonds to be issued[2]	–	–	1,397,928	216,511
	264,011	40,890	1,661,939	257,401
Total borrowings	1,297,372	200,938	2,695,300	417,449
Equity				
Share capital	18,468	2,860	18,468	2,860
Reserves	7,594,687	1,176,267	7,594,687	1,176,267
Total equity attributable to equity shareholders of the Company	7,613,155	1,179,127	7,613,155	1,179,127
Total capitalisation[3]	8,910,527	1,380,065	10,308,455	1,596,576

Other than as disclosed in this Offering Circular, there have been no material changes in the capitalisation and indebtedness of the Group since 30 June 2021.

Notes:

(1) U.S. dollar translations are provided for indicative purposes only and are unaudited. These translations were calculated based on an exchange rate of RMB6.4566 to U.S.$1.00 on 30 June 2021 as set forth in H.10 statistical release of the Federal Reserve Board.

(2) In accordance with HKAS 32, Financial Instruments: Presentation, a convertible bond that can be converted to equity shares at the option of the bondholder which is accounted for as compound financial instruments contains both a liability component and an equity component. For illustrative purpose, the aggregate net proceeds the Group is expecting to receive from the issue of the Bonds (after deducting offering discount, underwriting, management and selling commissions and other estimated transaction expenses relating to the issuance of the Bonds) will be assumed as the liability component and no allocation to the equity component will be made.

(3) Total capitalisation is the sum of total borrowings and total equity attributable to equity shareholders of the Issuer.

THE GROUP

OVERVIEW

Founded in 2004, the Issuer, one of the subsidiaries of CIMC Group, has been listed on the Hong Kong Stock Exchange since 2005. The Issuer is primarily engaged in the provision of key equipment, engineering service and integrated solutions for transportation, storage and processing for the clean energy, chemical and environmental and liquid food sectors and has become a leading integrated business service provider and key equipment manufacturer in the industry. CIMC Group, the Issuer's controlling shareholder, is a global leading equipment and solution provider in the logistics and energy industries.

The main products and services of the Group include: (i) storage equipment, (ii) process equipment, (iii) integrated devices for refuelling stations and (iv) compressors.

The Group operates three main business segments:

- *Clean Energy:* the Group specialises in the manufacture, sale, operation and service of a wide range of equipment and construction for the storage, transportation, processing and distribution of natural gas. This includes LNG, CNG, liquified petroleum gas ("**LPG**") and hydrogen (in high-pressure gaseous and liquid forms). The Group also provides engineering, procurement and construction ("**EPC**") services for the clean energy sector, including LNG plants, LNG and liquified ethylene/ethane gas receiving terminals and hydrogen refuelling stations. In addition, the Group engages in the design, production and sale of small and medium sized gas carriers, such as LPG, LNG and LEG carriers, LNG powered ship fuel supply systems and oil and gas modules. Furthermore, the Group provides value-added services such as data services, intelligent IOT, intelligent operation and real-time monitoring for the clean energy industry based on an IOT operation management platform.

- *Chemical and Environmental:* the Group specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquified chemicals, gaseous chemicals and powder products. The Group also provides maintenance and value-added services for tank containers. In addition, the Group provides professional consulting services in relation to environmental protection.

- *Liquid Food:* the Group specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing of liquid food, such as beer, fruit juice and dairy products. The Group also provides EPC services for the brewery industry and other liquid food industries.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue was RMB13,051.7 million, RMB13,743.0 million and RMB12,289.6 million, respectively, representing a year-on-year increase of 5.3 per cent. and year-on-year decrease of 10.6 per cent., respectively. For the six months ended 30 June 2020 and 2021, the Group's revenue was RMB5,319.4 million and RMB7,940.0 million, respectively, representing a period-on-period increase of 49.3 per cent.

COMPETITIVE STRENGTHS

The Group believes that its success and its ability to capitalise on future growth opportunities attributable to its competitive strengths are as follows:

Substantial market potential.

The target industries that the Group mainly operates in have significant market potential. In terms of clean energy, following the global limit imposed on sulphur content in ship's fuel oil by the International Marine Organisation in 2020, more and more shipowners are considering the modification of their existing fleets for the use of cleaner energy sources. In the long run, the operating cost of liquified natural gas ("**LNG**")-powered ships is lower than the cost of using high-sulfur-level fuel plus desulfurisation tower or low-sulfur-level fuel, and has the dual advantages of economical benefits and environmental protection. In addition, a series of policies such as "gasification of Yangtze river" and "gasification of Pearl river" were introduced. According to the "*National Plan for Distribution of Coastal and Inland Waterway LNG Terminals (2035)*", China will build six LNG inland receiving terminals, which is expected to require more than 15 LNG distribution vessels of 30,000m^3, benefiting the small and medium-sized LNG carrier market. The Group's clean energy segment is therefore expected to benefit from the market potential brought about by such government policies.

In terms of chemical and environmental, as at 30 June 2021, it was forecasted by The European Chemical Industry Council that the growth of the global chemical market in the next 10 years will be mainly contributed by China and China's global market share is expected to reach 50.0 per cent. by 2030. In addition, according to the Dangerous Chemicals Logistics Branch of China Federation of Logistics & Purchasing, the market size of hazardous chemicals logistics in China exceeded RMB2.0 trillion in 2020 and is expected to reach RMB2.2 trillion by 2021. With the gradual implementation of China's policy of "chemical logistics retuning from urban areas to industrial parks" and deepening of industry standardisation, the proportion of chemical tank containers used in China's chemical logistics industry is expected to increase steadily. Leveraging the Group's market leading position in the production of tank containers, the Group believes it will continue to benefit from the opportunities brought by the booming international and domestic chemical logistics markets. Furthermore, China's environmental protection policies have become increasingly stringent, thereby accelerating the demand for products related to hazardous waste disposal. As at 30 June 2021, according the Ministry of Ecology and Environment, the gap between production volume and actual treatment volume of industrial hazardous in large and medium cities in China reached 2,600.0 tonnes in 2020, reflecting an actual treatment rate of only 48.6 per cent. Due to factors such as long construction periods and incomplete technical standards, there is a low degree of market concentration and the market potential is therefore huge. The Group has developed its capabilities of manufacturing special environmental protection equipment and enhanced providing integrated solutions and therefore well-positioned to capture the relevant market opportunities.

In terms of liquid food, the Group has gained wide recognition in various market segments such as beer, distillation, juice and dairy products by virtue of its diversified product portfolio, strong technical capabilities and excellent product quality. In respect of the domestic Chinese market, according to the Qianzhan Industry Research Institute, the size of the Chinese craft beer market will reach RMB87.5 billion by 2025. Following the Group's acquisition of McMillan Coppersmiths and Fabricators in 2020, the Group has enhanced its capabilities in the distillation business. For more details, see " – *Description of Business – Liquid Food Business – Major Products – Beer and Liquor*". Furthermore, according to RIES Positioning Strategy & Consulting, China was the world's largest alcoholic spirits market and spending on spirits in China reached RMB600.0 billion in 2019 with an annual consumption of 5.2 billion litres. It is also expected that the Chinese baijiu market size will reach RMB850.0 billion by 2025. The Group will leverage its manufacturing capabilities and engineering know-how to capture such market potential and provide its customers with the most economical and innovative solutions and products.

Solid industry leading position.

The Group is a global leading integrated business service provider and key equipment manufacturer in the clean energy, chemical and environmental and liquid food sectors. The Group has built a global marketing network and has over 20 domestic and overseas subsidiaries in China, the Netherlands, Germany, Belgium, the UK and Canada that operate various production bases and advanced R&D centres. Over the years, the Group has built leading market positions in a number of its product areas. In terms of clean energy, the International Organisation for Standardisation ("**ISO**") standard liquid tank containers and high-pressure transportation vehicles manufactured by the Group are among the top in the world in terms of sales volume. In addition, the Group's market share for cryogenic transportation vehicles and cryogenic storage tanks is in a leading position in China whereas the Group's market share for large storage tank of LNG receiving terminals and modular products of LNG refuelling stations are ranked among the top three in China. In terms of chemical and environmental, the Group is world-leading in the tank container industry with the largest production capacity, most complete and comprehensive product portfolio and the most extensive service chain. In 2020, the Group established an engineering and customer support centre in the UK to further enrich its global servicing capability and operating network as well as to reinforce its market leading position in the global tank container industry. In terms of liquid food, the Group is the No.1 supplier worldwide in the distilled spirits industry. This segment is one of the world's largest manufacturer of tanks and process equipment, offering complete storage and processing equipment to customers operating in the beverage and liquid food industries worldwide. The Group's market leading positions and long history of supplying reliable and high-quality products and services have helped to instil customer confidence in its products and services, and have enabled the Group to further expand its business operations and secure new business opportunities.

Full industry chain coverage with high entry barriers.

The Group provides its customers with key equipment and integrated business services. Such services primarily hinge upon talent, technology and resource allocation capabilities under strong market influence power. The Group is well positioned in the clean energy, chemical and environmental and liquid food industry chains. For instance, the Group's products and services cover the entire onshore and offshore industry chains for the clean energy sector, ranging from processing and treatment (upstream), transportation and storage (midstream) and application (downstream). For more details, see "*– Description of Business – Business Segments – Clean Energy Business – Major Products*". In relation to the liquid food segment, the Group will focus on global expansion and further strengthen its competitive advantage in the brewery equipment business by utilising its core technology and exploring vertical integration to enhance the development of EPC and turn-key services. For more details, see "*– Description of Business – Business Segments – Liquid Food Business – Major Products*". The Group is confident that it is able to further expand its services scale and augment its business growth facilitated by its inter-segment synergies.

Furthermore, the Group measures the quality of its products against local as well as international benchmark and has in place quality control system and procedures to ensure its products are of consistent and high standards that fulfil the requirements of both national and international standards. The Group possesses qualifications from both local and international industry authorities such as the American Society of Mechanical Engineers, the China Classification Society, the China Machinery Industry Federation, China's General Administration of Quality Supervision, Inspection and Quarantine, the TÜV NORD of Germany, the Ministry of Commerce, Industry and Energy of Korea, the National Board of Boiler and Pressure Vessel Inspectors of the United States, the Department of Transportation of the United States, the Russian Federation, American Bureau of Shipping, Bureau Veritas of France, and the Lloyd's

Register Group of the UK, as well as the ISO9001, ISO14001, OHSAS18001 certifications by the ISO, PED certification of the European Union, AD2000 certification of Germany and Epec certification of Sinopec. The Group believes that the high industry requirements, standards and/or stringent regulations imposed on participants in the provision of integrated business solutions and/or in the gas equipment market represent significant entry barriers to new entrants as the satisfaction of such industry standards require substantial up-front investment in the R&D of gas equipment together with solid track record and experience coupled with stringent management and quality control system, all of which are results of years of manufacturing experience in the gas equipment industry and are difficult for new entrants to match.

Strong shareholder support and high standard corporate governance.

The Group contributes to a significant portion of its controlling shareholder, CIMC's, total revenue and the Group benefits from strong shareholder support from CIMC Group. CIMC Group is a world leading equipment and solutions provider in the logistics and energy industries. As of 30 June 2021, CIMC Group together with its subsidiaries are ranked No.1 in the world in terms of production and sales of standard dry containers, reefer containers, special-purpose containers as well as tank containers; No. 1 in the world in terms of production volume of semi-trailers; and one of the world's three largest passenger boarding bridge manufacturers. The Group believes CIMC Group has enhanced the Group's brand influence. The Group receives continuous and strong shareholder support from CIMC Group and have been effectively integrated into CIMC's overall strategy.

Furthermore, the Group understands that shareholders' confidence and faith in the Group comes with good corporate governance, which is fundamental to enhancing shareholders' value and interests. The principles of the Group's corporate governance practices emphases on an effective board, prudent risk management and internal control systems, transparency and quality disclosure, and, most importantly, accountability to shareholders. Continued efforts have been undertaken in reviewing and enhancing the quality of corporate governance practices with reference to local and international standards. The Issuer has adopted the Corporate Governance Code issued by the Hong Kong Stock Exchange as its principal guideline in relation to corporate governance practices.

The following policies and guidelines in connection with corporate governance are periodically reviewed and constitute supplementary components in the Group's governance framework:

- policy on the appointment of directors;
- director and senior management remuneration policy;
- roles and responsibilities of the board and senior management;
- procedures for directors to seek independent professional advice;
- division of responsibilities between the chairman and the general manager of the Issuer;
- procedures for disclosure of interests in shares of the Issuer and its associated corporations;
- code for securities transactions by relevant persons;
- procedures for shareholders to propose a person for election as a director;
- shareholders' communication policy;

- internal whistleblowing policy;
- information disclosure policy;
- board diversity policy;
- nomination policy; and
- dividend policy.

Intelligent manufacturing technology.

The Group's production capabilities are assisted by its intelligent manufacturing technologies. For instance, it has obtained the ownership of the patented technologies for seamless pressure cylinders, gas storage cylinder group for use at gas refuelling stations, and containers for seamless pressure cylinders. The Group has also obtained exclusive rights from Xinao Group Shijiazhuang Chemical Machinery Co., Ltd. (新奧集團石家莊化工機械股份有限公司) to apply the technologies of Neogas Inc. for use in the Group's hydraulic refueling stations. Such technologies of Neogas Inc. have been granted patents in United States and in the PRC. In addition, the Group operates automated production lines and is capable of offering intelligent engineering services, such as 3D modelling, design and installation of modelised systems as well as supervisory control and data acquisition systems. The Group also constantly seeks to upgrade its intelligent manufacturing technologies. For instance, under its clean energy segment, in the first half of 2021, the Group successfully designed and installed an automated assembly line for supporting small storage tanks. During the same period under its chemical and environmental segment, the Group successfully developed an automatic welding technology for functional components of tank containers, robotic laser tracking welding technology and sealing fluid manufacturing technology, all of which improved the automation level of equipment and reduced the work intensity of its employees. The Group utilises a digital information management platform to realise visual production scheduling, transparent on-site activities, informatisation of quality traceability, intelligence of logistics and distribution as well as refinement of workshop management, which ensured an industry-leading manufacturing level.

The Group believes that such access to foreign technologies and advanced techniques, as well as the ongoing efforts being made to upgrading production lines in terms of streamlining, automation and digitisation, will afford the Group a technological edge over other manufacturers of equipment and engineering service providers.

Strong brand recognition.

The Group is a global leading integrated business service provider and key equipment manufacturer in the clean energy, chemical and environmental and liquid food sectors. The Group's history traces back to 2004 and the Issuer was listed on GEM of the Hong Kong Stock Exchange in 2005 and subsequently transferred to the Main Board in 2006. The Group believes that its long history and its various well-established brands for its respective segments, including "*Enric*", "*CIMC Tank*" and "*Cryobest*" under its clean energy segment; "*Tankmiles*" under its chemical and environmental segment; and "*Ziemann Holvrieka*", "*Briggs*" and "*McMillan*" under its liquid food segment, have enabled it to establish a strong market recognition globally. For more details on the brands under which the Group's products and services are marketed, see "*The Group – Sales and Marketing*". In addition, the Group's strong brand recognition is evidenced by its sales results; for example, the Group's "*CIMC Tank*" products have been the best-selling tank containers in the world for 17 years consecutively in 2020 according to statistics published by the International Tank Container Organisation. In 2021, one of the Group's subsidiaries operating in the chemical and environmental segment, Burg Service B.V., received the "2020 Depot Excellence Award" from EXSIF Worldwide, which is the world's largest and most comprehensive tank container leasing company. With a proven track record in providing reliable and quality services and products as well as long-standing business relationships with its customers, the Group believes that it is well-equipped and will continue to be relied on by its customers for the provision of various integrated business services and key equipment. With the Group's well-established brand image, the Group believes that it is widely recognised and will be able to capture any future market demands.

Well positioned to support China's carbon net-zero push and clean energy transition.

China is pursuing measures in enhancing natural gas supply security in recent years. According to BP Statistical Review of World Energy 2020, China's natural gas consumption grew from 59.3 bcm in 2006 to 307.3 bcm in 2019, representing a compound annual growth rate of 13.5 per cent. Despite such growth, natural gas accounted for only a small portion of China's primary energy consumption in 2019. In 2021, emission ***peak*** and carbon neutrality continue to be the focus of domestic concern in China. Natural gas, as a cleaner type of fossil energy, plays an essential bridging role in this process. The rapid expansion of natural gas infrastructure underpins the Chinese government's commitment to accelerate the transition from coal to cleaner burning fuels such as natural gas in order to reduce carbon dioxide emissions. The Group expects to benefit from such policies encouraging the growth of the natural gas industry, as the Group continues to invest in the natural gas and hydrogen sectors. The Group believes that its well-established clean energy segment is well-positioned to maintain a stable development trend in the long run given the production, storage and transportation equipment and terminal application market of LNG are expected to continue to grow.

Internally, the Group is highly committed to environmental, social and governance ("**ESG**") endeavours. As a global leader in the clean energy, chemical and environmental and liquid food equipment industries, the Group bears the social responsibility of preserving a sustainable ecology and improving the wellbeing of the people. Embracing global climate challenges, the Group intends to cooperate with its stakeholders to create positive impact by protecting the environment and promoting a low-carbon economy. To align with the national energy strategy, respond to the national carbon neutral vision of 2060 and strive to achieve sustainable growth, the Group strongly supports technological innovation and R&D, and actively promotes the green production and development of low-carbon energy. For example, in 2020, the Group completed the sale of 13 pieces of ship "oil-to-gas" equipment; carried out 43 energy-saving and green development projects and invested RMB25.8 million in environmental protection and emission reductions.

Prudent financing policy and low leverage ratio.

The Group places a great emphasis on financial health and is committed to maintaining stringent financing policies and sound liability management systems. For example, the Group has established an internal audit department that oversees its internal control and risk management activities with other departments. The Group focuses on cash flow management in its daily operations and actively monitor key financial ratios as well as the repayment of debt though prudent financing and liability management policies with the view to maintaining a low leverage ratio. Benefitting from its prudent financing and liability management policies, the Group has been able to maintain sufficient liquidity and optimise its debt maturity profile during its business expansions. For the six months ended and as at 30 June 2021, the Group's debt-to-equity ratio and interest coverage ratio was 16.6 per cent. and 17.5 times, respectively.

In addition, the Group has been actively maintaining access to diversified onshore and offshore financing channels to optimise its debt structurer and increase overall liquidity. The Group believes that its prudent financing and liability management policies will continue to help it maintain sufficient liquidity and enhance its ability to secure financing in the future.

Experienced and professional management team.

The Group's senior management team has extensive experience in the industries in which it operates, and some of the team members have joined the CIMC Group companies for more than 20 years. For example, the Group's chairman and non-executive director, Mr. Gao Xiang, was the general manager of Tianjin CIMC North Ocean Containers Co., Ltd. (天津中集北洋集裝箱有限公司), Tianjin CIMC Containers Co., Ltd. (天津中集集裝箱有限公司), Tianjin CIMC Logistics Equipment Co., Ltd. (天津中集物流裝備有限公司), Tianjin CIMC Vehicles Sales and Service Center (天津中集車輛物流裝備有限公司) and Tianjin CIMC Special Vehicles Co., Ltd. (天津中集專用車有限公司), respectively, from 1999 to 2008. Mr. Gao then joined the Group as its general manager in 2009 and was appointed as an executive director in the same year. In addition, Mr. Yang Xiaohu, the executive director and general manager of the Group, joined CIMC Group as an officer of the quality control department of Shanghai CIMC Reefer Containers Co., Ltd. from 1997 to 1999, and was a sales manager of CIMC Group's container operation department from 2000 to 2009. He was a deputy general manager of the Issuer's sales and marketing department from April 2009 to April 2012, was an assistant to general manager of the Issuer from May 2012 to March 2015 and was the general manager of CIMC Safeway, a subsidiary of the Issuer, from April 2015 to January 2018. Mr. Yang was then a deputy general manager of the Issuer from April 2015 to October 2017. He has been the vice president of China Container Industry Association since 2019. Therefore, the Group's senior management team is consisted of experienced individuals, including Mr. Cheong Siu Fai, who has over 26 years of industry experience and is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of International Accountants in the UK. For more details on the education background, professional qualifications and experience of the Group's senior management team, see "*Directors and Senior Management*".

The Group's experienced and professional management team has played a key role in its success and continues to be valuable assets of the Group. The Group believes its management team possesses the requisite leadership, vision and in-depth industry knowledge to anticipate and seize market opportunities, direct the Group's R&D as well as sales and marketing efforts in high-growth areas, formulate sound business strategies and execute these strategies in a manner that effectively improvise the Group's operations.

The Group believes its experienced and dedicated senior management team has contributed to the significant growth of the Group's business over the years and positioned the Group as a global leading integrated business service provider and key equipment manufacturer in the clean energy, chemical and environmental and liquid food sectors.

BUSINESS STRATEGIES

The Group will continue to grow its business by focussing on the following strategies:

Actively track national policies and cover the entire industry chain with natural gas and hydrogen so as to promote the achievement of national "dual carbon" goals.

With a special emphasis on building a full product portfolio to cover the entire LNG and LPG business chains, the Group will strategically cover the core hydrogen business areas, while continuously adjusting and optimising its high-pressure equipment business, which includes industrial gases (such as oxygen, nitrogen, argon and carbon dioxide), electron gas and compressed natural gas ("**CNG**"). The Group will also seize new opportunities in the development of equipment and application of hydrogen storage, distribution and refuelling, unconventional natural gas processing equipment as well as their application in the offshore clean industry chain. In order to capture the market opportunities resulting from China's "dual circulation" strategy, the Group's clean energy segment will actively integrate domestic and overseas energy businesses, focus on cultivating champion products in various sub-sectors, build EPC platforms for engineering businesses, improve after-sales service network construction and enhance various after-sales services. The Group will stay abreast of market trends and be committed to R&D in innovation, extending existing technological advantages to areas such as upstream hydrogen production, storage and distribution equipment of liquefied hydrogen, LPG microgrid as well as marine fuel "oil-to-gas" conversion for vessels.

To be an industry leader in the manufacturing of key hydrogen equipment.

The Group will implement a champion product strategy and actively participate in the new mode of cooperative operation, striving to become an industry leader in the manufacturing of key hydrogen equipment. In terms of hydrogen production, the Group will focus on the R&D of equipment used in hydrogen production, purification and other processing, leveraging natural gas and unconventional gas exploitation. The Group will also seize other hydrogen production opportunities. In terms of refuelling stations, the Group will enhance the market development of hydrogen refuelling stations and explore new business models for the construction and operation of hydrogen refuelling stations. In terms of storage and transportation, the Group will vigorously develop its existing hydrogen and transportation equipment business, aiming to become a leading integrated supplier of upstream hydrogen storage and transportation equipment. The Group will also increase investments in the R&D of type-III vehicle cylinders and type-IV cylinders. In terms of onboard hydrogen cylinder and hydrogen supply systems, the Group intends to cooperate with leading original equipment manufacturers in supplying valves and onboard cylinders. In terms of distributed energy storage, the Group will vigorously explore applications of distributed energy storage in the downstream markets.

Continue to increase investments in the R&D of transforming and upgrading advanced manufacturing technologies, as well as expand the application fields of tank containers while consolidating the leading position in the tank container market.

With the recovery of the global economy, the market demand for tank containers will rebound significantly. The Group's chemical and environmental segment will continue to focus its investment in the R&D of technology around the strategic target of transforming and upgrading the Group's advanced manufacturing technologies as well as expanding the application fields of tank containers. The Group has consolidated the competitiveness of its tank container business and maintained its market leading position by (i) establishing all-round and full life-cycle customer partnerships, (ii) upgrading its production lines and manufacturing capacities and (iii) modularising its operations and management. The Group will also actively improve its internet-of-things ("**IOT**") products to help customers improve operational efficiency and achieve intelligent logistics. The Group will accelerate its global layout, further boost its brand recognition, enhance its competitiveness and increase its market share, while providing customers with value-added experiences in order to further improve customer satisfaction and strengthen customer loyalty. Furthermore, the Group will leverage its core competence of equipment manufacturing and technological innovation in the field of environmental governance as its key development direction, so as to establish product and service coverage of the entire industry chain. The Group will focus on the two business dimensions of "resource utilisation" and "ecological environment service" and strive to achieve large-scale and intensive development, realising a leapfrog development of its environmental business.

Focus on expanding industrial beer opportunities in the Latin American market, while actively expand the Chinese craft beer and baijiu market; expand into liquor and other liquid food catalogues such as pharmaceuticals, juice, dairy and hard soda turn-key projects.

The Group will continue to consolidate its market leading position in the beer and distilling sectors, and strive to become a global leader in stainless steel storage tanks, processing equipment manufacturing and turn-key projects in different liquid foods. The Group will pay close attention to the changes in market conditions to review and adjust its development strategies in a timely manner. It is committed to reducing costs and developing new products such as hard seltzer equipment to expand revenue sources. In addition, in terms of the beer market, the Group will focus on expanding market opportunities in America, while actively expanding the Chinese craft beer market; in terms of the baijiu market, the Group will focus on the needs of top baijiu customers and acquire high-quality assets to enter the baijiu equipment and engineering market, which is estimated to be worth over RMB100.0 billion and the Group aims to achieve a market penetration rate of 30.0 per cent. within the next five years; in terms of the other non-beer market, the Group plans to expand its liquid food business into other potential markets, such as pharmaceutical, juice, dairy and hard soda turn-key projects. The Group intends to expand its market share and enhance its position in the liquid food industry through organic growth or mergers and acquisitions.

RECENT DEVELOPMENTS

Connected Transaction About Disposal of Equity Interest in CIMC Finance Co., Ltd. ("CIMC Finance")

On 2 September 2021, the Issuer published an announcement regarding the disposal of its 7.0109 per cent. equity interest in CIMC Finance to CIMC Group, which is a controlling shareholder of the Issuer, for a consideration of RMB117,363,742. The Issuer's 7.0109 per cent. equity interest in CIMC Finance was held through CIMC Enric (Jingmen) Energy Equipment Co., Ltd. (中集安瑞科(荊門)能源裝備有限公司) ("**CIMC Enric Jiangmen**"), which is an indirect wholly-owned subsidiary of the Issuer and principally engaged in investment holding. CIMC Finance is a banking financial institution established in the PRC and principally engaged in the provision of financial services to the fellow subsidiaries of CIMC Group.

This disposal constituted a connected transaction under Chapter 14A of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and was subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and shareholders' approval requirements thereunder. As a result of the disposal, the Issuer expects to recognise an estimated gain of RMB6,745,138 upon the completion of the share transfer, being the difference between the consideration to be received by CIMC Enric Jiangmen and the initial acquisition cost of RMB99,739,162. However, the actual gain on the share transfer is subject to audit and may be different from the estimated amount. The Issuer considered the disposal as a good opportunity to realise its investment in CIMC Finance and will enable it to increase its working capital.

Publication of Unaudited Operating Data and Indicators for the Third Quarter of 2021 and the Nine Months Ended 30 September 2021

On 18 October 2021, the Issuer published a voluntary announcement regarding its unaudited key operating data and indicators for the third quarter of 2021 and the nine months ended 30 September 2021. For the third quarter of 2021, the Group's revenue significantly increased by 41.1 per cent. to RMB4,909.0 million (corresponding period in 2020: RMB3,478.0 million). The clean energy segment's revenue rose by 35.3 per cent. to RMB2,534.0 million (corresponding period in 2020: RMB1,873.0 million), and accounted for 51.6 per cent. of the Group's total revenue (corresponding period in 2020: 53.9 per cent.); the chemical and environmental segment's revenue rose by 114.6 per cent. to RMB968.0 million (corresponding period in 2020: RMB451.0 million), and accounted for 19.7 per cent. of the Group's total revenue (corresponding period in 2020: 13.0 per cent.); and the liquid food segment's revenue slightly decreased by 11.6 per cent. to RMB923.0 million (corresponding period in 2020: RMB1,043.0 million), and accounted for 18.8 per cent. of the Group's total revenue (corresponding period in 2020: 30.0 per cent.). The decrease in the revenue of the Group's liquid food segment was mainly due to early termination of the segment's projects in the corresponding period of 2020, and the relevant revenue was recognised in that period, which was a one-off positive impact on the Group's revenue. During the third quarter of 2021, the revenue from the Group's clean energy segment was mainly contributed by the sales of and engineering services for spherical tanks, cryogenic small storage tanks, cryogenic trailers, and LPG trailers.

DESCRIPTION OF BUSINESS

Overview

Founded in 2004, the Group is one of the world's leading suppliers of equipment for storage and transportation for the clean energy, chemical and environmental and liquid food sectors. The Group mainly provides integrated solutions for transportation, storage and processing equipment used in the said industries, engaging in the design, development, manufacturing, engineering, sale and technical maintenance of such products.

The Group is a global top player in both production and sales of the ISO standard liquid tank containers and high-pressure transportation vehicles. In addition, the Group maintains a leading market share of cryogenic transportation vehicles and cryogenic storage tanks in China. The Group is ranked among the top three in terms of market share regarding its large storage tank for LNG receiving terminals and modular products for LNG refuelling stations and CNG refuelling stations. The Group is also actively developing its business in the hydrogen industry chain.

The Group has built a global marketing network and has over 20 domestic and overseas subsidiaries located in China, the Netherlands, Germany, Belgium, the UK and Canada operating production bases and advanced R&D centres.

The main products and services of the Group include: (i) storage equipment, (ii) process equipment, (iii) integrated devices for refuelling stations and (iv) compressors. The Group operates three main business segments: (i) clean energy, (ii) chemical and environmental and (iii) liquid food.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue was RMB13,051.7 million, RMB13,743.0 million and RMB12,289.6 million, respectively, representing a year-on-year increase of 5.3 per cent. and year-on-year decrease of 10.6 per cent., respectively. For the six months ended 30 June 2020 and 2021, the Group's revenue was RMB5,319.4 million and RMB7,940.0 million, respectively, representing a period-on-period increase of 49.3 per cent. In addition, for the six months ended 30 June 2021, the Group's sales from overseas market and from domestic market accounted for approximately 52.6 per cent. and 47.4 per cent. of its total revenue, respectively.

Product Qualifications and Recognitions

The Group has secured its qualifications on a continuous basis on the back of advanced technology and stringent manufacturing process. The Group possesses qualifications from both local and international industry authorities such as the American Society of Mechanical Engineers, the China Classification Society, the China Machinery Industry Federation, China's

General Administration of Quality Supervision, Inspection and Quarantine, the TÜV NORD of Germany, the Ministry of Commerce, Industry and Energy of Korea, the National Board of Boiler and Pressure Vessel Inspectors of the United States, the Department of Transportation of the United States, the Russian Federation, American Bureau of Shipping, Bureau Veritas of France, and the Lloyd's Register Group of the UK, as well as the ISO9001, ISO14001, OHSAS18001 certifications by the International Organization for Standardization, PED certification of the European Union, AD2000 certification of Germany and Epec certification of Sinopec.

Production Bases

The Group's major production plants of energy equipment and chemical equipment are located in six cities across four provinces in the PRC, which are Nanjing, Nantong and Zhangjiagang of Jiangsu province, Shijiazhuang and Langfang of Hebei province, Jingmen of Hubei province and Bengbu of Anhui province. Production plants of liquid food equipment are mainly at Emmen and Sneek of the Netherlands, Randers of Denmark and Menen of Belgium.

Business Segments

The following table sets forth the Group's revenue for each business segment for the years and periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2018		2019		2020		2020		2021	
Business Segment	Amount		Amount		Amount		Amount		Amount	
	(RMB'000)	*Per cent.*	*(RMB'000)*	*Per cent.*	*(RMB'000)*	*Per cent.*	*(RMB'000)*	*Per cent.*	*(RMB'000)*	*Per cent.*
Clean Energy	6,070,507	46.1	6,816,160	51.2	7,002,425	59.2	2,997,201	58.6	4,452,104	59.2
Chemical and Environmental	3,900,763	29.6	3,423,610	25.7	2,095,258	17.7	1,097,981	21.4	1,609,975	21.4
Liquid Food	3,198,237	24.3	3,076,961	23.1	2,727,872	23.1	1,021,611	20.0	1,457,118	19.4
Total Revenue	13,169,507	100.0	13,316,731	100.0	11,825,555	100.0	5,116,793	100	7,519,197	100

Clean Energy Business

Overview

The Group specialises in the manufacture, sale, operation and service of a wide range of equipment and construction for the storage, transportation, processing and distribution of natural gas. This includes LNG, CNG, LPG and hydrogen (in high-pressure gaseous and liquid forms). The Group also provides EPC services for the clean energy sector, including LNG plants, LNG and liquified ethylene/ethane gas receiving terminals and hydrogen refuelling stations. In addition, the Group engages in the design, production and sale of small and medium sized gas carriers, such as LPG, LNG and LEG carriers, LNG powered ship fuel supply systems and oil and gas modules. Furthermore, the Group provides value-added services such as data services, intelligent IOT, intelligent operation and real-time monitoring for the clean energy industry based on an IOT operation management platform. The Group's clean energy segment covers both entire offshore and onshore industry chains.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue from the clean energy segment was RMB6,070.5 million, RMB6,816.2 million and RMB7,002.4 million, respectively, representing year-on-year increases of 12.3 per cent. and 2.7 per cent., respectively. For the six months ended 30 June 2020 and 2021, the clean energy segment's revenue was RMB2,997.2 million and RMB4,452.1 million, respectively, representing a period-on-period increase of 48.5 per cent. In addition, for the six months ended 30 June 2021, the Group's external sales from overseas market and the domestic market accounted for approximately 33.0 per cent. and 67.0 per cent. of its revenue from the clean energy segment, respectively.

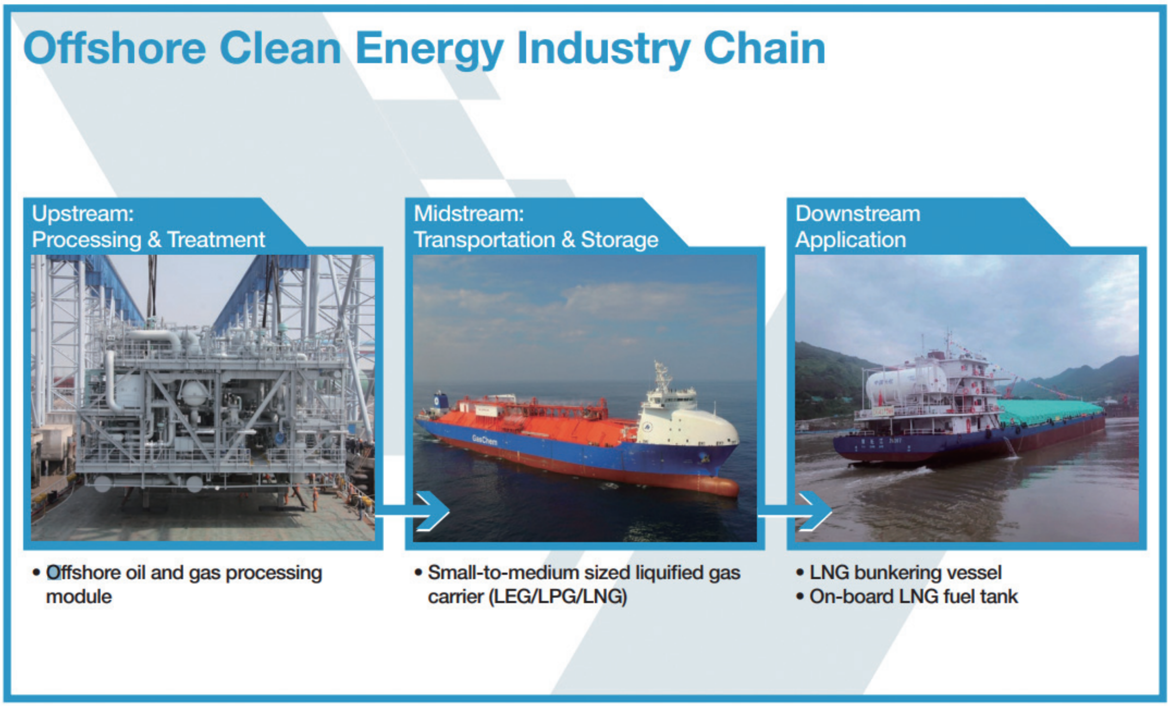
Major Products

Transportation of Liquefied Gases

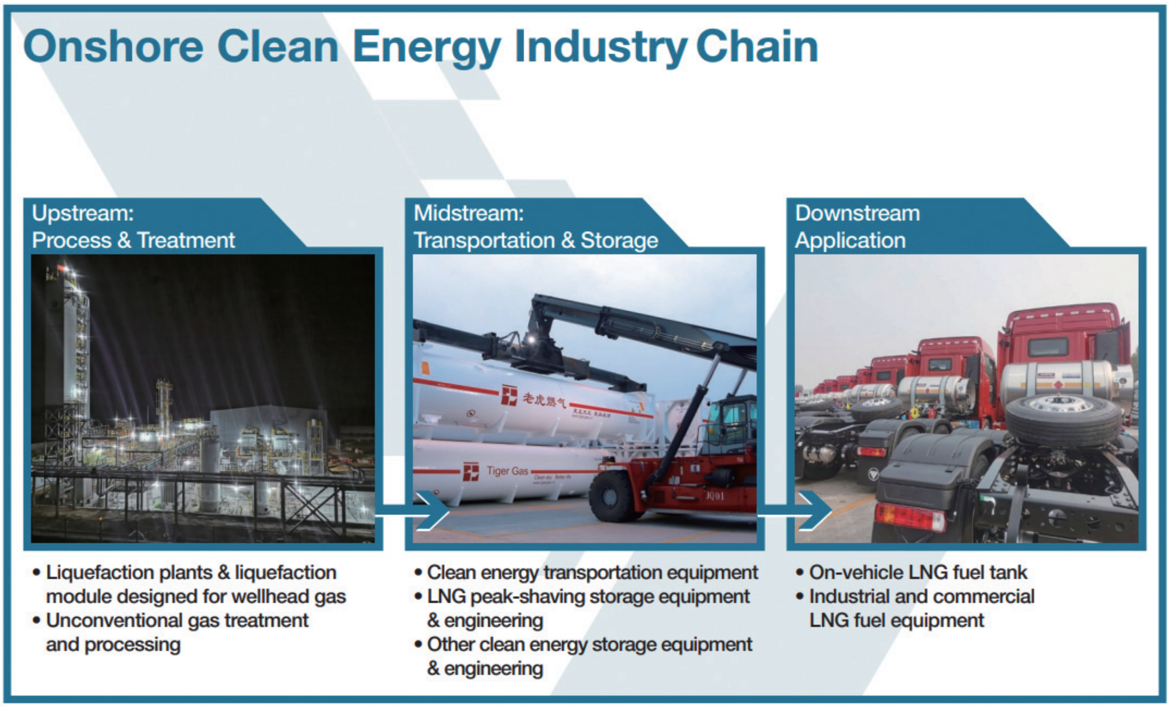
The Group maintains a top position in the Chinese market of storage and transportation equipment for LNG, LPG, CNG and industrial gases, leading its competitors in terms of production and sales volume. The Group will continue to build and sustain a steady global presence, securing as at 31 December 2020 a market share beyond 70.0 per cent. in North America and the Caribbean region. In terms of marine shipping of multiple liquefied gases, the Group is a world leader in the niche market of small to medium sized liquefied gas carriers with the largest global market share, offering a product chain that covers fully-pressing and semi-cooling/semi-pressing carriers for various liquefied gases such as LPG, ethane, LEG and LNG bunkering vessels.

In June 2020, the Group participated in China's first "oil-gas-electric" hybrid inland vessel as an EPC contractor, fully reflecting the Group's most advanced technology for converting domestic inland vessels from consuming oil to consuming gas. In January 2021, the Group successfully commissioned a 20,000m^3 LNG transportation and bunkering vessel, which was the largest in the world at the time, as an upgrade to the Group's design, manufacturing and project management capabilities in the sector of small to medium sized liquefied gas carriers. In addition, during the six months ended 30 June 2021, the Group signed an agreement for a custom-built 8,200m^3 LNG bunkering vessel project with Italian ship owner, Fratelli Cosulich Group and a letter of intent for the construction of a 7,600m^3 LNG bunkering vessel with a Canadian marine transportation operator, Seaspan Ferries Corporation. These new projects further consolidated the Group's leading market position in the LNG bunkering vessel construction market in both Europe and North America. In addition, in August 2021, the Group acquired the assets of Qidong Fengshun Ship Heavy Industry Co., Ltd. through auction following its bankruptcy, obtained the scarce resources of the dock and wharf along the Yangtze River route, deepening the Group's business coverage in the offshore clean energy equipment and engineering area.

The diagram below demonstrates the Group's coverage of the offshore clean energy industry chain, including offshore oil and gas processing modules, small-to-medium liquefied gas carriers, LNG bunkering vessels and onboard LNG fuel tanks:



The diagram below demonstrates the Group's coverage of the onshore clean energy industry chain, including liquefaction plants and liquefaction module designed for wellhead gas, unconventional gas treatment and processing, clean energy transportation equipment, LNG peak-shaving storage equipment and engineering, other clean energy storage equipment and engineering, on-vehicle LNG fuel tanks as well as industrial and commercial LNG fuel equipment:

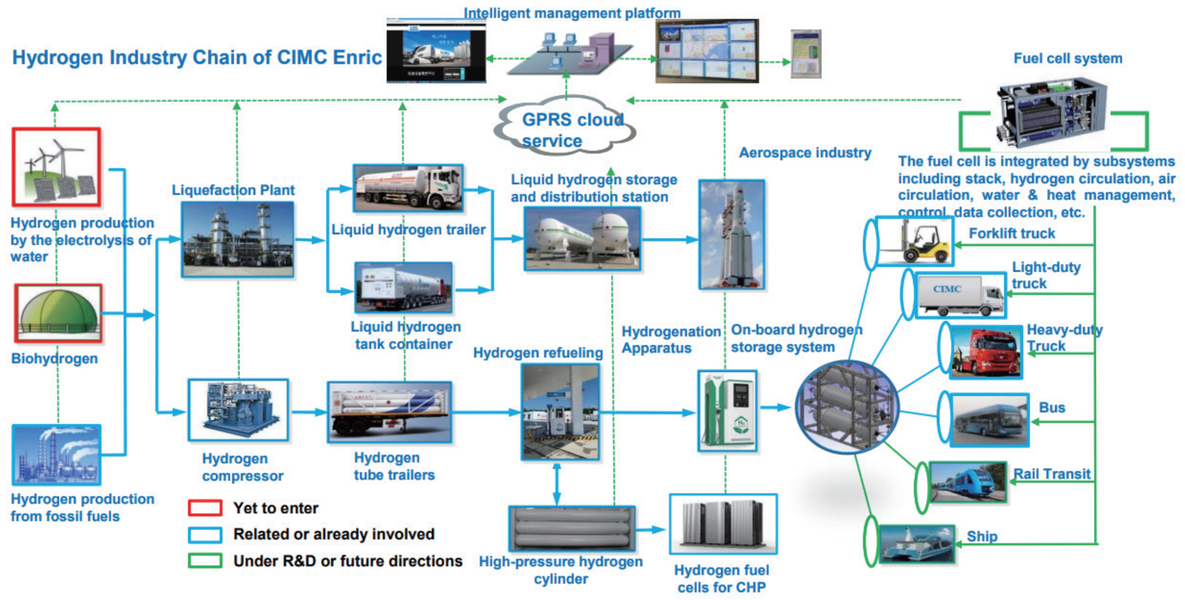


Hydrogen

The Group's products and services cover a major part of the hydrogen industry chain. It provides hydrogen storage and distribution equipment, as well as hydrogen refuelling station one-stop solutions, with a wide range of products including but not limited to (i) storage cascades used in hydrogen refuelling stations, (ii) stationary hydrogen vessels, (iii) type-I and type-II hydrogen tube trailers, (iv) hydrogen compressors and (v) hydrogen fuel cells.

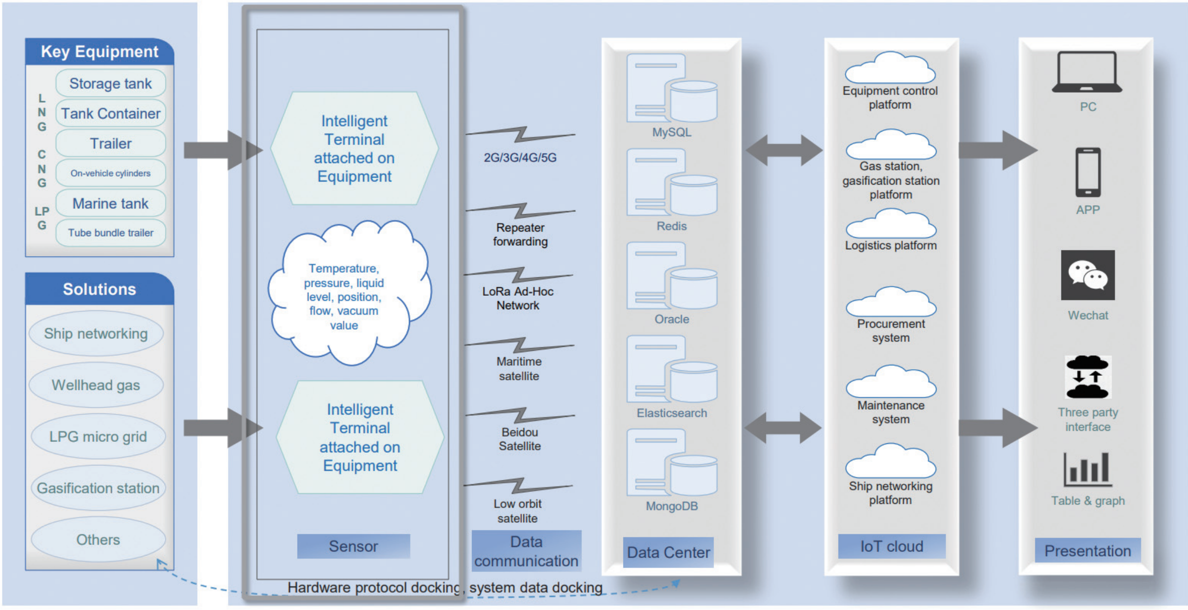
During the six months ended 30 June 2021, the Group's hydrogen business developed rapidly. For instance, the Group established a type-IV onboard hydrogen cylinder joint venture and a hydrogen supply system joint venture with Hexagon Purus HK Holdco AS. It also joined the supplier list of Beiqi Foton's onboard hydrogen systems and was included in the List of National Fuel Cell Vehicle Demonstration Enterprise (Beijing). Furthermore, the Group established a joint venture with Angang Energy Technology Co., Ltd. for the production of LNG and joint production of hydrogen from coke-oven gas. This joint venture seeks to build an end-to-end demonstrative industry ecology that synergises the businesses of clean energy resources, storage and transportation and application.

The diagram below demonstrates the Group's coverage of the hydrogen industry chain:



IOT

The Group introduced its IOT platform under the brand "*Anjiehui*" in 2018. It is an innovative, one-stop service package to the energy and chemical industries with intelligent supervision services, equipment maintenance services, tank station operation management services and product life cycle big data services. The diagram below summarises the add-on intelligence features of this IOT platform:



Therefore, the Group is the only market participant in the Chinese natural gas industry that operates as both a key equipment manufacturer and an integrated engineering services provider. The Group is uniquely positioned to provide one-stop-shop system solutions that cover the entire value chain of the industry.

R&D Milestone and Direction – Clean Energy

The Group believes that successful technological development is critical to its ability to stay competitive in its industry. The Group places great emphasis on the R&D in the clean energy segment and has established a comprehensive and innovative R&D system. During the six months ended 30 June 2021, the Group has completed a number of successful R&D projects. For example, the Group:

- developed and sold LNG marine fuel tanks that meet the International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels and the DNV GL Classification Society specifications with a forward-looking tank connection space structure;

- developed its 40-feet wide-body LNG tank containers. The sales volume of this tank reached 52.0m^3, representing an increase of 13.0 per cent. in volume compared to the ordinary 40-feet containers. The 40-foot framework has a wide range of applications and is more suitable for non-special shipping transportation;

- further optimised its 45-feet LNG tank containers to reduce self-weight by 5.0 per cent. and continued to maintain its technological leadership in the industry;

- completed large-scale oil and gas integrated station EPC projects and the development of all-ground facilities of the American Standard Station, from system process design to equipment, fire protection and pipeline system;

- completed R&D of LNG storage tanks for marine vessels with high manganese austenitic cryogenic steel, overcoming technical difficulties such as sealing molding and welding;

- developed key storage and transportation equipment for the LPG microgrid gas supply system. The Group finalised the development of various sample vehicles, designed and installed automated assembly line for supporting small storage tanks as well as designed the relevant supervision and operation platform; and

- made major breakthroughs in the key thermal insulation technology, loading capacity and ultra-high vacuum extraction process of liquid helium tank container products. The Group filled the technological gap in the industry and manufactured the first piece of large liquid helium storage and transportation equipment in China.

In addition, the Group has recently initiated and promoted a number of projects, including the technology of tank filling system to meet the demand of electronic labels, the application of key technologies of LPG microgrid, high-end electronic gas equipment, LNG refilling vessel liquid cargo system, and intelligent upgrading of energy equipment products. In order to promote sustainable and healthy development, the Group has actively expanded its R&D projects in the field of new energy, as well as made significant progress in the field of hydrogen energy equipment and application research. In parallel, the Group has made further progress with respect to R&D into commercial liquid hydrogen storage and distribution equipment, obtaining approval from technical compliance reviews. The development of new business and products has created additional growth momentum for the Group's clean energy segment, further enhancing its market leading position and industry influence.

Chemical and Environmental Business

Overview

The Group specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquified chemicals, gaseous chemicals and powder products. The Group also provides maintenance and value-added services for tank containers. In addition, the Group provides professional consulting services in relation to environmental protection. The Group believes that the environmental protection industry is an emerging industry, in that it integrates equipment manufacturing, engineering and operation services and is closely related to both the national economy and the people's livelihood. The Issuer is currently pursuing the spin-off and separate A-share listing of CIMC Safeway Technologies Co., Ltd (中集安瑞環科技股份有限公司) (formerly known as 南通中集罐式儲運設備製造有限公司) ("**CIMC Safeway**"). On 26 December 2020, the Issuer published an announcement regarding the proposed spin-off and separate A-share listing of CIMC Safeway. On 21 May 2021, by way of an extraordinary general meeting, the Issuer obtained independent shareholders' approval for this proposed spin-off. As at the date of this Offering Circular, no official listing has been made to the Shenzhen Stock Exchange. The proposed spin-off and separate listing is estimated to raise RMB1.0 billion for the Group's expansion plan for its chemical and environmental segment. This proposed spin-off is beneficial to the Group for the following reasons, among others, it will: (i) allow the Issuer and its shareholders to realise the fair value of their investment in CIMC Safeway; (ii) provide greater transparency, business coherence and clearer corporate structure to the Group given the different growth paths and business strategies; and (iii) enable the management team of the Issuer to dedicate their time on building the core businesses of the Group and increase its responsiveness to market changes and opportunities specific to the Group.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue from the chemical and environmental segment was RMB3,900.8 million, RMB3,423.6 million and RMB2,095.3 million, respectively, representing year-on-year decreases of 12.2 per cent. and 38.8 per cent., respectively. For the six months ended 30 June 2020 and 2021, the Group's revenue from the chemical and environmental segment was RMB1,098.0 million and RMB1,610.0 million, respectively, representing a period-on-period increase of 46.6 per cent. In addition, for the six months ended 30 June 2021, the Group's external sales from overseas market and the domestic market accounted for approximately 91.9 per cent. and 8.1 per cent. of its revenue from the chemical and environmental segment, respectively.

Major Products

Tank Containers

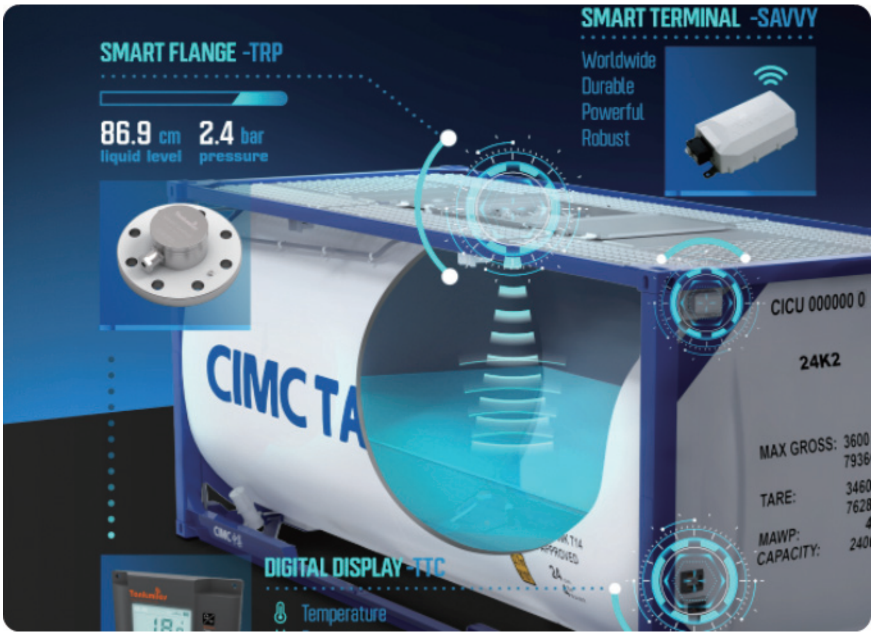
The Group designs, manufactures and supplies a full range of tank containers, including standard liquid tank containers, special liquid tank containers, gas tank containers and powder tank containers. Adhering to the development principle of "manufacturing + service + intelligence", the Group is a leading enterprise with the largest production scale, the most comprehensive series, the most variety and the longest service chain of tank containers in the world. According to International Tank Container Organisation, the "*CIMC Tank*" manufactured by the Group has been the bestselling tank container worldwide for 17 consecutive years.

The image below sets out the chemical tank containers manufactured by the Group:

After-sale Services and Intelligent Products

In 2020, the Group acquired all trade names and intellectual property rights of UBH International Ltd. in the UK and established an engineering and customer support centre in the country. The Group's expansion into the UK consolidated its leading position in the global tank container market, especially in the fields of R&D, quality management and customer service. The Group is committed to marketing the application of IOT technology to tank containers. In the same year, the Group launched "*Tankmiles*", which is an integrated intelligent platform that combined smart sensor, digital display terminals and operating platform. "*Tankmiles*" is exclusively designed to facilitate the spanning monitoring, operational management and after-sale services of tank containers. It contains sensors for temperature, pressure, loading, location survey and a series of intelligent terminals for data collection and transmission.

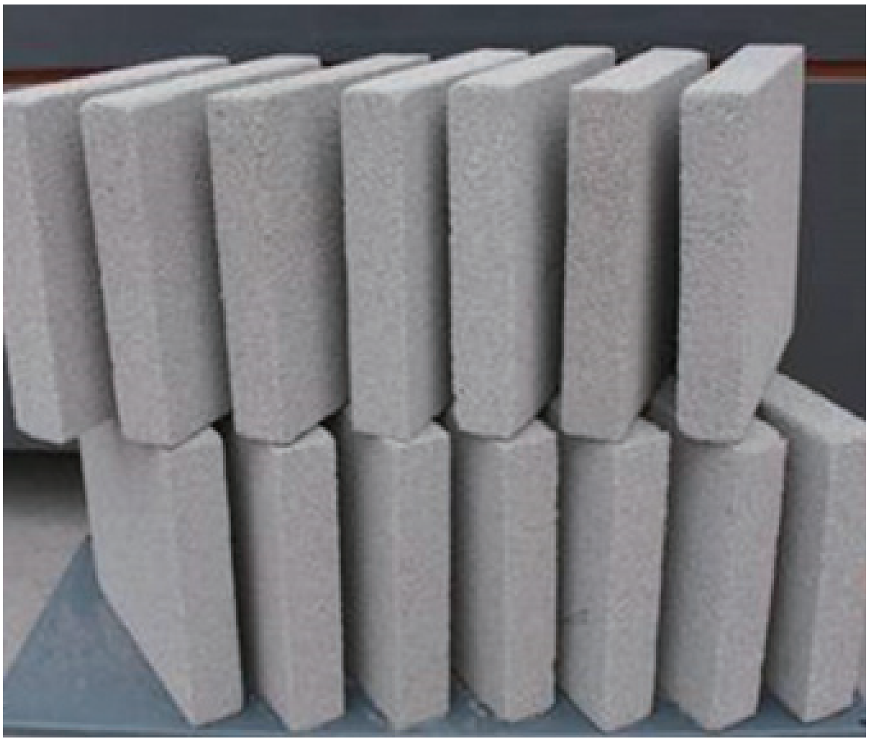
The images below set out some of the intelligent products for the chemical sector manufactured by the Group:



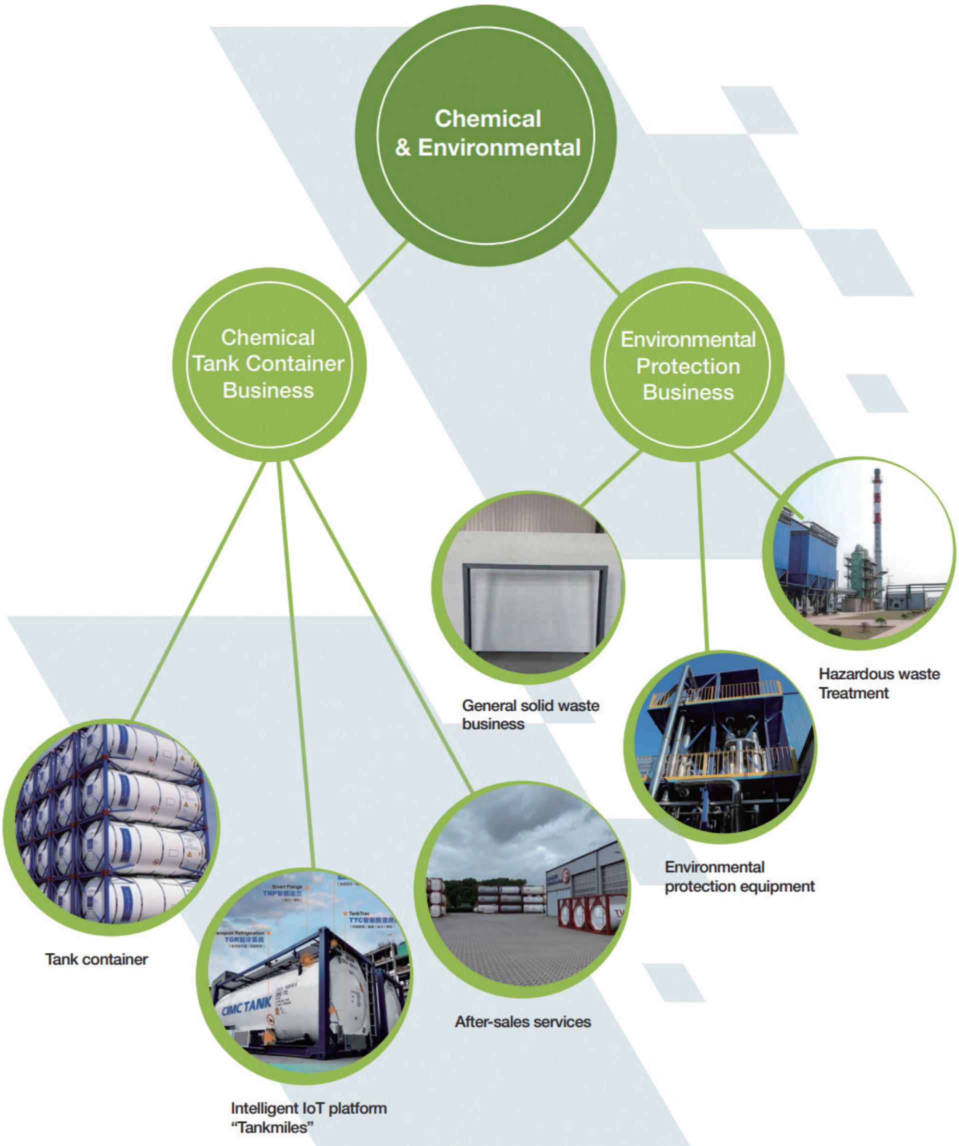
Environmental

The Group produces and provides equipment and services for general sold waste treatment and hazardous waste treatment as well as environmental protection equipment. The Group supplies evaporators, desulphurisation and denitration equipment and ancillary services such as volatile organic compound treatments. In 2020, the Group obtained its environmental engineering and safety licensing qualification. In the same year, the Group commissioned its first cooperative project in the integrated utilisation of hazardous waste. The project laid the foundation for the Group's expansion into the businesses of environment protection equipment.

The images below set out some of the environmental protection equipment manufactured by the Group:



The diagram below demonstrates the Group's coverage in the chemical and environmental industry chains:



R&D Milestone and Direction – Chemical and Environmental

The Group believes that successful technological development is critical to its ability to stay competitive in its industry. The Group places great emphasis on the R&D in the chemical and environmental segment and has established a comprehensive and innovative R&D system. During the six months ended 30 June 2021, the Group has completed a number of successful R&D projects. For example, the Group:

- upgraded its standard products and introduced a series of special tank container products;
- developed a series of ultra-large volume tank container products, large capacity heat-safe tank containers, tank containers of hazardous chemical goods for China Railway;
- developed a series of high-purity electronic grade chemical lining products;
- developed automatic welding technology for functional components of tank containers, robotic laser tracking welding technology, and sealing fluid manufacturing technology;

- built a digital information management platform to implement visual production scheduling, transparency of on-site activities, informatization of quality traceability, intelligence of logistics and distribution, and refinement of workshop management;

- developed core components of electric heating and cooling for the new energy sector; and

- further upgraded the "*Tankmiles*" platform by strengthening the connection of equipment and reciprocal data collection.

In addition, the Group has established a professional R&D team that focuses on electrical and intelligent products. To support its customers' digital management and improve their operational efficiency, the Group also recently conducted extensive research into the in-transit variable sensing technology of tank containers. The Group has obtained the development results of various sensors, intelligent terminals and software products.

Liquid Food Business

Overview

The Group specialises in the engineering, manufacturing and sale of stainless steel tanks, which are used for storing and processing liquid food, such as beer, distilled liquor, fruit juice and dairy products. The Group also provides engineering, procurement, and construction services for the brewery and other liquid food industries. The Group's liquid food equipment is also used in the pharmaceutical industry.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue from the liquid food segment was RMB3,198.2 million, RMB3,077.0 million and RMB2,727.9 million, respectively, representing year-on-year decreases of 3.8 per cent. and 11.3 per cent., respectively. For the six months ended 30 June 2020 and 2021, the Group's revenue from the liquid food segment was RMB1,021.6 million and RMB1,457.1 million, respectively, representing a period-on-period increase of 42.6 per cent. In addition, for the six months ended 30 June 2021, the Group's external sales from overseas market and the domestic market accounted for approximately 90.0 per cent. and 10.0 per cent. of its revenue from the liquid food segment, respectively.

Major Products

Beer and Liquor

The Group produces a wide range of processing and storage equipment for the industrial beer sector, such as brewing houses, built-in tanks, off-site tanks as well as consulting services such as system integration and expansion. The Group also provides turn-key project services for the industrial beer sector, covering advisory, design, pilot testing, beer recipe development, plant energy management and staff training. The Group services renowned beer manufacturers, including Carlsberg, Tsingtao, COFCO, ABInBev, Heineken, Guinness and Zhujiang Beer. In 2020, the Group acquired McMillan Coppersmiths and Fabricators, a leading manufacturer of handcrafted Scottish copper pot stills and columns for the distilled spirits industry. The acquisition strengthened the Group's capabilities in the design and supply of copper pot stills and stainless-steel processing equipment.

The images below demonstrate some of the Group's products and services for the industrial beer industry:

Furthermore, the Group also provides liquor distillation solutions to liquor manufacturers, ranging from grain sorting, mask kettle, residual processing, grind and filtration, fermentation to distiller, liquor processing and energy management. In April 2020, the Group acquired McMillan Coppersmiths & Fabricators Ltd, a leading provider of Scottish copper stills. The acquisition enabled the Group to capture the entire supply chain of the distillation equipment and become a global leading supplier in the liquor distillation industry. The Group aims to further develop its EPC project offering by focusing on client preferences and its strength in the process equipment and turn-key project services in the liquid food industry. The Group's well-known customers in the liquor sector includes Diageo, William Grant & Sons and Slane Distillery.

The images below demonstrate some of the Group's products and services for the liquor distillation industry:

R&D Milestone and Direction – Liquid Food

The Group believes that successful technological development is critical to its ability to stay competitive in its industry. The Group places great emphasis on the R&D in the liquid food segment and has established a comprehensive and innovative R&D system. During the six months ended 30 June 2021, the Group continued to focus on the R&D of beer equipment products, including a beer seltzer and wine and water separation system and hops drying system. The Group also cooperated with Briggs Equipment in the UK and DME in Canada to conduct joint R&D into whisky series wine systems and craft beer equipment. In addition, the Group participated in the transformation of the know-how in the Chinese baijiu industry. It conducted extensive R&D relating to baijiu production, including its technology and equipment, the processing of its raw material, its distillation process, soil-free filtration, and its intelligent management, blending and packaging.

The Group is also committed to the R&D into automation and energy efficiency of beer equipment, the application of brewery equipment in the drenching vinegar sector as well as the use of nano-membrane in brewing. The Group aims to achieve cost-saving in its customers' production processes, such as know-how on efficient consumption of water and energy. Going forward, the Group will continue to conduct R&D into distilling systems for different kinds of liquor, such as whisky, gin and rum, targeting to serve the Chinese, European, North American and Japanese markets.

SALES AND MARKETING

Clean Energy

Under the clean energy segment, the Group has established sales offices in China, Southeast Asia and North America, etc. In addition, the Group is represented by branch companies in the United States and Singapore. Within this segment, the following products are marketed as follows:

- cryogenic, medium-pressure and high-pressure equipment are mainly sold under the brand names "*Enric*", "*Sanctum*", "*Hongtu*", "*CIMC Tank*" and "*Cryobest*";

- liquefaction engineering projects and EPC projects operate under the respective brand names of "*Hashenleng*" and "*YPDI*";

- marine gas products and engineering services are marketed under the brand name "*CIMC SOE*";

- hydrogen energy products and project engineering services are provided mainly under the brand names "*Enric*" and "*CIMC Hydrogen Energy*"; and

- intelligent IOT platforms are sold primarily under the brand name "*Anjiehui*".

The Group's major customers in this segment include renowned domestic and overseas companies such as PetroChina, Sinopec, China Energy Group, ENN Group, Shenzhen Gas, China Resources Gas, Towngas China, Sinotruk, Dongfeng Motor, Foton Daimler, Faw Group, Avenir LNG and Wartsila.

Chemical and Environmental

Under the chemical and environmental segment, the Group has established a sales company in Europe as well as sales offices in Russia, Korea and the UK. The products under this segment are marketed under the brand names "*CIMC Tank*" and "*Tankmiles*". The Group's major customers in this segment include container leasing companies such as EXSIF, Eurotainer and CS Leasing, as well as operators such as STOLT and Milkway.

Liquid Food

Under the liquid food segment, the Group has subsidiaries operating across China, Germany, Belgium and the UK, as well as representative offices in the United States, Colombia and Vietnam. The products under this segment are marketed under the brand names "*Ziemann Holvrieka*", "*Briggs*", "*DME*", "*NSI*" and "*McMillan*". The Group's major customers in this segment include global and well-known beer companies and also non-alcoholic companies.

EMPLOYEES

As at 30 June 2021, the Group employed approximately 9,700 employees. Staff benefits include salaries, provident fund, insurance and medical cover, housing and share award schemes. The Group believes its employees are critical to its success and the Group is committed to investing in the development of such employees through continuing education and structured training, as well as the creation of opportunities for career growth. The Group considers its current relations with its workforce to be good. As at the date of this Offering Circular, the Group has not experienced any work stoppages, strikes or other labour issues that could have a material adverse effect on its business, financial condition and results of operations.

ENVIRONMENTAL COMPLIANCE

The Group believes it is in compliance in all material respects with applicable environmental regulations in the jurisdictions in which the Group operates. The Group is not aware of any environmental proceedings or investigations to which the Guarantor or any member of the Group is or might become a party and which might have a material adverse effect on the Group's business, financial condition and results of operations.

INTELLECTUAL PROPERTY AND PATENTS

As at 30 June 2021, the Group held exclusive rights to over 1260 patents, including over 643 invention patents and 1,030 franchised patents. In 2020, the Group also obtained two China Patent Excellence Awards. The high standard of the Group's technological innovation is underscored by the Group's volume of invention patent applications per year.

INSURANCE

The Group is covered by insurance policies for losses from fire, flood, riot, strike, malicious damage, other material damage on the Group's property and public liability. The Group believes its properties are covered with adequate insurance provided by reputable independent insurance companies in the relevant jurisdictions and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the properties to which they relate and are in line with general industry practice. Notwithstanding such insurance coverage, damage to the buildings, facilities, equipment or other properties as a result of occurrences such as fire, floods, earthquake, water damage, explosion, power loss, typhoons, nuclear accidents and other natural disasters, epidemics or terrorism, could potentially have a material adverse effect on the Group's business, financial condition, and results of operations.

LITIGATION AND OTHER PROCEEDINGS

From time to time, the Group may be involved in legal or other proceedings concerning matters that arise in the ordinary course of business operations. The Group is not involved in, nor has the Group been recently involved in, any legal or arbitral proceedings, which if determined adversely against it, will have a material adverse effect on the Group's business, financial condition and results of operations.

BOARD OF DIRECTORS

The board of directors (the "**Board**") of the Issuer comprises two executive directors, three non-executive directors and four independent non-executive directors. The Board assumes the responsibility for leadership and control of the Group, and is collectively responsible for promoting the success of the Group.

The members of the Board as at the date of this Offering Circular are as follows:

Name Directors	Age	Position
Gao Xiang	57	Chairman and Non-executive Director
Yang Xiaohu	47	Executive Director and General Manager
Yu Yuqun	56	Non-executive Director
Wang Yu	49	Non-executive director
Zeng Han	46	Non-executive director
Yien Yu Yu, Catherine	51	Independent Non-executive Director
Tsui Kei Peng	61	Independent Non-executive Director
Zhang Xueqian	72	Independent Non-executive Director
Wang Caiyong	70	Independent Non-executive Director

The biographies of the executive directors, non-executive directors and independent non-executive directors of the Issuer are as follows.

Executive Director

Mr. Yang Xiaohu, aged 47, was appointed as an Executive Director and general manager on 27 October 2017. He graduated in Huazhong University of Science and Technology (華中科技大學), majoring in vessel and marine engineering, and EMBA of China Europe International Business School. Mr. Yang joined CIMC Group as an officer of the quality control department of Shanghai CIMC Reefer Containers Co., Ltd. from 1997 to 1999, and was a sales manager of CIMC's container operation department from 2000 to 2009. He was a deputy general manager of the Issuer's sales and marketing department from April 2009 to April 2012, was an assistant to general manager of the Issuer from May 2012 to March 2015 and was general manager of CIMC Safeway, a subsidiary of the Issuer, from April 2015 to January 2018. Mr. Yang was a deputy general manager of the Issuer from April 2015 to October 2017. He has been the vice president of China Container Industry Association since 2019. He holds directorships in certain subsidiaries of the Issuer.

Non-executive Directors

Mr. Gao Xiang, aged 57, joined the Group as the General Manager in January 2009, was appointed as an Executive Director in September 2009, was re-designated to be the Chairman of the Board from the General Manger in April 2015, and was re-designated to be a Non-executive Director of the Issuer in January 2021. He graduated from the Tianjin University (天津大學), majoring in marine and vessel engineering, and is a senior engineer. From 1999 to 2008, Mr. Gao was the general manager of Tianjin CIMC North Ocean Containers Co., Ltd. (天津中集北洋集裝箱有限公司), Tianjin CIMC Containers Co., Ltd. (天津中集集裝箱有限公司), Tianjin CIMC Logistics Equipment Co., Ltd. (天津中集物流裝備有限公司), Tianjin CIMC Vehicles Sales and Service Center (天津中集車輛物流裝備有限公司) and Tianjin CIMC Special Vehicles Co., Ltd. (天津中集專用車有限公司), respectively. Mr. Gao was an assistant to the president of CIMC Group from 2004 to 2008, was a vice president of CIMC Group from 2015 to May 2018, was an executive vice president of CIMC Group from May 2018 to August 2020 and was a director of

CIMC Group from October 2020 to March 2021. He is currently the president of CIMC Group. He also holds directorships in certain subsidiaries of CIMC Group and the Issuer.

Mr. Yu Yuqun, aged 56, joined the Group as an Executive Director in September 2007 and was re-designated to be a Non-executive Director on 5 September 2016. He obtained a bachelor's degree and a master's degree in economics, both from the Peking University (北京大學). Mr. Yu joined CIMC Group in 1992, he is currently the vice president and company secretary of CIMC Group, responsible for investor relations, shareholder relations and financing management. He was a Non-executive Director of CIMC-TianDa Holdings Company Limited from May 2016 to July 2020. He holds directorships in certain subsidiaries of CIMC Group and the Issuer.

Mr. Wang Yu, aged 49, was appointed as a Non-executive Director on 5 September 2016. He graduated from Dalian Maritime University with Bachelor of Engineering (Transportation Management) in 1993 and Master of Laws (International Economic Law) in 1996. He worked in the legal affair department of China Ocean Shipping (Group) Company from 1996 to 2000 and America International Data Group's branch in China (美國國際數據集團(中國)公司) from 2001 to 2002. Mr. Wang joined CIMC Group in 2003, and has been the general manager of the legal department of CIMC Group since 2007. He holds a number of directorships in certain subsidiaries of CIMC Group. Mr. Wang was admitted as a lawyer in the People's Republic of China in 1997 and is currently a non-practising lawyer. Mr. Wang is also an arbitrator of South China International Economic and Trade Arbitration Commission (華南國際經濟貿易仲裁委員會) (also known as Shenzhen Court of International Arbitration 深圳國際仲裁院) and China International Economic and Trade Arbitration Commission.

Mr. Zeng Han, aged 46, was appointed as a Non-executive Director on 18 May 2018. He graduated from Hangzhou Institute of Electronic Engineering with a bachelor's degree in July 1996, and later graduated from Jiangsu University of Science and Technology with a master's degree in management in June 1999. He joined CIMC Group in 1999 and has successively served as manager of the accounting division of the financial management department, assistant to the general manager, deputy general manager and executive general manager of financial management department. Mr. Zeng is currently the general manager of the financial management department and the chairman of the financial informationization decision-making committee of CIMC Group. He is a non-executive director of CIMC-TianDa Holdings Company Limited. He also held a concurrent post as manager of the financial department of the Issuer from 2009 to 2010. Mr. Zeng is a certified public accountant in China. He holds directorships in certain subsidiaries of CIMC Group and the Issuer.

Independent Non-executive Directors

Ms. Yien Yu Yu, Catherine, aged 51, was appointed as an Independent Non-executive Director on 15 October 2018. She graduated from the Imperial College of Science, Technology and Medicine of University of London in England with a Joint Honours Degree in Mathematics with Management (BSc Hons). Ms. Yien was an independent non-executive director of ENN Energy Holdings Limited (shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited) from September 2004 to May 2016, and has been re-appointed as independent non-executive director of ENN Energy Holdings Limited on 30 November 2018. She is currently a managing director of Rothschild & Co Hong Kong Limited, a Deputy Chairman of the Listing Committee of The Stock Exchange of Hong Kong Limited and a member of the SFC Advisory Committee. Ms. Yien is a Chartered Financial Analyst and an ordinary member of the Hong Kong Securities Institute. She has extensive experience in the areas of corporate finance, capital markets, and mergers and acquisitions.

Ms. Tsui Kei Peng, aged 61, joined the Group as an Independent Non-executive Director since November 2009. He obtained a bachelor's degree in law (Honours) and a master's degree in law from The University of Hong Kong. He is a solicitor of Hong Kong, a solicitor of England and Wales (non-practising), a China Appointed Attesting Officer and a Civil Celebrant of Marriages. Mr. Tsui was retried from Gallant Y.T. Ho & Co. in November 2018. He is currently a lawyer of Tsang, Chan & Wong Solicitors & Noraries and specialises in Hong Kong and China cross-border commercial legal services. He is also vice president of association of China-Appointed Attesting Officers Limited and an honorary legal adviser of The Hong Kong Real Estate Association.

Mr. Zhang Xueqian, aged 72, joined the Group as an Independent Non-executive Director since September 2010. He received a PhD degree in accounting from Xi'an Jiaotong University (西安交通大學) and a master's degree in economics from Wuhan University (武漢大學). He is a registered accountant in the PRC. Presently, Mr. Zhang is a professor of the Business School of University of International Business and Economics (對外經濟貿易大學國際商學院) in the PRC, and was a former associate dean of the school. He was also a senior member of the Chinese Society of Technology and Economics (中國技術經濟研究會) and a researcher of Beijing Asia-Pacific Research Center of China Financial Accounting (北京亞太華夏財務會計研究中心). Mr. Zhang possesses strong academic background in accounting and finance.

Mr. Wang Caiyong, aged 70, was appointed as an Independent Non-executive Director on 1 October 2018. He graduated from Fudan University (復旦大學), majoring in finance (correspondence course) in 1996 and completed the postgraduate study in finance at Beijing Technology and Business University in 2002. He is a registered accountant in the People's Republic of China (senior accountant). Mr. Wang was the deputy chief of the financial department of Dalian Maritime University from 1994 to 1995. Mr. Wang joined the head office of China Ocean Shipping (Group) Company (now known as China Cosco Shipping Corporation Limited) in 1995 and served as deputy general manager of supervisory department and head of auditing department; served as chief accountant of the head office of China Ocean Shipping Agency from 2000 to 2001; and served as chief accountant of Cosco Dalian Ocean Shipping Company from 2002, and retired in 2011. He was seconded to the supervisory board of the State Council from December 2001 for one year. Mr. Wang was also the deputy general secretary of China Institute of Internal Audit Transportation Branch from September 2011 to October 2014. He is currently the managing director of China Institute of Internal Audit and president of China Institute of Internal Audit Transportation Branch. Mr. Wang has won the 2006 China Excellent CFO Award.

Senior Management

The members of the senior management of the Issuer as at the date of this Offering Circular are as follows:

Name Directors	Age	Position
Yang Baoying	54	Deputy General Manager
Gao Wenbao	45	Deputy General Manager
Ju Xiaofeng	53	Deputy General Manager
Ko Brink	55	Deputy General Manager
Cheong Siu Fai	50	Financial Controller and Company Secretary

Ms. Yang Baoying, aged 54, was appointed as a deputy general manager of the Issuer in May 2012, and also have served as chief officer of science and technology management department of the Issuer since January 2018. She has a senior engineering title and received a master's degree in business administration from Guanghua School of Management of Peking University (北京大學光華管理學院). Ms. Yang held various management positions in a subsidiary of XinAo Gas

Holdings Limited (now known as ENN Energy Holdings Limited, shares of which are listed on the Main Board of the Stock Exchange) from 2002 to 2005, and then joined the Group in March 2005. She was the general manager of Shijiazhuang Enric Gas Equipment Company Limited (石家莊安瑞科氣體機械有限公司), a wholly-owned subsidiary of the Issuer from January 2010 to December 2016.

Mr. Gao Wenbao, aged 44, was appointed as a deputy general manager of the Issuer in January 2016. He graduated from Jilin University of Technology (吉林工業大學), majoring in machinery enterprise management. Mr. Gao first worked in the enterprise management department of Tianjin Xiali Automobile Engine Plant and then in the general manager's office in Tianjin Xiali Automobile Holdings Limited from August 1995 to September 2008, and was a manager of the enterprise management department, a manager of the human resources department and an assistant to general manager of Tianjin CIMC North Ocean Container Co., Ltd. from October 2000 to September 2009. He joined the Issuer in October 2009, and was a manager of the Issuer's enterprise management department and an assistant to general manager of the Issuer, have also served as the general manager of Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd (南通中集太平洋海洋工程有限公司), a wholly-owned subsidiary of the Issuer since 2017, and as the general manager of marine gas business center since 2018.

Mr. Ju Xiaofeng, aged 53, was appointed as deputy general manager of the Issuer in January 2021. He graduated from Nantong University, majoring in mechanical design and obtained master degree of MBA of Nanjing University of Science & Technology. Mr. Ju worked in Nantong Motor Factory from the period of 1989 to 1997. He joined the Group in March 1997 and served as deputy manager of production department and manager of enterprise management department of CIMC Nantong base, manager of enterprise management department of Taicang CIMC, general manager of enterprise management department of the Issuer, assistant to general manager and chief operation officer, and concurrently served as the general manager of the Issuer's energy equipment and engineering business center since 2020. He was deputy general manager and executive deputy general manager of CIMC Safeway, a subsidiary of the Issuer, from the period of 2012 to 2014, and general manager of Nantong CIMC Energy Equipment Co., Ltd, a subsidiary of the Issuer from the period of 2015 to 2016. Mr. Ju served as vice president of China Industrial Gas Association. He also holds directorships in the certain subsidiaries of the Issuer.

Mr. Ko Brink, aged 55, was appointed as a deputy general manager of the Issuer in January 2019. He obtained a master's degree in Business Administration of the University of Groningen in the Netherlands. Mr. Ko Brink joined the CIMC Group companies in 2007, joined the Issuer in 2009, and served as CEO of CIMC Enric Tank and Process B.V., a wholly-owned subsidiary of the Issuer in the Netherlands. He was appointed as CEO of Ziemann Holvrieka GmbH, a wholly-owned subsidiary of the Issuer in Germany. Mr. Ko Brink has over 15 years of experience in international capital goods market, and has extensive work experience in the United States, Canada and the UK. He holds directorships in certain subsidiaries of the Issuer.

Mr. Cheong Siu Fai, aged 50, is the financial controller and company secretary of the Issuer. He is responsible for financial reporting, financial management, corporate finance and implementation of corporate governance practices of the Issuer. He obtained a bachelor's degree in business administration from Thames Valley University, the UK. Mr. Cheong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of International Accountants in the UK. Prior to joining the Group in December 2004, Mr. Cheong worked for an international certified public accountant firm and has many years of experience in audit, financial reporting, financial management and corporate finance.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the interests and short positions of every substantial shareholder, other than the directors and the chief executive of the Issuer, in the shares and underlying shares of the Issuer as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

Substantial shareholder	Capacity	Number of shares held	Per cent. of issued share capital(Note 1)
CIMC Group	Interest of controlled corporation	1,371,016,211(Note 2)	67.8
China International Marine Containers (Hong Kong) Limited ("**CIMC HK**") .	Interest of controlled corporation	190,703,000(Note 3)	9.4
	Beneficial owner	1,180,313,211	58.4
Charm Wise Limited ("**Charm Wise**") .	Beneficial owner	190,703,000(Note 3)	9.4

Notes:

1. The percentages are calculated based on the total number of ordinary shares of the Issuer in issue as at 30 June 2021, which was 2,022,070,588.

2. These ordinary shares comprise 190,703,000 ordinary shares held by Charm Wise and 1,180,313,211 ordinary shares held by CIMC HK. Charm Wise and CIMC HK are wholly-owned subsidiaries of CIMC Group.

3. The two references to 190,703,000 ordinary shares refer to the same block of shares held by Charm Wise, which is a wholly-owned subsidiary of CIMC HK.

The following, subject to completion and amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the HK$1,680,000,000 in aggregate principal amount of zero coupon convertible bonds due 2026 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 (*Further Issues*) and consolidated and forming a single series therewith) of CIMC Enric Holdings Limited 中集安瑞科控股有限公司 (the "**Issuer**") and the right of conversion into Shares (as defined in Condition 6(a)(v) (*Meaning of "Shares"*)) was authorised by the minutes of the meeting of the board of directors of the Issuer held on or about 12 November 2021. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated 30 November 2021 (the "**Issue Date**") made between the Issuer and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer has entered into a paying, conversion and transfer agency agreement dated 30 November 2021 (as amended and/or supplemented from time to time, the "**Agency Agreement**") relating to the Bonds made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and principal conversion agent (collectively in such capacities, the "**Principal Agent**", which expression shall include any successor principal agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (the "**Transfer Agent**", which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Bonds), and the other paying agents, conversion agents and transfer agents appointed therein (each a "**Paying Agent**", a "**Conversion Agent**" or, as applicable, a "**Transfer Agent**" and together with the Registrar and the Principal Agent, the "**Agents**"). References to the "**Paying Agents**" and the "**Conversion Agents**" each include the Principal Agent. References to the "**Principal Agent**", the "**Registrar**", the "**Transfer Agent**" and "**Agents**" below are references to the principal agent, the registrar, the transfer agent and the agents for the time being for the Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

Copies of the Trust Deed and the Agency Agreement are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday other than public holidays) at the principal office for the time being of the Trustee (being, at the Issue Date at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Principal Agent, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Agent. The Bondholders (as defined below) are entitled to the benefit of and are bound by all provisions of the Trust Deed and are deemed to have notice of (i) all the provisions of the Trust Deed and (ii) those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) (*Negative Pledge*), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

2 Form, Denomination and Title

(a) *Form and Denomination:* The Bonds are issued in registered form in the denomination of HK$2,000,000 and integral multiples of HK$1,000,000 in excess thereof (each, an "**Authorised Denomination**") without coupons attached. A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by the Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). When the Bonds are represented by a Global Certificate, the Conditions are modified by certain provisions contained in the Global Certificate. See "The Global Certificate".*

(b) *Title*: Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3 (*Transfers of Bonds; Issue of Certificates*). The holder of any Bond shall (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing (other than an endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it) and the Trustee, the Agents and any other person shall not be liable for so treating the holder. In these Conditions, "**Bondholder**" and (in relation to a Bond) "**holder**" mean the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

3 Transfers of Bonds; Issue of Certificates

(a) *Register:* The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) *Transfer:* Subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents together with such evidence as the Registrar or (as the case may be) the relevant Transfer Agent may require to prove the title of the transferor and the authority of the individual(s) who have executed the form of the transfer; provided, however, that a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid or effective unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

(c) *Delivery of New Certificates:* Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The Registrar will, within seven business days of receipt by the Registrar or any Transfer Agent of the documents above, register the transfer in question.

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

Where only part of the principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or the relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3 (*Transfers of Bonds; Issue of Certificates*) and Condition 6 (*Conversion*), "**business day**" shall mean a day other than a Saturday, Sunday or public holiday on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent with whom a Certificate is deposited in connection with a transfer or, as the case may be, the specified office of the Conversion Agent with whom a Certificate is deposited in connection with a conversion is located.

(d) *Formalities Free of Charge:* Registration of a transfer of Bonds and issuance of new Certificates will be effected, without charge to the relevant holder of such Bonds, by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer may reasonably require or the Registrar or the relevant Transfer Agent may require) in respect of any tax, duties or other governmental charges which may be levied or imposed in connection with such transfer or issuance, (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the

Registrar or the relevant Transfer Agent (as the case may be) being satisfied that the detailed regulations concerning transfer and registration of Bonds referred to in Condition 3(f) (*Regulations*) have been complied with.

(e) *Closed Periods:* No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 6(b) (*Conversion Procedure*)) has been delivered with respect to such Bond; and (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) has been deposited in respect of such Bond pursuant to Condition 8(e) (*Redemption for Delisting or Change of Control*) or after a put notice has been deposited in respect of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*). Each such period is a "**Closed Period**".

(f) *Regulations:* All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. Such regulations may be changed by the Issuer (with the prior written approval of the Registrar and the Trustee) or by the Registrar (with the prior written approval of the Trustee). A copy of the current regulations will be mailed (free of charge and at the cost of the Issuer) by the Registrar to any Bondholder following written request and with proof of holding and identity to the satisfaction of the Registrar.

4 Covenants

(a) *Negative Pledge*: So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer shall procure that none of its Principal Subsidiaries (as defined in Condition 10 (*Events of Default*)) (other than a Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance, upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto the Bonds are secured (i) equally and rateably by the same Encumbrance or (ii) by such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

(b) *Notification to NDRC*: The Issuer undertakes that it will, within 10 Registration Business Days after the Issue Date, file or cause to be filed with the National Development and Reform Commission of the PRC or its local counterparts (the "**NDRC**") the requisite information and documents in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知 (發改外資[2015] 2044號)) (the "**NDRC Circular**") issued by the NDRC and effective as of 14 September 2015 and any implementing rules and/or regulations as issued by the NDRC from time to time (the "**NDRC Post-Issuance Filing**").

(c) *Notification of Submission of NDRC Post-Issuance Filing*: The Issuer shall, within 10 Registration Business Days after submission of the NDRC Post-Issuance Filing, provide the Trustee with (i) a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory confirming (A) the submission of the NDRC Post-Issuance Filing and (B) that no Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred; and (ii) copies of the relevant documents evidencing the NDRC Post-Issuance Filing (if any), each certified in English by an Authorised Signatory as a true and complete copy of the original (the items specified in (i) and (ii) of this Condition 4(c) (*Notification of Submission of NDRC Post-Issuance Filing*) together, the "**Registration Documents**"). In addition, the Issuer shall, within ten Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16 (*Notices*)) confirming the submission of the NDRC Post-Issuance Filing.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to assist with the NDRC Post-Issuance Filing or to monitor or ensure that the NDRC Post-Issuance Filing is filed with the NDRC or completed within the prescribed timeframe in accordance with these Conditions, the NDRC Circular and/or any other applicable PRC laws and regulations specified herein or to verify the accuracy, validity and/or genuineness of any Registration Document or any other documents in relation to or in connection with the NDRC Post-Issuance Filing or to translate or procure that any Registration Document is translated into English or to give notice to the Bondholders confirming the submission of the NDRC Post-Issuance Filing, and the Trustee shall not be liable to the Issuer, the Bondholders or any other person for not doing so.

(d) *Definitions*: In these *Conditions*:

(i) "**Encumbrance**" means any mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person or any other arrangement with similar economic effect;

(ii) "**Listed Subsidiary**" means any Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), the Shanghai Stock Exchange, the Shenzhen Stock Exchange or any other stock exchange;

(iii) "**PRC**" means the People's Republic of China and, for the purposes of these Conditions, except where the context requires, does not include Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and Taiwan;

(iv) "**Registration Business Day**" means a day, other than a Saturday, Sunday or a public holiday on which commercial banks are generally open for business in Beijing in the PRC;

(v) "**Relevant Indebtedness**" means any future or present indebtedness incurred outside the PRC which is in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which for the time being are, or are issued with the intention on the part of the issuer thereof that they should be, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market. For the avoidance of doubt, "Relevant Indebtedness" does not include indebtedness under any bilateral, syndicated or club loans or credit facilities; and

(vi) a "**subsidiary**" or "**Subsidiary**" of any person means (A) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees or equivalent body of such company or other business entity or (B) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

5 Interest

The Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, such unpaid principal shall bear interest at the rate of 2.00 per cent. per annum (both before and after judgment) ("**Default Interest**") from the due date up to whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day falling seven days after the Trustee or the Principal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If Default Interest is required to be calculated in respect of any Bond (i) the amount of Default Interest payable shall be calculated per HK$1,000,000 in principal amount of the Bonds (the "**Calculation Amount**"), and (ii) the amount of Default Interest payable per Calculation Amount for any period shall be equal to the product of (A) the rate of interest specified above, (B) the Calculation Amount, and (C) the relevant day-count fraction being a 360-day year of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

6 Conversion

(a) Conversion Right

(i) *Conversion Period:* Subject as hereinafter provided, the Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(a)(v) (*Meaning of "Shares"*)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the "**Conversion Right**". Subject to and upon compliance with, the provisions of this Condition 6 (*Conversion*), the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after 10 January 2022 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the 10th day prior to the Maturity Date (as defined in Condition 8(a) (*Maturity*)) (both days inclusive) (but, except as provided in Condition 6(a)(iv) (*Revival and/ or survival after Default*) and Condition 10 (*Events of Default*), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the "**Conversion Period**"), provided that the principal amount of such Bond shall be at least HK$1,000,000.

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of shareholders of the Issuer is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a "**Book Closure Period**"), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(b)(i) (*Conversion Notice*)) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price (as defined in Condition 6(a)(iii) (*Conversion Price*) below) in effect on the relevant Conversion Date (as defined in Condition 6(b)(i) (*Conversion Notice*) below). A Conversion Right may only be exercised in respect of one or more Bonds.

(ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 16 November 2021 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash in Hong Kong dollars of a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(a)(i) (*Conversion Period*), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK$100. Any such sum shall be paid by the Issuer not later than five Stock Exchange Business Days after the relevant Conversion Date by transfer to a Hong Kong dollar account maintained by the payee, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

(iii) *Conversion Price:* The price at which Shares will be issued upon conversion (the "**Conversion Price**") will initially be HK$11.78 per Share, but will be subject to adjustment in the manner provided in Condition 6(c) (*Adjustments to Conversion Price*) and/or Condition 6(d) (*Adjustment upon Change of Control*).

(iv) *Revival and/or survival after Default:* Notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), if (A) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (B) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10 (*Events of Default*), or (C) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(a) (*Maturity*) or the applicable date for redemption in accordance with Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

(v) *Meaning of "Shares":* As used in these Conditions, the expression "**Shares**" means ordinary shares with a nominal value of HK$0.01 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(b) Conversion Procedure

(i) *Conversion Notice:* To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense between 9:00 a.m. and 3:00 p.m. on any business day at the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the specified office of any Conversion Agent, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(b)(ii) (*Stamp Duty etc.*) have been so paid or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(iv) (*Revival and/or survival after Default*) and Condition 10 (*Events of Default*)) and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the hours specified above on the next business day following such day. Any Bondholder who deposits a Conversion Notice during a Closed Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next business day after the end of the Closed Period, which (if all other conditions to the exchange have been fulfilled) will be the Conversion Date for such Bonds notwithstanding that such date may fall outside the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. "**Stock Exchange Business Day**" means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange (as defined in Condition 6(c) (*Adjustments to Conversion Price*) below), as the case may be, is open for securities dealing.

(ii) *Stamp Duty etc.:* A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant tax or other authorities any taxes and capital, stamp, issue, documentary, registration and transfer taxes and duties arising on exercise of the Conversion Right or on conversion (other than any taxes or capital, stamp, issue, documentary, registration and transfer taxes and duties payable in the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange on conversion (the "**Issuer Duties**")) (the "**Bondholder Duties**") (the Bondholder Duties and the Issuer Duties being collectively "**Conversion Taxes**") and such Bondholder must pay all, if any, taxes and duties arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder must declare in the relevant Conversion Notice that any Bondholder Duties payable to the relevant tax or other authorities pursuant to this Condition 6(b)(ii) (*Stamp Duty etc.*) have been paid.

Neither the Trustee nor any Agent is under any obligation to pay any Conversion Taxes or any other amount referred to in this Condition 6(b)(ii) (*Stamp Duty etc.*) or to determine whether a Bondholder is liable to pay or has paid any Bondholder Duties or any taxes and duties payable by such Bondholder arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion or whether the Issuer is liable to pay or has paid any Issuer Duties or any other expenses arising on the issue of Shares on conversion of Bonds or, in any such case, the amounts payable (if any) in connection with or as contemplated by this Condition 6(b)(ii) (*Stamp Duty etc.*).

(iii) *Registration:* As soon as practicable, and in any event not later than seven Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice and the relevant Certificate have been delivered and amounts payable by the relevant Bondholder as required by Conditions 6(b)(i) (*Conversion Notice*) and 6(b)(ii) (*Stamp Duty etc.*) have been paid, register the person or persons designated for the purpose in the Conversion

Notice as holder(s) of the relevant number of Shares in the register of shareholders of the Issuer and will, if the relevant Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the "**CCASS**") effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (being, at the time of issue of the Bonds, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) and notified to Bondholders in accordance with Condition 16 (*Notices*) or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

The delivery of the Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated above in this Condition 6(b)(iii) (*Registration*) will be deemed to satisfy the Issuer's obligation to pay the principal and premium (if any) on such converted Bonds.

If the Conversion Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(c) (*Adjustments to Conversion Price*) but before the relevant adjustment becomes effective under the relevant Condition (a "**Retroactive Adjustment**"), upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares ("**Additional Shares**") as is, together with Shares to be issued on conversion of the Bonds, equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date and in such event and in respect of such Additional Shares references in this Condition 6(b)(iii) (*Registration*) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of shareholders of the Issuer (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any Retroactive Adjustment of the Conversion Price referred to in this Condition 6(b)(iii) (*Registration*) prior to the time such Retroactive Adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in Hong Kong dollars (the "**Equivalent Amount**") equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by the Issuer by transfer to a Hong Kong dollar account maintained by the payee with a bank, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

(c) *Adjustments to Conversion Price*: Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows:

(1) *Consolidation, Subdivision, Redesignation or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect.

(2) *Capitalisation of Profits or Reserves:*

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares (the "**Shareholders**") by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any Scrip Dividend (as defined below in this Condition 6(c) (*Adjustments to Conversion Price*))) and which would not have constituted a Capital Distribution (as defined below in this Condition 6(c) (*Adjustments to Conversion Price*)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price (as defined below in this Condition 6(c) (*Adjustments to Conversion Price*)) per Share on the date of announcement of the terms of such Scrip Dividend exceeds the amount of the Relevant Cash Dividend (as defined below in this Condition 6(c) (*Adjustments to Conversion Price*)) or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend for which Shareholders have elected to receive as Shares issued by way of Scrip Dividend and (ii) the denominator is the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price per Share; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares issued by way of Scrip Dividend or if a record date is fixed therefor, immediately after such record date.

(3) *Capital Distributions:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which the Capital Distribution is first publicly announced; and

B is the Fair Market Value (as defined below in this Condition 6(c) (*Adjustments to Conversion Price*)) of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined in Hong Kong dollars as provided herein.

In making any calculation pursuant to this Condition 6(c)(3) (*Capital Distributions*), such adjustments (if any) shall be made as an Independent Financial Advisor may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Issuer.

(4) Rights Issues of Shares or Options over Shares: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(5) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and

B is the Fair Market Value per Share on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the terms of such issue or grant are publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Shares in relation to such issue or grant is capable of being determined as provided herein.

(6) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any options, warrants or other rights (other than the Conversion Rights under the Bonds, which excludes any further bonds issued pursuant to Condition 15 (*Further Issues*)) to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such grant or issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

(7) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(7) (*Other Issues at less than Current Market Price*), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*) or 6(c)(6) (*Issues at less than Current Market Price*)) or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds, which excludes any further bonds issued pursuant to Condition 15 (*Further Issues*)) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

Such adjustment shall become effective on the date of issue of such securities.

(8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(c)(7) (*Other Issues at less than Current Market Price*) (other than in accordance with the terms of such securities) so that following such modification the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction.

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such modification;

B is the maximum number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 6(c)(8) (*Modification of Rights of Conversion etc.*) or Condition 6(c)(7) (*Other Issues at less than Current Market Price*).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(9) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*), 6(c)(6) (*Issues at less than Current Market Price*) or 6(c)(7) (*Other Issues at less than Current Market Price*)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue, sale or distribution is publicly announced; and

B is the Fair Market Value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.

(10) *Other events:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6(c) (*Adjustments to Conversion Price*), the Issuer shall at its own expense consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Issuer's equity caused by such events or circumstances.

In this Condition 6(c) (*Adjustments to Conversion Price*), where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under this Condition 6(c) (*Adjustments to Conversion Price*) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 (*Conversion*) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result.

For the purposes of these Conditions:

"**Alternative Stock Exchange**" means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;

"**Capital Distribution**" means (i) the aggregate distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(c)(2)(i) (*Capitalisation of Profits or Reserves*) and a Scrip Dividend adjusted for under Condition 6(C)(2)(ii) (*Capitalisation of Profits or Reserves*)); and (ii) the aggregate cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Issuer for any financial period (whenever paid and however described), *provided that* a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer) shall not constitute a Capital Distribution unless the weighted average price or consideration per Share (before expenses) on any one day in respect of such purchases or redemptions exceeds the Current Market Price of a Share by more than five per cent. either (a) on that date, or (b) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (a) or (b) of this definition, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Shares purchased or redeemed exceeds the product of (A)

105 per cent. of such Current Market Price and (B) the number of Shares so purchased or redeemed;

"**Closing Price**" of the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;

"**Current Market Price**" means, in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 10 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 10 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or

(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;

and provided further that if the Shares on each of the said 10 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share;

"**Fair Market Value**" means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, *provided that* an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Share shall be the amount of such cash Capital Distribution per Share, (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing price of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than Hong Kong dollars shall be translated into Hong Kong dollars at the Prevailing Rate on such date. In addition, in the case of proviso (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit;

"**Independent Financial Advisor**" means a reputable independent financial advisor or financial institution with appropriate expertise selected and appointed by the Issuer and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to select or appoint an Independent Financial Advisor and in no event shall the Trustee have any responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by any Independent Financial Advisor;

"**Prevailing Rate**" means, in respect of any currency on any day, the bid exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined;

"**Relevant Cash Dividend**" means any cash dividend specifically declared by the Issuer;

"**Scrip Dividend**" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 6(c)(3) (*Capital Distributions*) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*)); and

"**Trading Day**" means a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for the business of dealing in securities, *provided that* for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent as soon as practicable after the determination thereof.

Notwithstanding anything to the contrary in these Conditions, the Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their nominal value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in the Cayman Islands and Hong Kong.

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) should be made, and following consultation between the Issuer and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Issuer, the Bondholders and the Trustee, save in the case of manifest error. Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

Share Scheme/Options: Notwithstanding any provision in this Condition 6 (*Conversion*), no adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered, exercised, allotted or granted to, or for the benefit of, among others, employees and/or former employees (including directors and/or former directors) of the Issuer pursuant to any share option, share award, restricted share or employee share incentive scheme or plan (and which such scheme or plan is in compliance with the listing rules of the Hong Kong Stock Exchange or any relevant stock exchange) ("**Share Scheme/Options**") unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to this Condition 6 (*Conversion*)) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period up to and including the date of such grant representing, in aggregate, over 2.0 per cent. of the average number of issued and outstanding Shares during such 12-month period, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 2.0 per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining any adjustment of the Conversion Price pursuant to this Condition 6 (*Conversion*).

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(c)(1) (*Consolidation, Subdivision, Redesignation or Reclassification*).

Neither the Trustee nor any of the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require or lead to an adjustment to be made to the Conversion Price or to make any determination or calculation (or any verification thereof) in connection with the Conversion Price and none of them will be liable or responsible to any Bondholder or any other person for any loss or liability arising from any failure by the Trustee or any Agent to do so or for any delay by the Issuer or any Independent Financial Advisor in making a determination or calculation or any erroneous determination or calculation in connection with the Conversion Price. All adjustments to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) shall be determined by the Issuer and, if applicable, the Independent Financial Advisor and neither the Trustee nor the Agents shall be responsible for verifying, or otherwise liable for, such determinations or for verifying any calculation, certification, advice or opinion in connection with such determinations.

(d) *Adjustment upon Change of Control*: If a Change of Control (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) shall occur, the Issuer shall give notice of that fact to the Trustee and the Principal Agent in writing and to the Bondholders (the "**Change of Control Notice**") in accordance with Condition 16 (*Notices*) within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \frac{\mathrm{OCP}}{1 + (\mathrm{CP} \times c/t)}$$

where:

"**NCP**" means the new Conversion Price;

"**OCP**" means the Conversion Price in effect on the relevant Conversion Date;

"**CP**" means 28 per cent. expressed as a fraction;

"**c**" means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date; and

"**t**" means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced pursuant to this Condition 6(d) (*Adjustment upon Change of Control*) below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period.

(e) Undertakings

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

(i) it will use its all reasonable endeavours (A) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (B) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, and if the Issuer is unable to obtain or maintain such listing, to use its all reasonable endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time select and notify in writing to the Trustee and the Issuer and will forthwith give notice to the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting of the Shares (as a class) by any of such stock exchanges;

(ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds (save for any Bondholder Duties or other amounts specified in Condition 6(b)(ii) (*Stamp Duty etc.*) as payable by the relevant Bondholder);

(iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made (and for the avoidance of doubt, shall not restrict the Issuer from repurchasing any Shares on the Hong Kong Stock Exchange in accordance with the Listing Rules and applicable law); and

(iv) it will use its all reasonable endeavours to list and thereafter maintain the listing of the Bonds on the Hong Kong Stock Exchange and if the Issuer is unable to maintain such listing, to use its all reasonable endeavours to obtain and maintain a listing on another internationally recognised stock exchange and will forthwith give notice to the Bondholders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent of the listing or delisting of the Bonds by any such stock exchange.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding:

(I) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid; and

(II) it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares of the Issuer,

provided always that the Issuer shall not be prohibited from purchasing its Shares to the full extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(f) *Notice of Change in Conversion Price*

The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7 Payments

(a) *Payments:* Payment of principal, Early Redemption Amount (as defined in Condition 8(c) (*Redemption at the Option of the Issuer*)), premium (if any) and Default Interest (if any), and any other amounts due pursuant to Condition 6 (*Conversion*) will be made by transfer to the registered account of the Bondholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, such payments will be made to the holder appearing in the Register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date.

(b) *Registered Accounts:* For the purposes of this Condition 7 (*Payments*), a Bondholder's "**registered account**" means the Hong Kong dollar account maintained by or on behalf of such Bondholder, details of which appear on the Register at the close of business on the fifteenth day before the due date for the payment, and a Bondholder's "**registered address**" means its address appearing on the Register at that time.

(c) *Fiscal Laws:* All payments under or in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) if applicable, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto (any such withholding or deduction in this Condition 7(c) (*Fiscal Laws*), a "**FATCA Withholding**"). For avoidance of doubt, neither the Issuer, the Trustee and the Agents nor any other person will be required to pay any additional amounts in respect of FATCA Withholding. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) *Payment Initiation:* Payment instructions (for value on the due date or, if that is not a business day (as defined below in Condition 7(f) (*Business Day*)), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if that date is not a business day, on the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(e) *Delay In Payment:* Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(f) *Business Day:* In this Condition 7 (*Payments*), "**business day**" means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the city in which the specified office of the relevant Paying Agent whom a Certificate is surrendered for payment is located. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(g) *Rounding:* When making payments to Bondholders, fraction of one cent will be rounded to the nearest cent (half a cent being rounded upwards).

8 Redemption, Purchase and Cancellation

(a) *Maturity:* Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 103.81 per cent. of its principal amount together with accrued and unpaid Default Interest (if any) thereon on 30 November 2026 (the "**Maturity Date**"). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(b) (*Redemption for Taxation Reasons*) or 8(c) (*Redemption at the Option of the Issuer*) below (but without prejudice to Condition 10 (*Events of Default*)).

(b) *Redemption for Taxation Reasons*

(i) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding such date (if any), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 November 2021, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(b) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee (I) a certificate signed by an Authorised Signatory stating that the obligation referred to in (A) above of this Condition 8(b)(i) (*Redemption for Taxation Reasons*) cannot be avoided by the Issuer taking reasonable measures available to it and (II) an opinion addressed to and in form and substance satisfactory to the Trustee of independent legal or tax advisors of recognised standing to the effect that the Issuer has or would become obligated to pay such Additional Tax Amounts as a result of such change or amendment referred to above in this Condition 8(b)(i) (*Redemption for Taxation Reasons*). The Trustee shall be entitled (but not obliged) to rely upon and accept such certificate and opinion (without further investigation or enquiry and without liability to the Bondholders or any other person) as sufficient evidence thereof, in which event the same shall be conclusive and binding on the Issuer and the Bondholders.

On the Tax Redemption Date, the Issuer will be bound (subject to Condition 8(b)(ii) (*Redemption for Taxation Reasons*) below) to redeem the Bonds at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the Tax Redemption Date, provided that redemption under this

Condition 8(b)(i) (*Redemption for Taxation Reasons*) may not occur within seven days of the end of a Closed Period, but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

(ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) (*Redemption for Taxation Reasons*), each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment of principal, Early Redemption Amount, premium (if any) or interest to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 (*Taxation*) and payment of all amounts by the Issuer to such Bondholder in respect of such Bond shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(b)(ii) (*Redemption for Taxation Reasons*), the holder of the relevant Bond must complete, sign and deposit during normal business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the "**Tax Option Exercise Notice**") together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date. A Tax Option Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

(c) *Redemption at the Option of the Issuer*

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 16 (*Notices*) (which notice will be irrevocable), the Issuer:

(i) may at any time after 14 December 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption, provided that the Closing Price of the Shares (derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption, is published was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio (as defined below) then applicable; or

(ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

If there shall occur an event giving rise to a change in the Conversion Price during any such 30 Trading Day period, appropriate adjustments for the relevant days shall be made, as determined by an Independent Financial Advisor, for the purpose of calculating the Closing Price for such days. Neither the Trustee nor the Agents shall be responsible for verifying or otherwise liable for any such determinations or for calculation of the Closing Price or for verifying any calculation, certification, advice or opinion in connection with such determination or calculation.

Redemption under this Condition 8(c) (*Redemption at the Option of the Issuer*) may not occur within seven days of the end of a Closed Period but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

For the purposes of these Conditions:

the "**Early Redemption Amount**" of a Bond, for each HK$1,000,000 principal amount of the Bonds, is the amount determined to represent for the Bondholder on the relevant date for determination of the Early Redemption Amount (the "**Determination Date**") a gross yield of 0.75 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each HK$1,000,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-annual Date (being each of the dates set out in the left hand column in the table below), such Early Redemption Amount shall be as set out in the right hand column in the table below in respect of such Semi-annual Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount x } (1 + r/2)^{d/p}$$

Previous Redemption Amount = the Early Redemption Amount for each HK$1,000,000 principal amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to the first Semi-annual Date, HK$1,000,000):

Semi-annual Date	**Early Redemption Amount**
	(HK$)
30 May 2022	1,003,750.00
30 November 2022	1,007,514.06
30 May 2023	1,011,292.24
30 November 2023	1,015,084.59
30 May 2024	1,018,891.15
30 November 2024	1,022,712.00
30 May 2025	1,026,547.17
30 November 2025	1,030,396.72
30 May 2026	1,034,260.70

r = 0.75 per cent. expressed as a fraction;

d = number of days from and including the immediately preceding Semi-annual Date (or if the Bonds are to be redeemed on or before the first Semi-annual Date, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed; and

p = 180; and

"**Conversion Ratio**" is equal to the principal amount of each Bond divided by the Conversion Price then in effect immediately prior to the date upon which notice of such redemption is given.

(d) *Redemption at the Option of the Bondholders:* The Issuer will, at the option of the holder of any Bond, redeem all or some only of such holder's Bonds on 30 November 2024 (the "**Put Option Date**") at 102.27 per cent. of their principal amount, together with unpaid Default Interest (if any) accrued up to but excluding such Put Option Date. To exercise such option, the holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed, not more than 60 days and not less than 30 days prior to the Put Option Date.

A put notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents in writing to such withdrawal) and the Issuer shall redeem the Bonds the subject of the put notices delivered as aforesaid on the Put Option Date.

(e) *Redemption for Delisting or Change of Control:* The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event (as defined below in this Condition 8(e) (*Redemption for Delisting or Change of Control*)), which notice shall specify the procedure for exercise by the Bondholders of their rights to require redemption of the Bonds pursuant to this Condition 8(e) (*Redemption for Delisting or Change of Control*) and shall give brief details of the Relevant Event. Following the delivery of the notice by the Issuer regarding a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined below in this Condition 8(e) (*Redemption for Delisting or Change of Control*)) at the Early Redemption Amount, together with unpaid Default Interest (if any) accrued up to but excluding such date (if any). To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred (a "**Relevant Event Redemption Notice**"), together with the Certificate evidencing the Bonds to be redeemed, by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16 (*Notices*). The "**Relevant Event Redemption Date**" shall be the 14th day after the expiry of such period of 60 days as referred to above in this Condition 8(e) (*Redemption for Delisting or Change of Control*).

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date.

Neither the Trustee nor any of the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with this Condition 8(e) (*Redemption for Delisting or Change of Control*) has occurred or may occur. Neither the Trustee nor any of the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and none of them will be responsible to the Issuer, any Bondholder or any other person for any loss or liability arising from any failure by any of them to do so. Neither the Trustee nor any of the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and none of them will be responsible or liable to any Bondholder or any other person for any loss or liability arising from any failure by it to do so.

For the purposes of this Condition 8(e) (*Redemption for Delisting or Change of Control*):

"**Change of Control**" means the occurrence of one or more of the following events:

(i) the government (central or regional) of the PRC or Persons under the Control of the government (central or regional) of the PRC cease to directly or indirectly or in combination Control China International Marine Containers (Group) Co., Ltd. ("**CIMC**"); or

(ii) CIMC ceases to directly or indirectly Control the Issuer;

"**Control**" means (i) the right to appoint and/or remove all or the majority of the members of the relevant entity's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise; or (ii) the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the relevant entity;

a "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include (i) the Issuer's board of directors or any other governing board or (ii) the Issuer's wholly-owned direct or indirect subsidiaries;

a "**Relevant Event**" occurs:

(i) when the Shares cease to be listed or admitted to trading or are suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a "**Delisting**"); or

(ii) when there is a Change of Control; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

(f) *Purchase:* Each of the Issuer and any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Bonds so purchased, while held by or on behalf of the Issuer and/or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Bondholders or for the purposes of Condition 10 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 13(a) (*Meetings*).

(g) *Cancellation:* All Bonds which are redeemed, converted or purchased by the Issuer or any of its Subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(h) *Redemption Notices:* All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*) will be irrevocable and will be given in accordance with Condition 16 (*Notices*) specifying: (i) the Conversion Price as at the date of the relevant notice, (ii) the last day on which the Conversion Rights may be exercised, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the Early Redemption Amount, together with any unpaid Default Interest (if any), (v) the date for redemption, (vi) the manner in which redemption will be effected and (vii) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*)), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions.

Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 8 (*Redemption, Purchase and Cancellation*) and none of them will be responsible to Bondholders or any other person for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under these Conditions, and none of them will be liable or responsible to any Bondholder or any other person for any loss or liability arising from any failure by any of them to do so.

9 Taxation

All payments made by the Issuer under or in respect of the Bonds, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Hong Kong or the PRC or, in any such case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.

Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 16 November 2021 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding (a) by or within the PRC in excess of the Applicable Rate, or (b) by or within the Cayman Islands or Hong Kong, the Issuer will pay such additional amounts (the "**Additional Tax Amounts**") as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no Additional Tax Amounts shall be payable in respect of any Bond:

(i) *Other connection:* to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Cayman Islands, Hong Kong or the PRC otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or

(ii) *Presentation more than 30 days after the relevant date:* (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such Additional Tax Amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes of these Conditions, "**relevant date**" means whichever is the later of (A) the date on which such payment first becomes due and (B) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

References in these Conditions to principal, premium (if any), Default Interest and any other amount payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 (*Taxation*) or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 9 (*Taxation*) shall not apply in respect of any payments which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 8(b)(ii) (*Redemption for Taxation Reasons*).

10 Events of Default

If any of the following events (each an "**Event of Default**") occurs the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall (subject in any such case to being indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become due and repayable at the Early Redemption Amount, together with any premium and any unpaid Default Interest (if any) accrued to but excluding the date of payment (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6 (*Conversion*)) if:

(a) *Non-Payment of principal or premium:* a default is made in the payment of any principal or premium (if any) due in respect of the Bonds;

(b) *Breach of Other Obligations:* the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed (except for Conditions 4(b) (*Notification to NDRC*) and 4(c) (*Notification of Submission of NDRC Post-Issuance Filing*) above and any equivalent provisions in the Trust Deed) which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;

(c) *Failure to deliver Shares:* any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following conversion of Bonds unless such failure is due to a technical or administrative error and is remedied by the Issuer within three business days;

(d) *Insolvency:* the *Issuer* or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of a material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Principal Subsidiaries; an administrator or liquidator of the Issuer or any of its Principal Subsidiaries or the whole or a material part of the assets and turnover of the Issuer or any of its Principal Subsidiaries is appointed (or application for any such appointment is made);

(e) *Cross-Acceleration:* (i) any other present or future indebtedness (whether actual or contingent) of the Issuer or any of its Subsidiaries, for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(e) (*Cross-Acceleration*) have occurred equals or exceeds U.S.$25,000,000 or its equivalent in any other currency (as determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity;

(f) *Enforcement Proceedings:* a distress, attachment, execution, seizure before *judgment* or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Issuer or any of its Subsidiaries and is not discharged or stayed within 30 days;

(g) *Winding-up:* an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, judicial management or administration *of* the Issuer or any of its Principal Subsidiaries (except for a members' voluntary solvent winding-up of a Principal Subsidiary), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except in each case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an

Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary;

(h) *Security Enforced:* an encumbrancer or a secured party takes possession or an *administrative* or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or revenue of the Issuer or any of its Principal Subsidiaries and is not discharged within 30 days;

(i) *Nationalisation:* any step is taken by any person with a view to the seizure, *compulsory* acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries;

(j) *Authorisation and Consents:* any action, condition or thing (including the obtaining or *effecting* of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of the Cayman Islands or Hong Kong is not taken, fulfilled or done;

(k) *Illegality:* it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or

(l) *Analogous Events:* any event occurs which under the laws of any relevant jurisdiction has an analogous effect to *any* of the events referred to in any of Conditions 10(d) (*Insolvency*), 10(f) (*Enforcement Proceedings*), 10(g) (*Winding-up*) and 10(h) (*Security Enforced*).

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and the Trustee and the Agents need not do anything to ascertain or monitor whether a Potential Event of Default or an Event of Default has occurred or is continuing and none of them will be responsible or liable to the Issuer, any Bondholder or any other person for any loss or liability arising from any failure by any of them to do so, and unless the Trustee or such an Agent (as the case may be) has received written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the Issuer and each other person appointed by the Issuer in relation to the Bonds is duly performing its duties and obligations in respect of the same.

For the purposes of this Condition 10 (*Events of Default*):

"**business day**" means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong; and

"**Principal Subsidiary**" means any Subsidiary of the Issuer:

(I) whose revenue (consolidated in the case of a Subsidiary which has Subsidiaries) attributable to the Issuer, as shown by its latest audited statement of profit or loss are at least five per cent. of the revenue as shown by the latest published audited consolidated statement of profit or loss and other comprehensive income of the Issuer and its Subsidiaries; or

(II) whose profit before taxation ("**pre-tax profit**") (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Issuer, as shown by its latest audited consolidated statement of profit or loss, are at least five per cent. of the pre-tax profit as shown by the latest published audited consolidated statement of profit or loss and other comprehensive income of the Issuer and its Subsidiaries, including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share or profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or

(III) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Issuer, as shown by its latest audited consolidated statement of financial position, are at least five per cent. of the total assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated statement of financial position of the Issuer, including the investment of the Issuer and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and of associated companies and after adjustment for minority interests; or

(IV) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (I), (II) or (III) above of this definition,

provided that, in relation to paragraphs (I), (II) and (III) above of this definition:

(A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(B) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenues, pre-tax profit or total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;

(C) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenues, pre-tax profit or total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and

(D) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate in English in substantially the form scheduled to the Trust Deed prepared and signed by an Authorised Signatory stating that, in their opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary of the Issuer shall, in the absence of manifest error, be conclusive and binding on all parties. Each such certificate shall be accompanied by a report by an internationally recognised firm of independent accountants addressed to the directors of the Issuer and the Trustee as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation.

11 Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal or other sums payable hereunder) and five years (in the case of Default Interest) from the relevant date (as defined in Condition 9 (*Taxation*)) in respect thereof.

12 Enforcement

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such actions and/or steps and/or institute any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13 Meetings of Bondholders, Modification and Waiver

(a) *Meetings:* The Trust Deed contains provisions for convening meetings of Bondholders (and for passing resolutions by Electronic Consent (as defined in the Trust Deed)) to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if it receives a written request from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and is indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal, premium or Default Interest or

Equivalent Amount payable in respect of the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to change the method of calculation of Default Interest, (v) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 33 per cent., in aggregate principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that (A) a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall, in any such case, be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification and Waiver:* The Trustee may (but shall not be obliged to) agree to, without the consent of the Bondholders, (i) any modification (except as mentioned in the Trust Deed) to, or any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed and the Agency Agreement, provided that such modification, waiver or authorisation is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders, or (ii) any modification to any of these Conditions or any of the provisions of the Trust Deed and the Agency Agreement that is, in the opinion of the Trustee, of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law. The Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 16 (*Notices*).

(c) *Directions from Bondholders:* Neither the Trustee nor the Agents shall be liable to the Issuer, any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with any instruction, direction, request or resolution of the Bondholders. The Trustee shall be entitled to rely conclusively on any instruction, direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed or these Conditions to exercise any discretion, right or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion, right or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by the Issuer, any Bondholder or any other person as a result of any delay in it exercising such discretion, right or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that such directions are not being given. The Trustee shall not be under any obligation to monitor compliance of any person with the provisions of the Trust Deed, the Agency Agreement or these Conditions.

14 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence (including proof of holding and identity to the satisfaction of the Registrar) and such indemnity, security and/or pre-funding as the Issuer and/or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the issue price, the first date on which Conversion Rights may be exercised and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds shall be constituted by a deed supplemental to the Trust Deed.

16 Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal). Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to entitled account holders in substitution for notification as required by these Conditions.

17 Agents

The names of the initial Agents and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint any additional or replacement Agent. The Issuer will at all times maintain (a) a Principal Agent, (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom and (c) a Transfer Agent. Notice of any such termination or appointment, of any changes in the specified offices of any Agent and of any change in the identity of any Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 30 days' notice will be given.

18 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification, on an after tax basis, of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking actions or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee is entitled to (a) enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer and to act as trustee, agent, depositary and/or custodian for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and any entity related (directly or indirectly) to the Issuer, (b) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely conclusively and without liability to Bondholders, the Issuer or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert or professional adviser (including without limitation any Independent Financial Advisor), whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Bondholders.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 except as contemplated in Condition 12 (*Enforcement*) and to the extent expressly provided for.

20 Governing Law and Submission to Jurisdiction

(a) *Governing law:* The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

(b) *Jurisdiction:* The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Trust Deed and the Agency Agreement ("**Proceedings**") may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts and waived any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) *Service of process*: Without prejudice to any other mode of service allowed under relevant law and by executing this Agreement, the Issuer agrees to receive service of process in any Proceedings in Hong Kong at the Issuer's principal place of business in Hong Kong at Unit 908, 9th Floor, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong. If for any reason the Issuer shall cease to have a principal place of business in Hong Kong, the Issuer shall promptly notify the Trustee and irrevocably agrees to appoint a substitute process agent in Hong Kong and to notify the Trustee of the acceptance by such substitute process agent of its appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

(d) *Waiver of Immunity*: The Issuer has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgement made or given in connection with any Proceedings.

MARKET PRICE INFORMATION

The Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 20 July 2006. The following table sets out the high and low closing prices per Share for the periods indicated.

Period	Closing Share Price	
	High	Low
	(HK$)	
2018		
First quarter ended 31 March 2018	8.80	6.50
Second quarter ended 30 June 2018	9.45	6.98
Third quarter ended 30 September 2018	8.45	6.49
Fourth Quarter ended 31 December 2018	8.16	5.63
2019		
First quarter ended 31 March 2019	8.38	5.32
Second quarter ended 30 June 2019	8.55	5.66
Third quarter ended 30 September 2019	6.76	4.18
Fourth Quarter ended 31 December 2019	4.98	4.13
2020		
First quarter ended 31 March 2020	5.21	2.72
Second quarter ended 30 June 2020	3.73	3.02
Third quarter ended 30 September 2020	4.09	3.00
Fourth Quarter ended 31 December 2020	4.74	3.38
2021		
First quarter ended 31 March 2021	6.65	4.67
Second quarter ended 30 June 2021	8.20	5.49
Third quarter ended 30 September 2021	12.28	6.63

EXCHANGE RATES

The PRC

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the markets during the prior day. The PBOC also takes into account other factors such as the general conditions existing in the international foreign exchange market. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's interbank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar to allow the value of the Renminbi to fluctuate within a narrow and managed band based on market supply and demand and by reference to a basket of currencies. This change in policy has resulted in a significant appreciation of the Renminbi against the U.S. dollar.

The PRC government has since made further adjustments to the exchange rate system. The PBOC authorized the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 AM each business day. This rate is set as the central parity for the trading against the Renminbi in the interbank foreign exchange spot market and the over-the-counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the interbank spot exchange market of Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. On 19 June 2010, the PBOC announced that in view of the recent economic situation and financial market developments in China and abroad, and the balance of payments situation in China, it has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands will remain the same as previously announced but the PBOC will place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. In this regard, on 16 April 2012, the PBOC further enlarged the floating band for the trading prices in the interbank spot exchange market of Renminbi against the U.S. dollar to 1.0% around the central parity rate. On 17 March 2014, the PBOC, for the third time, enlarged the floating band for the trading prices in the interbank spot rate exchange market of Renminbi against the U.S. dollar to 2.0% around the central parity rate. On 11 August 2015, the PBOC announced an adjustment to the mechanism of determining the midpoint price of Renminbi to the U.S. dollar to make the exchange rate of Renminbi more market-based. The modified mechanism allows traders to consider the closing exchange rate in the previous trading day when they quote the mid-point price for Renminbi against the U.S. dollar. On the same day, the central parity of Renminbi against the U.S. dollar depreciated by nearly 2.0% as compared to 10 August 2015. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. The PRC government may in the future make further adjustments to the exchange rate system.

Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign currency for capital items, such as foreign direct investment, loans or security, requires the approval of SAFE and other relevant authorities.

The following table sets forth the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Board for and as of the period ends indicated. The exchange rates reflect the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board. On 30

June 2021, the noon buying rate for Renminbi was U.S.$1.00 to RMB6.4566. Such rates are provided solely for the convenience of the reader and are not necessarily the exchange rates (if any) included elsewhere in this Offering Circular.

Period	Period End	Average(1)	High	Low
		(RMB per U.S.$1.00)		
2012	6.2301	6.3088	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6400	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4730	6.4601	6.4869	6.4344
March	6.5518	6.5109	6.5716	6.4948
April	6.4749	6.5186	6.5649	6.4710
May	6.3674	6.4321	6.4749	6.3674
June	6.4566	6.4250	6.4811	6.3796
July	6.4609	6.4763	6.5104	6.4562
August	6.4604	6.4768	6.5012	6.4604
September	6.4434	6.4563	6.4702	6.4320
October	6.4050	6.4172	6.4485	6.3820
November (up to12 November 2021)	6.3787	6.3938	6.4601	6.3787

Note:

(1) Annual or monthly averages are calculated by using the average of the exchange rates on the last day of each month during the relevant year or period.

Hong Kong

The Hong Kong dollar is freely convertible into U.S. dollars. Since 1983, the Hong Kong dollar has been linked to the U.S. dollar. Under existing Hong Kong law, (i) there are no foreign exchange controls or other laws, decrees or regulations that affect the remittance of dividend payments to U.S. residents and (ii) there are no limitations on the rights of non-residents or foreign owners to hold the Bonds. The Basic Law of the Hong Kong Special Administrative Region of the PRC, which came into effect on 1 July 1997, provides that no foreign exchange control policies may be applied in Hong Kong.

Although the market exchange rate of the Hong Kong dollar against the U.S. dollar was and continues to be determined by forces of supply and demand in the foreign exchange market, between 1983 and May 2005 Hong Kong maintained a fixed rate system which fixed the rate of exchange to HK$7.80 per U.S.$1.00 (the "**Linked Exchange Rate System**"). However, in May 2005, the Hong Kong Monetary Authority broadened the 22-year trading band from the original rate of HK$7.80 per U.S.$1.00 to a new range varying between HK$7.75 per U.S.$1.00 and HK$7.85 per U.S.$1.00. The Hong Kong government has indicated its intention to maintain the Linked Exchange Rate System. The Hong Kong government has also stated that it has no intention of imposing exchange controls and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong government will maintain the trading band at HK$7.75 to HK$7.85 per

U.S.$1.00 or at all. As a result of the Linked Exchange Rate System, exchange rates between the Hong Kong dollar and other currencies are influenced by the value of the U.S. dollar.

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Hong Kong dollars and U.S. dollars. The exchange rates reflect the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board. On 31 December 2020, the noon buying rate for Hong Kong dollars was U.S.$1.00 to HK$7.7658. Such rates are provided solely for the convenience of the reader and are not necessarily the exchange rates (if any) included elsewhere in this offering circular.

Period	**Period End**	**Average[(1)]**	**High**	**Low**
		(HK$ per U.S.$1.00)		
2012	7.7507	7.7569	7.7699	7.7493
2013	7.7539	7.7565	7.7654	7.7503
2014	7.7531	7.7554	7.7669	7.7495
2015	7.7507	7.7519	7.7686	7.7495
2016	7.7534	7.7618	7.8270	7.7505
2017	7.8128	7.7950	7.8267	7.7540
2018	7.8305	7.8376	7.8499	7.8043
2019	7.7894	7.8335	7.8499	7.7850
2020	7.7534	7.7559	7.7951	7.7498
2021				
January	7.7531	7.7533	7.7555	7.7517
February	7.7567	7.7529	7.7567	7.7515
March	7.7746	7.7651	7.7746	7.7562
April	7.7664	7.7691	7.7849	7.7596
May	7.7610	7.7654	7.7697	7.7608
June	7.7658	7.7617	7.7666	7.7566
July	7.7723	7.7705	7.7837	7.7651
August	7.7779	7.7834	7.7925	7.7735
September	7.7850	7.7807	7.7877	7.7708
October	7.7790	7.7793	7.7871	7.7725
November (up to 12 November 2021)	7.7921	7.7860	7.7921	7.7819

Note:

(1) Annual or monthly averages are calculated by using the average of the exchange rates on the last day of each month during the relevant year or period.

DESCRIPTION OF SHARES

*The discussion below provides information about the Issuer's share capital and summaries of related provisions of its Memorandum and Articles of Association (the "**Articles**") of the Issuer and the Companies Act (As Revised) of the Cayman Islands (the "**Companies Act**"). These summaries do not purport to be complete and are qualified in their entirety by reference to the Issuer's full Articles.*

General

The Issuer is incorporated in the Cayman Islands as an exempted Issuer with limited liability on 28 September 2004 and changed its name on 30 June 2009. As at 30 June 2021, the authorised share capital of the Issuer was HK$120,000,000, comprising 10,000,000,000 ordinary shares of a nominal or par value of HK$0.01 each and 2,000,000,000 non-redeemable convertible preference shares of a nominal or par value of HK$0.01 each. As at the dame date, the total number of shares issued by the Issuer was 2,022,070,588 shares.

Alteration of Capital

The Issuer may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Issuer in general meeting or as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Issuer has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Issuer may subject to the provisions of the Companies Act reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

Variation of rights of existing shares or classes of shares

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Transfer of Shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Act.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Issuer has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Issuer in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole 30 days in any year.

Power to purchase the Issuer's own Shares

The Issuer is empowered by the Companies Act and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Issuer subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

Power of any subsidiary to own Shares

There are no provisions in the Articles relating to ownership of shares in the Issuer by a subsidiary.

Annual general meetings

An annual general meeting of the Issuer must be held in each year, other than the year of adoption of the Articles (within a period of not more than 15 months after the holding of the last preceding annual general meeting or a period of 18 months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

Notice of general meetings and business to be conducted thereat

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by at least 21 clear days' notice in writing, and any other extraordinary general meeting shall be called by at least 14 clear days' notice (in each case exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Issuer other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Issuer, and also to the auditors for the time being of the Issuer.

Notwithstanding that a meeting of the Issuer is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of the Issuer entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(a) the declaration and sanctioning of dividends;

(b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(c) the election of directors in place of those retiring;

(d) the appointment of auditors and other officers;

(e) the fixing of the remuneration of the directors and of the auditors;

(f) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Issuer representing not more than 20 per cent. in nominal value of its existing issued share capital; and

(g) the granting of any mandate or authority to the directors to repurchase securities of the Issuer.

Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Issuer or at any relevant general meeting of any class of members of the Issuer.

Special resolution – majority required

Pursuant to the Articles, a special resolution of the Issuer must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than 21 clear days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 clear days' notice has been given.

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Issuer as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a show of hands, every member who is present in person or by proxy or being a corporation, is present by its duly authorised representative shall have one vote and on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in the Articles, where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by (i) the chairman of the meeting or (ii) at least three members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting or (iii) any member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or (iv) a member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and holding shares in the Issuer conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right or (v) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. or more of the total voting rights at such meeting.

If a recognised clearing house (or its nominee(s)) is a member of the Issuer it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Issuer or at any meeting of any class of members of the Issuer provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Issuer held by that clearing house (or its nominee(s)) including the right to vote individually on a show of hands.

Where the Issuer has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Issuer or restricted to voting only for or only against any particular resolution of the Issuer, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Proxies

Any member of the Issuer entitled to attend and vote at a meeting of the Issuer is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Issuer or at a class meeting. A proxy need not be a member of the Issuer and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

Dividends and other methods of distributions

The dividends shall be made according to the Issuer's memorandum and articles of association and the Companies Act. the Issuer's memorandum and articles of association provides that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which the board of directors of the Issuer determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act. No dividend may be declared and paid unless the directors of the Issuer determine that, immediately after the payment, the Issuer will be able to pay our debts as they become due in the ordinary course of business and the Issuer has funds lawfully available for such purpose.

Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two hours on every business day by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

Calls on Shares and forfeiture of Shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20 per cent. per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Issuer may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than 14 clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Issuer all monies which, at the date of forfeiture, were payable by him to the Issuer in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding 20 per cent. per annum as the board determines.

Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Issuer under Cayman law.

Procedure on liquidation

A resolution that the Issuer be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Issuer shall be wound up and the assets available for distribution amongst the members of the Issuer shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Issuer shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Issuer shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act divide among the members in specie or kind the whole or any part of the assets of the Issuer whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Untraceable members

Pursuant to the Articles, the Issuer may sell any of the shares of a member who is untraceable if (i) all cheques or warrants. In respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12-year period, the Issuer has not during that time received any indication of the existence of the member; and (iii) the Issuer has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Issuer and upon receipt by the Issuer of such net proceeds, it shall become indebted to the former member of the Issuer for an amount equal to such net proceeds.

PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate will contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which will modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each HK$1,000,000 in principal amount of Bonds then outstanding.

Cancellation

Cancellation of any Bond represented by the Global Certificate by the Issuer following redemption, conversion or purchase by the Issuer or any of its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Conversion

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System (as defined in the Global Certificate)), the Conversion Right attaching to the Bonds in respect of which the Global Certificate is issued may be exercised at any time during the Conversion Period by the presentation to or to the order of the Principal Agent or any other Conversion Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Agent or any other Conversion Agent together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Principal Agent or, as the case may be, the relevant Conversion Agent to the Registrar and the holder of the Global Certificate.

Payment

The Issuer, for value received, will pay to the holder of the Bonds represented by the Global Certificate (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Bonds) on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Bonds represented by the Global Certificate and to pay Default Interest (if any) in respect of such Bonds in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions.

Redemption at the Option of the Bondholders

The Bondholder's redemption options in Condition 8(d) and Condition 8(e) of the Conditions may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the relevant Condition.

Redemption at the Option of the Issuer

The options of the Issuer provided for in Condition 8(b)(i) and Condition 8(c) of the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Condition.

Bondholder's Tax Option

The option of Bondholders, following the giving by the Issuer of a Tax Redemption Notice pursuant to Condition 8(b)(i), not to have the Bonds redeemed as provided for in Condition 8(b)(ii) shall be exercised by the presentation to any Paying Agent of a duly completed Bondholder's election notice within the time limits set out in and containing the information required by Condition 8(b)(ii) of the Conditions.

Exchange of Bonds Represented by Global Certificates

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Bonds are held (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will at its own expense cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Transfers

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

Partial Redemption

In the case of a partial redemption of the Bonds, such Bonds to be redeemed will be selected by such method in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate, in accordance with the rules of the relevant clearing system.

TAXATION

This following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Bonds and Shares is based upon applicable laws, regulations, rulings and decisions as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or the Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds and Shares, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the Bonds. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest, additional amounts (if any) and principal on the Bonds and dividends and capital in respect of the Shares will not be subject to taxation and no withholding will be required on the payment of principal to any holder of the Bonds or the Shares, as the case may be, nor will gains derived from the disposal of the Bonds or the Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty.

No stamp duty is payable in respect of the issue of the Bonds or the Shares. However, an instrument of transfer in respect of a Bond or certificates representing the Bonds is stampable if executed in or brought into the Cayman Islands.

Hong Kong Taxation

Withholding tax

No withholding tax in Hong Kong is payable on payments of principal or interest in respect of the Bonds.

No withholding tax in Hong Kong is payable on payments of dividends on the Shares.

Profit tax

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the Inland Revenue Ordinance, as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal, conversion or redemption of the Bonds where such sale, disposal, conversion or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Bonds will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

- a corporation carrying on a trade, profession or business in Hong Kong; or

- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Stamp Duty

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale or disposal of the Shares where such transactions are or form part of a trade, profession or business carried on in Hong Kong. No Hong Kong stamp duty will be chargeable upon the issue or transfer (for so long as the register of holders of the Bonds is maintained outside Hong Kong) or conversion of a Bond. Hong Kong stamp duty is payable on any purchase and sale of the Bonds, including the transfer of the Bonds and transfer of interest in the Bonds upon conversion of the Bonds, for as long as the transfer thereof is required to be registered in Hong Kong. The duty is charged on each of the purchaser and the seller at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares bought and sold. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of Shares. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK$5. Where a sale or purchase of Shares registered on a Hong Kong share register is effected by a person who is not resident in Hong Kong and any stamp duty payable thereon is not paid, the relevant instrument of transfer (if any) is chargeable with such duty in default and the transferee is liable to pay such duty.

PRC Taxation

Taxation on Interests

The EIT Law imposes a tax at the rate of 10% on interests realised by an enterprise holder of the Bonds that is a "non-resident enterprise" which does not have an establishment or place of business in the PRC or, whose relevant income is not effectively connected with its establishment or place of business in the PRC despite the existence of such establishment or place of business in the PRC, to the extent such interests are sourced within the PRC. The IIT Law imposes a tax at the rate of 20% on interest paid to an individual holder of the Bonds that is a "non-resident individual" who is neither domiciled nor resides in the PRC or who is not domiciled in China but has stayed in China for an aggregate of less than 183 days of a tax year, to the extent such income is sourced within the PRC. Pursuant to these provisions of the PRC tax law, it is unclear whether the Issuer is considered as a PRC resident enterprise. If the Issuer is considered as a PRC resident enterprise, interests paid to non-resident enterprise holders and non-resident individual holders of the Bonds may be treated as income derived from sources within the PRC and thus subject to PRC withholding tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower withholding tax rate, such lower rate may apply to qualified enterprise investors in the Bonds.

Taxation on Capital Gains

The EIT Law impose a tax at the rate of 10% on capital gains realised by an enterprise holder of Bonds that is a "non-resident enterprise" which does not have an establishment or place of business in the PRC or, where despite the existence of establishment or place of business in the PRC, the relevant gain is not effectively connected with such establishment or place of business in the PRC, to the extent such capital gains are sourced within the PRC. The IIT Law imposes a tax at the rate of 20% on interest paid to an individual holder of the Bonds that is a "non-resident individual" who is neither domiciled nor resides in the PRC or who is not domiciled in China but has stayed in China for an aggregate of less than 183 days of a tax year, to the extent such income is sourced within the PRC. Pursuant to these provisions of the EIT Law and the IIT Law, although the matter is unclear, if the Issuer is considered a PRC resident enterprise, capital gains realised by non-resident enterprise holders and non-resident individual holders of the Bonds may be treated as income derived from sources within the PRC and be subject to PRC withholding tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified enterprise investors in the Bonds.

Stamp duty

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Bonds is maintained outside the PRC) of a Bond.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Manager dated 16 November 2021 (the "**Subscription Agreement**") pursuant to which, and subject to certain conditions contained therein, the Issuer agreed to sell to the Manager, and the Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds. The Subscription Agreement provides that the Issuer will indemnify the Manager against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Manager are subject to certain conditions precedent, and entitles the Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Manager or its affiliates may purchase the Bonds or Shares for its own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swap relating to the Bonds or Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds or Shares to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Bonds). The Manager and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries or affiliates from time to time. The Manager may receive customary fees and commissions for these transactions. The Manager or certain of its affiliates may purchase Bonds or Shares and be allocated Bonds or Shares for asset management and/or proprietary purposes but not with a view to distribution. In addition to the transactions noted above, the Manager and its affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its subsidiaries or affiliates in the ordinary course of their business. In addition, the Manager and certain of its subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisers.

The Issuer has agreed in the Subscription Agreement that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell, or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares (as defined in the Subscription Agreement) issued on conversion of the Bonds and (ii) any Shares or options granted pursuant to the Share Schemes (as defined in the Subscription Agreement).

In addition, China International Marine Containers (Hong Kong) Limited has agreed that for a period from the date of the Subscription Agreement up to 90 days from the Issue Date (both dates inclusive), without the prior written consent of the Manager, except for up to 80,000,000 Lock-up Shares (as defined in the Subscription Agreement) which are subject to the Securities Lending Agreement (as defined below), none of it, any of other subsidiaries or affiliates over which China International Marine Containers (Hong Kong) Limited exercises management or voting control, nor any person acting on their behalf will directly or indirectly (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or securities of the same class as Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase Lock-up Shares or securities of the same class as the Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing.

In connection with the proposed issue of the Bonds, Morgan Stanley & Co., International plc as borrower (the "**Borrower**") (as defined in the Subscription Agreement) has entered into a securities lending agreement with China International Marine Containers (Hong Kong) Limited as lender (the "**Lender**") dated 16 November 2021 (the "**Securities Lending Agreement**"), pursuant to which the Lender will lend, in aggregate, up to 80,000,000 Shares to the Borrower, upon and subject to the terms and conditions stated in the Securities Lending Agreement.

Selling Restrictions

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Manager that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Manager, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Manager.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Manager or any affiliate of the Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Manager or such affiliate on behalf of the Issuer in such jurisdiction.

United States

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds or Shares to be issued upon conversion of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Hong Kong

The Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

United Kingdom

The Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

The Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

The Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in the (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, the Manager has represented and agreed that is has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

The People's Republic of China

The Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong Special Administrative Regions and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People's Republic of China.

Singapore

The Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275 (1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Future (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Cayman Islands

The Manager has represented, warranted and agreed that no offer of the Bonds will be made directly or indirectly to the public in the Cayman Islands.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 241136892 and the International Securities Identification Number for the Bonds is XS2411368926.

2. **Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds issued to Professional Investors only. It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 1 December 2021.

3. **Listing of Shares:** Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares arising on conversion of the Bonds. It is expected that dealing in, and listing of, such Shares on the Hong Kong Stock Exchange will commence when they are issued.

4. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Bonds. The issue of the Bonds was authorized by the minutes of the meeting of the board of directors of the Issuer held on or about 12 November 2021. The Shares to be issued upon conversion of the Bonds are to be issued pursuant to the general mandate granted to the Directors of the Issuer at its annual general meeting held on 21 May 2021.

5. **No Material Adverse Change:** There has not occurred any material change (nor any development or event involving a prospective change), in the Group's condition (financial or otherwise), prospects, results of operations, profitability, business, management, shareholders' equity, properties or general affairs since 30 June 2021.

6. **Litigation:** Neither the Issuer nor any of its subsidiaries is involved in any litigation or arbitration proceedings which are material in the context of the Bonds nor is the Issuer aware that any such proceedings are pending or threatened.

7. **Available Documents:** For so long as any of the Bonds are outstanding, copies of (i) the Issuer's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020; (ii) the Issuer's unaudited consolidated financial statements as at and for the six months ended 30 June 2020 and 2021; (iii) the Trust Deed; and (iv) the Agency Agreement will be available for inspection at the principal office of the Issuer at Unit 908, 9th Floor, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong. In the case of the items mentioned in (iii) and (iv) above of this paragraph 7, and for so long as any of the Bonds are outstanding, the same shall also be available for inspection by Bondholders at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday other than public holidays) at the principal office for the time being of the Trustee, being as at the Issue Date at One Canada Square, London E14 5AL, United Kingdom, and at the specified office of the Principal Agent, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Agent.

8. **Consolidated Financial Statements:** The consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular have been extracted from the audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, respectively, of the Issuer, which have been audited by PwC, the independent auditors of the Issuer, and are incorporated by reference in this Offering Circular.

The consolidated financial information of the Issuer as at and for the six months ended 30 June 2020 and 2021 included in this Offering Circular have been extracted from the 2021 Interim Financial Statements of the Issuer, which are incorporated by reference in this Offering Circular.

The 2021 Interim Financial Statements were reviewed by PwC in accordance with HKSRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The 2021 Interim Financial Statements have not been audited by PwC. Consequently, the 2021 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with financial statements that have been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. None of the Manager, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial results for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Issuer's financial condition and results of operations. The 2021 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Issuer for the full financial year ending 31 December 2021.

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