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*Notice to Hong Kong investors: The Company confirms that the Bonds (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Company 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**



**首程控股有限公司**  
**SHOUCHENG HOLDINGS LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 697)

**U.S.\$180 MILLION 0.75% CONVERTIBLE BONDS DUE 2026 (the “Bonds”)**  
**(Stock Code: 5723)**

*Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*



*Sole Global Lead Arranger and Joint Bookrunner*



This announcement is issued by Shoucheng Holdings Limited (the “**Company**”) pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

Reference is made to the notice of listing of the Bonds on the Stock Exchange dated 9 July 2025 published by the Company. Please refer to the offering circular dated 4 July 2025 (the “**Offering Circular**”) appended hereto in relation to the Bonds. The Offering Circular is published in English only.

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 listed on the Stock Exchange on that basis. Accordingly, the Company confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended.

By order of the Board  
**Shoucheng Holdings Limited**  
**Zhao Tianyang**  
*Chairman*

Hong Kong, 10 July 2025

*As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Li Hao (Vice Chairman), Mr. Xu Huajie and Mr. Liu Jingwei as Executive Directors; Mr. Wu Lishun, Mr. Peng Jihai and Mr. Ho Gilbert Chi Hang as Non-executive Directors; Dr. Wang Xin, Ms. Zhang Quanling, Ms. Zhuge Wenjing, Dr. Zhang Jianwei and Ms. Tse, Theresa Y Y as Independent Non-executive Directors.*

## IMPORTANT NOTICE

(NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES)

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular (the “Offering Circular”) following this page, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the 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 the Issuer as a result of such access.

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. 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 MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT TO THE EXTENT PERMITTED BY THE SUBSCRIPTION AGREEMENT.**

**Confirmation of your Representation:** In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be addressees outside the United States (as defined in Regulation S under the Securities Act). The Offering Circular is being sent at your request and by accepting the electronic mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer (as defined in the Offering Circular) and Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited (the “Joint Lead Managers”) that the electronic mail address that you gave the Issuer to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the 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 the Offering Circular to any other person.

**Restrictions:** The 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 materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Issuer, the Joint Lead Managers, the Trustee or the Agent (both as defined in the Terms and Conditions), nor any of their respective directors, officers, employees, representatives, advisers, affiliates or agents or any person who controls any of them or any of their respective affiliates, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

**Actions that You May Not Take:** You should not reply by e-mail to this communication, 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.

**IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.**

**THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT 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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首程控股有限公司  
SHOUCHENG HOLDINGS LIMITED  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 697)

**U.S.\$180,000,000 0.75% Convertible Bonds due 2026**  
**convertible into ordinary shares of**  
**Shoucheng Holdings Limited**  
**Issue Price: 100 per cent.**

The 0.75% Convertible Bonds due 2026 in the aggregate principal amount of U.S.\$180,000,000 (the “Bonds”) will be issued by Shoucheng Holdings Limited (the “Issuer” or the “Company”) on July 9, 2025 (the “Issue Date”). The issue price will be 100 per cent. of the aggregate principal amount of the Bonds.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(A) (Negative Pledge) of the terms and conditions of the Bonds (the “Terms and Conditions” or 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) (Negative Pledge) of the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Subject as provided in the Terms and Conditions, each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling ten days prior to July 7, 2026 (the “Maturity Date”) into fully paid ordinary shares of the Issuer (the “Shares”) at an initial conversion price of HK\$1.632 per Share. The conversion price is subject to adjustment in the circumstances described under “Terms and Conditions of the Bonds—Conversion—Adjustments to Conversion Price.” The Closing Price (as defined in the Terms and Conditions) of the Shares on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange” or “SEHK”) on June 30, 2025 was HK\$1.60 per Share.

The Bonds bear interest from and including the Issue Date at the rate of 0.75 per cent. per annum on the outstanding principal amount of the Bonds. Interest is payable on January 9, 2026 and the Maturity Date in arrears.

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount on the Maturity Date. On giving not less than 30 nor more than 60 days’ notice, the Issuer may redeem all and not some only of the Bonds on the Optional Redemption Date (as defined in the Terms and Conditions) at their principal amount, together with interest accrued (if any) to (but excluding) the Optional Redemption Date, at any time if, prior to the date the relevant Optional Redemption Notice (as defined in the Terms and Conditions) is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to Condition 17 (Further Issues) of the Terms and Conditions). All and not some only of the Bonds may also be redeemed, at the option of the Issuer, at any time, on giving not less than 30 nor more than 60 days’ notice (a “Tax Redemption Notice”), on the date specified in the Tax Redemption Notice for such redemption (the “Tax Redemption Date”) at its principal amount, together with interest accrued (if any) to (but excluding) the Tax Redemption Date, in the event of certain changes in, or amendment to, the laws or regulations of the PRC or Hong Kong, as further described in the Terms and Conditions, subject to the non-redemption option of each holder after the exercise by the Issuer of its tax redemption option as described in the Terms and Conditions. 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 at their principal amount, together with interest accrued (if any) to (but excluding) the Relevant Event Put Date (as defined in the Terms and Conditions), following the occurrence of a Relevant Event (as defined in the Terms and Conditions). See “Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation.”

Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange 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) (the “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 July 10, 2025 and when such Shares are issued, respectively. This Offering Circular 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 or the Issuer or the Group (as defined below), 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 Offering Circular, 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 Offering Circular.

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

Investors should be aware that the Bonds are unsecured, that there are risks attached to exercise of Conversion Rights of the Bonds, and that there are various other risks relating to the Bonds and the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should familiarize themselves with before making an investment in the Bonds. See “Risk Factors” beginning on page 19.

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”), or other securities laws and, subject to certain exemptions, 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 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 the Bonds will not be issued in exchange for interests in the Global Certificate.

The Bonds are not intended to be initially placed and may not be initially placed to “connected persons” of the Issuer as defined in the Listing Rules (“Connected Persons”). Each holder of the Bonds (and the beneficial owners of the Bonds, if applicable) will be deemed to have represented to the Issuer and Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited (the “Joint Lead Managers”) that it is not a Connected Person of the Issuer, and will not after completion of the subscription of the Bonds be a Connected Person (as defined in the Listing Rules) of the Issuer. Each prospective investor will be deemed to have agreed with the Issuer and the Joint Lead Managers that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the Hong Kong Securities and Futures Commission (the “SFC”), disclose information about such potential investor (including but not limited to its name, company registration number and the number of Bonds allotted to it) to certain parties.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Sole Global Lead Arranger and Joint Bookrunner



Offering Circular dated July 4, 2025

## TABLE OF CONTENT

	<b>Page</b>
NOTICE TO INVESTORS .....	1
CERTAIN DEFINED TERMS AND CONVENTIONS .....	5
PRESENTATION AND INCORPORATION OF FINANCIAL INFORMATION .....	7
FORWARD-LOOKING STATEMENTS .....	8
SUMMARY .....	9
THE OFFERING .....	11
SUMMARY CONSOLIDATED FINANCIAL DATA .....	16
RISK FACTORS .....	19
USE OF PROCEEDS .....	56
EXCHANGE RATE INFORMATION .....	57
MARKET PRICE INFORMATION .....	59
CAPITALISATION AND INDEBTEDNESS .....	60
CORPORATE STRUCTURE .....	61
DESCRIPTION OF THE ISSUER .....	62
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT .....	69
DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN OUR SHARES .....	73
RELATED PARTY TRANSACTIONS .....	76
DESCRIPTION OF THE SHARES .....	77
TERMS AND CONDITIONS OF THE BONDS .....	85
DESCRIPTION OF THE GLOBAL CERTIFICATE .....	120
TAXATION .....	122
SUBSCRIPTION AND SALE .....	125
GENERAL INFORMATION .....	130

## NOTICE TO INVESTORS

The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong or elsewhere. Investors are advised to exercise caution in relation to the offering of the Bonds (the “**Offering**”) described herein. If investors are in any doubt about any of the contents of this Offering Circular, they should obtain independent professional advice. This Offering Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, 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 confirms that (i) this Offering Circular contains all information which is (in the context of the issue, offering and sale of Bonds) material, such information will be true and accurate in all material respects and not misleading; any opinions, predictions or intentions expressed in this Offering Circular are honestly held or made and are not misleading, and all proper enquiries have been made to ascertain or verify the accuracy of the foregoing; this Offering Circular does not, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading; and (ii) this Offering Circular contains all such information that a professional investor would customarily expect such document to contain. The Issuer accepts responsibility accordingly.

This Offering Circular does not constitute an offer or an invitation by or on behalf of the Joint Lead Managers or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law in such jurisdictions where such an offer and sales is not permitted. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong, Singapore, Japan, the PRC and the European Economic Area (the “**EEA**”), and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale.*” The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

None of the Joint Lead Managers, China Construction Bank (Asia) Corporation Limited as trustee for itself and the holders of the Bonds (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions) or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, has separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Bonds or Shares, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty, express or implied, by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the Group and the merits and risks involved in investing in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, accepts any responsibility for the contents of this Offering Circular. The Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates, any person who controls any of them and any of their respective affiliates, accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, undertakes to review the Issuer's or the Group's business, financial condition, results of operations, prospects or affairs for so long as any Bond remains outstanding or to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates.

Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Group, the Bonds or the Shares. In making an investment decision, prospective investors must rely on their examination of the Issuer, the Group and the terms of this Offering, including the merits and risks involved. The Bonds have not been approved or recommended by any Hong Kong or other regulatory authority. Furthermore, the contents of this Offering Circular have not been reviewed by any Hong Kong or other regulatory authority. The foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Circular. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able or advisable to purchase the Bonds under applicable laws or regulations.

No person is authorized to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Bonds are not intended to be initially placed and may not be initially placed to any Connected Person. Each holder of the Bonds (and the beneficial owners of the Bonds, if applicable) will be deemed to have represented to the Issuer and the Joint Lead Managers that it is not a Connected Person of the Issuer, and will not after completion of the subscription of the Bonds be a Connected Person of the Issuer. Each prospective investor will be deemed to have agreed with the Issuer and the Joint Lead Managers that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the SFC, disclose information about such potential investor (including but not limited to its name, company registration number and the number of Bonds allotted to it) to certain parties.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Bonds (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both of their agent and their underlying client.

**PRIIPs REGULATION-PROHIBITION OF SALES TO EEA RETAIL INVESTORS (“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 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**”); and (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), 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.

**UK PRIIPs REGULATION-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 United Kingdom (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 by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) 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 point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law 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.

**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).

**Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of this offering, including the Joint Lead Managers, are “capital market intermediaries” (“CMI”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“OC”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“association”) with the issuer, the CMI or the relevant group company (as the case may be). Prospective investors associated with the issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their associations are hereby deemed not to be so associated. Where prospective investors disclose their associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order and such order will be subject to the applicable requirements in accordance with the SFC Code. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.



Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the book-building process for this offering. Failure to provide such information may result in that order being rejected.

## CERTAIN DEFINED TERMS AND CONVENTIONS

This Offering Circular has been prepared using a number of conventions, which you should consider when reading the information herein. The terms the “Company” or the “Issuer” are referring Shoucheng Holdings Limited and the term the “Group” is referring to the Company and its subsidiaries taken as a whole. The terms “we,” “us,” “our” and words of similar import are referring to the Company or the Group, as the context requires.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained by the Group based on internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, market research, publicly available information and industry publications, while believed to be reliable, have not been independently verified, and neither the Group, any of the Joint Lead Managers, the Trustee, the Agents nor any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, makes any representation as to the reliability or accuracy and completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarizes certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents. In making an investment decision, each investor must rely on its own examination of the Issuer and the Group and the terms of the offering and the Bonds, including the merits and risks involved.

The statistics set forth in this Offering Circular relating to the PRC were taken or derived from various government and private publications. Neither the Group, any of the Joint Lead Managers, the Trustee, the Agents nor any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, or any person who controls any of them or any of their respective affiliates, makes any representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly inconsistent collection methods and other problems, the statistics herein may be inaccurate and should not be unduly relied upon.

Unless otherwise specified or the context requires, references herein to “**Hong Kong dollars**”, “**HK dollars**”, “**HK\$**” and “**HKD**” are to the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), references herein to “**U.S.\$**” and “**U.S. dollars**” are to the lawful currency of the United States of America (the “**United States**” or the “**U.S.**”) and references herein to “**Renminbi**” and “**RMB**” are to the lawful currency of the People’s Republic of China (the “**PRC**” or “**China**”).

Unless otherwise stated in this Offering Circular, all translations from Hong Kong dollar amounts to U.S. dollars were made at the rate of HK\$7.7677 to U.S.\$1.00, the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System on December 31, 2024. All such translations in this Offering Circular are provided solely for each investor’s 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 vice versa, at any particular rate or at all. For further information relating to the exchange rates, see “*Exchange Rate Information.*”

References to the “**PRC**” and “**China**”, for the purposes of this Offering Circular, except where the context requires, do not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China (“**Macau**”) and Taiwan. “**PRC government**” or “**State**” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or, where the context requires, any of them.

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 prevails.

In this Offering Circular, unless the context otherwise requires, all references to “affiliate” are to a person or entity directly or indirectly controlled by, or under the direct or indirect common control of, another person or entity; all references to “subsidiary” are used with the meaning ascribed to it in the Listing Rules.

Unless the context otherwise requires, references to “2022,” “2023” and “2024” in this Offering Circular are to the Group’s financial years ended December 31, 2022, 2023 and 2024, respectively.

## PRESENTATION AND INCORPORATION OF FINANCIAL INFORMATION

The Company's consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 have been extracted from the consolidated financial statements of the Company as of and for the year ended December 31, 2023 (as disclosed in the Company's 2023 annual report, which contained the consolidated financial information of the Company as of and for the years ended December 31, 2022 and 2023), and the consolidated financial statements of the Company for the year ended December 31, 2024 (as disclosed in the Company's 2024 annual report, which contained the consolidated financial information of the Company as of and for the year ended December 31, 2024), which have been audited by PricewaterhouseCoopers ("PwC"), the independent auditors of the Company and incorporated by reference in this Offering Circular. The Company prepares its consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. See "*Selected Consolidated Financial Information and Other Data*" for details.

Certain amounts and percentages included in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column. Potential investors should not construe any exchange rate translations as representations that the relevant exchange and amounts could actually be converted into the amounts expressed.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements.” All statements contained in this Offering Circular that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “will” and “would,” or similar words or the negatives thereof. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategies, revenue and profitability, planned projects and other matters discussed in this Offering Circular regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Group or by any third party) involve known and unknown risks, including those disclosed under the caption “*Risk Factors*,” uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause the our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel, and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our expansion plans;
- the actions of and developments affecting our competitors;
- our ability to reduce costs and offer competitive prices;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends;
- capital market developments; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. The Company cautions investors not to place undue reliance on these forward-looking statements which reflect their management’s view only as of the date of this Offering Circular. The Company does not have any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

## SUMMARY

*This summary does not contain all the information that may be important to you in deciding to invest in the Bonds. You should read the entire offering circular, including the section entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.*

### OVERVIEW

We are a leading intelligent infrastructure asset service provider in China, focusing on the investment, operation and management of core infrastructure assets with long-term values. Leveraging our extensive experience in asset operations and fundraising, investment, management and exit (“**FIME**”), we have built strong lifecycle service capabilities for infrastructure assets. On the one hand, we actively drive the comprehensive intelligent upgrade of our asset management system, aimed at transitioning to digitalized, intelligent operations with enhanced operational efficiency while achieving significant asset value appreciation. On the other hand, drawing on our in-depth industry knowledge and experience in real estate investment trusts (“**REITs**”), we have effectively recycled capital for our infrastructure assets, which enables us to accelerate our shift toward an asset operation model spanning asset acquisition, efficient operations, asset securitization and capital return.

We primarily carry out the asset operation and the FIME businesses:

- **Asset operations.** Our asset operation business primarily focuses on parking facility and industrial park asset operations. In recent years, driven by an “investment + operation” model, we have been continuously innovating and expanding our service offerings throughout the lifecycle and value chain of infrastructure assets. Our services encompass planning and design, investment and construction, as well as operational management and innovative value enhancement. As a leading intelligent infrastructure asset service provider in China, we actively invest in and manage intelligent infrastructure assets with long-term value, including parking spaces and industrial parks.

Our parking space operations cover various developed regions in China, primarily the Beijing-Tianjin-Hebei area (covering Beijing, Tianjing, Tangshan and Baoding), the Yangtze River Delta area (covering Nanjing and Shanghai), the Chengdu-Chongqing area, and the Greater Bay Area (covering Guangzhou and Foshan).

Our asset operation business is conducted mainly through four models—long-term leasing, parking complex, property ownership, and entrusted management. Our revenue generated from this business primarily includes operation service income, construction revenue from service concession agreement, and leasing income.

- **FIME.** To capture the opportunities presented by the Chinese real estate investment trusts (C-REITs) era, we provide a full ecosystem of FIME services in infrastructure sectors such as parking, transportation, and industrial parks. Our services range from development fund investment to public REITs consulting and strategic investments in REITs. In a typical REITs business cycle, we invest in and develop infrastructure assets, and then further enhance the assets’ quality with our robust infrastructure management capabilities. After the assets start to generate stable cash flows and maintain stable returns, we exit the investment and recoup our funds through public REITs products.

In 2022, 2023 and 2024, our total revenue was HK\$1,599.8 million, HK\$883.5 million and HK\$1,215.1 million, respectively; our gross profit was HK\$1,064.4 million, HK\$359.7 million and HK\$507.1 million, respectively; and our net profit attributable to owners of the Company was HK\$922.0 million, HK\$403.6 million and HK\$410.2 million, respectively.

### RECENT DEVELOPMENTS

We have continued to invest in certain key industries and assets and expand our parking facility assets network. For example, we have strategically invested in the robotics industry to accelerate the commercial viability of embodied intelligence while diversifying our portfolio for our sustainable growth. For the three months ended March 31, 2025, our revenue increased compared to the same period in 2024, which is attributable to higher revenue

from asset operations, primarily due to the new parking facilities we operate that are located at transportation hubs. As a result, our operating profit and profit attributable to our owners also rose during the three months ended March 31, 2025 as compared to the same period in 2024. For more details, see our unaudited and unreviewed condensed quarterly results for the three months ended March 31, 2025 published on May 15, 2025, which are not included in and do not form part of this Offering Circular.

Separately, on March 26, 2025, our Board resolved to recommend a final dividend of HK\$120 million for the year ended December 31, 2024, which was approved by the shareholders at our annual general meeting held on April 30, 2025. This final dividend is expected to be paid on August 7, 2025, to Shareholders whose names appear on the register of members of the Company on 16 July 2025.

On March 26, 2025, our Board also declared a special dividend in the aggregate amount of HK\$768 million, structured in three tranches: (i) the first tranche of HK\$256 million, which was paid in cash on April 25, 2025; (ii) the second tranche of HK\$256 million, which is payable in cash on September 26, 2025 to shareholders whose names appear on the register of members of the Company on September 16, 2025; and (iii) the third tranche of HK\$256 million, which is payable in cash on December 29, 2025 to shareholders whose names appear on the register of members of the Company on December 18, 2025.

## **GENERAL INFORMATION**

We were incorporated in Hong Kong as a joint stock company with limited liability on September 10, 1985. Our Shares have been listed on the Hong Kong Stock Exchange since April 30, 1991. Our principal place of business and registered office are located at 7<sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong. Our website is [www.shouchengholdings.com](http://www.shouchengholdings.com). Information contained on our website does not constitute part of this Offering Circular.

## THE OFFERING

The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Description of the Global Certificate” 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.

<b>Issuer</b>	Shoucheng Holdings Limited.
<b>Bonds</b>	U.S.\$180,000,000 0.75% Convertible Bonds due 2026 convertible at the option of the holder thereof into fully paid Shares of the Issuer.
<b>Issue Price</b>	100 per cent. of the principal amount of the Bonds.
<b>Form and Denomination of the Bonds</b>	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
<b>Interest</b>	The Bonds will bear interest from and including the Issue Date at the rate of 0.75 per cent. per annum on the outstanding principal amount of the Bonds. Interest is payable on January 9, 2026 and the Maturity Date in arrear. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. See “Terms and Conditions of the Bonds—Interest”.
<b>Issue Date</b>	July 9, 2025.
<b>Maturity Date</b>	July 7, 2026.
<b>Negative Pledge</b>	So long as any Bond remains outstanding (as defined in the Trust Deed) or any amount is due under or in respect of any Bond or otherwise under the Trust Deed, the Issuer will not, and will ensure that none of its Material Subsidiaries (as defined in the Terms and Conditions) will, create, permit to subsist or arise, or have outstanding, any mortgage, charge, lien, pledge or other security interest (other than a security interest arising by operation of law) upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness. See “Terms and Conditions of the Bonds—Covenants—Negative Pledge.”
<b>Status of the Bonds</b>	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(A) ( <i>Negative Pledge</i> ) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> 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) ( <i>Negative Pledge</i> ) of the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations. See “Terms and Conditions of the Bonds—Status.”
<b>Taxation</b>	All payments made by or on behalf of the Issuer in respect of the Bonds shall be made free from any set-off, counterclaim, 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, levied, collected, withheld or assessed by or on behalf of the PRC, Hong Kong or 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. If the Issuer is required to make a deduction or withholding (i) by or within the PRC in excess of the aggregate rate applicable on June 30, 2025 or (ii) by or within Hong Kong, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them



had no such deduction or withholding been required, except in the circumstances specified in Condition 9 (*Taxation*) of the Terms and Conditions. See “*Terms and Conditions of the Bonds—Taxation.*”

**Conversion Right and Period**

Subject as provided in the Terms and Conditions, each Bond shall entitle the holder to convert such Bond into Shares credited as fully paid at any time during the Conversion Period referred to below (the “**Conversion Right**”).

Subject to and upon compliance with the Terms and Conditions, the Conversion Right in respect of a 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 provided in the Terms and Conditions) on or after the Issue Date up to (a) the close of business (being 3:00 p.m. (Hong Kong time)) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in Condition 6(A)(iii) (*Revival and/or survival after Default*) of the Terms and Conditions in no event thereafter) or, (b) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (being 3:00 p.m. (Hong Kong time)) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) (*Redemption for Delisting or Change of Control*) of the Terms and Conditions then up to the close of business (being 3:00 p.m. (Hong Kong time)) (at the place aforesaid) on the business day prior to the giving of such notice (the “**Conversion Period**”). See “*Terms and Conditions of the Bonds—Conversion Right.*”

**Conversion Price**

The price at which Shares will be issued upon exercise of a Conversion Right will initially be HK\$1.632 per Share, but will be subject to adjustments for, among other things, consolidation, subdivision or reclassification, capitalization of profits or reserves, 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 on conversion, other offers to shareholders and other events as described in the Terms and Conditions. See “*Terms and Conditions of the Bonds—Conversion—Adjustments to Conversion Price*” and “*Terms and Conditions of the Bonds—Conversion—Adjustment upon Change of Control.*”

**Cash Election**

Notwithstanding the Conversion Right of each Bondholder in respect of each Bond, at any time when the delivery of Shares deliverable upon conversion of the Bonds is required to satisfy the Conversion Right in respect of a Conversion Notice, the Issuer shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount in order to satisfy such Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares). See “*Terms and Conditions of the Bonds—Conversion—Conversion Procedure and Cash Election—Cash Election.*”

**Final Redemption**

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount on the Maturity Date. See “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Maturity.*”

**Redemption for Taxation Reasons**

The Issuer may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption at its principal amount, together with interest accrued (if any) to (but excluding) the Tax Redemption Date, 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 defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong, 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 June 30, 2025, 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. If the Issuer exercises its tax redemption right, each Bondholder shall have the right to elect that his Bond(s) shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, any payments due after the relevant date of redemption shall be made subject to any 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 (which notice shall be irrevocable), the Issuer may redeem all and not some only of the Bonds on the date (the **“Optional Redemption Date”**) specified in the Optional Redemption Notice at their principal amount, together with interest accrued (if any) to (but excluding) the Optional Redemption Date, at any time if, prior to the date on which the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to Condition 17 (*Further Issues*) of the Terms and Conditions). See *“Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption at the Option of the Issuer.”*

**Redemption for Delisting or Change of Control**

Following the occurrence of 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 Put Date (as defined in the Terms and Conditions) at their principal amount, together with interest accrued (if any) to (but excluding) the Relevant Event Put Date. A Bond may not be redeemed unless the principal amount of such Bond to be redeemed and (where not all of the Bonds held by a holder are being redeemed) the principal amount of the balance of such Bond not being redeemed are equal to an Authorised Denomination (as defined in the Terms and Conditions).

A **“Relevant Event”** occurs:

- (i) when the Shares cease to be listed or admitted to trading or are suspended from trading on the Main Board of the Hong Kong Stock Exchange for a period equal to or exceeding 30 consecutive Trading Days; or
- (ii) when there is a Change of Control (as defined in the Terms and Conditions).

See *“Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption for Delisting or Change of Control.”*

**Company Lock-up**

The Company 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, pledge 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 Joint Lead Managers between the date of the Subscription Agreement and the date which is 60 calendar days after the Closing Date (as defined in the Subscription Agreement) (both dates inclusive); except for (a) the Bonds and the New Shares issued on conversion of the Bonds and (b) any issue of Shares under the share incentive plan and the bonus award scheme as disclosed in the annual report of the Issuer dated 3 April, 2025.

**Cross Acceleration**

The Bonds may be accelerated in the event of, *inter alia*, a default relating to the Issuer or any of its Subsidiaries in respect of indebtedness which equals or exceeds U.S.\$20 million or its equivalent in any other currency. For a description of certain other events that will permit the Bonds to become immediately due and payable at their principal amount, see “*Terms and Conditions of the Bonds—Events of Default.*”

**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 first payment of interest, the issue date and the timing for complying with the requirements set out in the Conditions in relation to the Initial CSRC Post-Issuance Filing (as defined in the Terms and Conditions)) and so that such further issue shall be consolidated and form a single series with the Bonds. See “*Terms and Conditions of the Bonds—Further Issues.*”

**Clearing**

The Bonds will be cleared through Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book entry transfer between their respective account holders.

**Governing Law**

The Bonds and any non-contractual obligations arising out of or in connection with them will be governed by and will be construed in accordance with English law.

**Legal Entity Identifier**

984500T04A55D1A09D74

**ISIN**

XS3108595169

**Common Code**

310859516

**Listing and Trading of the Bonds**

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and the listing of, and permission to deal in, the Bonds is expected to become effective on July 10, 2025.

**Listing of Shares**

The Shares are listed on the Hong Kong Stock Exchange. Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares issuable upon conversion of the Bonds (the “**New Shares**”).

**Trustee**

China Construction Bank (Asia) Corporation Limited

**Registrar**

China Construction Bank (Asia) Corporation Limited

**Principal Paying Agent,  
Principal Conversion  
Agent and Transfer Agent**

China Construction Bank (Asia) Corporation Limited

**Rating of the Bonds**

The Bonds are not, and are not expected to be, rated by any rating agency.

**Selling Restrictions**

There are restrictions on the offer, sale and transfer of the Bonds in certain jurisdictions, including the United States, Hong Kong and the PRC. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “*Subscription and Sale.*”

**Global Certificate**

For as long as the Bonds are represented by the Global Certificate and the Global Certificate is deposited with a common depository for Euroclear and Clearstream, payments of principal in respect of the Bonds represented by the Global Certificate will be made without presentation and, if no further payment falls to be made in respect of the Bonds, against surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to Bondholders for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.

**Use of Proceeds**

See “*Use of Proceeds*” for more information.

**Risk Factors**

For a discussion of certain factors that should be considered in evaluating an investment in the Bonds, see “*Risk Factors.*”

## SUMMARY CONSOLIDATED FINANCIAL DATA

Our consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 included in this Offering Circular has been extracted from our consolidated financial statements for the year ended December 31, 2023 and 2024, which have been audited by PwC, the independent auditors of the Company.

Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Our audited consolidated financial statements have been prepared and presented in accordance with HKFRS, which differ in certain respects from GAAP in other jurisdictions. The summary financial data below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes incorporated by reference in this Offering Circular.

### SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended December 31,		
	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	1,599,809	883,478	1,215,123
Cost of sales	(535,391)	(523,759)	(708,031)
<b>Gross profit</b>	1,064,418	359,719	507,092
Other income	480,511	458,066	362,210
Other gains, net	194,354	128,496	45,880
Provision for impairment loss for trade receivables	(14,600)	(11,279)	-
Administrative expenses	(378,568)	(299,979)	(303,284)
<b>Operating profit</b>	1,346,115	635,023	611,898
Finance costs	(102,356)	(105,689)	(116,287)
Share of results of associates	499	(31,502)	(14,194)
Share of results of joint ventures	(60,820)	(31,381)	(7,316)
<b>Profit before income tax</b>	1,183,438	466,451	474,101
Income tax expense	(269,091)	(6,906)	(85,581)
<b>Profit for the year</b>	914,347	459,545	388,520
<b>Profit/(loss) is attributable to:</b>			
Owners of the Company	922,010	403,565	410,200
Non-controlling interests	(7,663)	55,980	(21,680)
	914,347	459,545	388,520
Earnings per share for profit attributable to the owners of the Company:			
Basic earnings per share (HK cents)	12.97	5.57	5.76
Diluted earnings per share (HK cents)	12.97	5.57	5.76

### SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,		
	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	22,939	108,069	153,875
Right-of-use assets	2,051,682	1,823,259	2,255,139

	<b>As of December 31,</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Contract assets in respect of service concession arrangements	209,368	114,664	99,419
Investment properties	615,579	841,226	918,375
Investments in associates	163,790	241,364	103,050
Investments in joint ventures	650,204	560,605	521,627
Investments – non-current	3,490,102	3,454,413	2,533,122
Prepayments and deposits	167,162	173,854	156,994
Deferred income tax assets	5,291	30,497	35,790
Other non-current assets	403,233	530,288	534,809
<b>Total Non-Current Assets</b>	<b>7,779,350</b>	<b>7,878,239</b>	<b>7,312,200</b>
<b>Current Assets</b>			
Trade receivables	355,961	203,648	203,092
Prepayments, deposits and other receivables	300,936	253,075	396,039
Investments – current	1,495,605	1,173,636	1,523,388
Restricted deposits	–	–	145,885
Time deposits with maturity over three months	150,654	1,751,346	1,626,752
Bank balances and cash	3,573,685	2,262,573	2,621,727
<b>Total Current Assets</b>	<b>5,876,841</b>	<b>5,644,278</b>	<b>6,516,883</b>
<b>Total Assets</b>	<b>13,656,191</b>	<b>13,522,517</b>	<b>13,829,083</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	12,546,847	12,994,847	12,994,847
Reserves	(2,619,258)	(3,071,495)	(3,574,159)
<b>Capital and reserves attributable to owners of the Company</b>	<b>9,927,589</b>	<b>9,923,352</b>	<b>9,420,688</b>
Non-controlling interests	96,470	117,383	95,156
<b>Total Equity</b>	<b>10,024,059</b>	<b>10,040,735</b>	<b>9,515,844</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings – non-current	465,572	452,280	358,662
Bond payables – non-current	–	183,786	1,095,043
Lease liabilities – non-current	1,448,146	1,314,432	1,689,540
Deferred income tax liabilities	160,013	105,590	121,829
Financial liabilities at fair value through profit or loss – non-current	87,461	92,519	68,231
<b>Total Non-Current Liabilities</b>	<b>2,161,192</b>	<b>2,148,607</b>	<b>3,333,305</b>
<b>Current Liabilities</b>			
Trade payables	353,950	485,585	452,750
Other payables, provision and accrued liabilities	273,174	181,214	185,305
Contract liabilities	22,517	58,599	68,751
Financial liabilities at fair value through profit or loss – current	925	292,423	–
Tax payable	137,716	79,540	65,080
Borrowings – current	581,821	157,131	38,160
Bond payables – current	–	–	3,816
Lease liabilities – current	100,837	78,683	166,072

	<b>As of December 31,</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total Current Liabilities</b>	1,470,940	1,333,175	979,934
<b>Total Liabilities</b>	3,632,132	3,481,782	4,313,239
<b>Total Equity and Liabilities</b>	13,656,191	13,522,517	13,829,083

## **RISK FACTORS**

*You should consider carefully all of the information in this Offering Circular, including the risks and uncertainties described below, before investing in the Bonds. Any of the following risks and uncertainties could have a material and adverse effect on our businesses, financial condition and results of operations. The risks described below are not the only ones relevant to us or the Bonds. Additional risks and uncertainties not presently known to us, or which we currently consider immaterial, may also have an adverse effect on an investment in the Bonds. The market price of the Bonds could decline due to any of these risks, and investors may lose all or part of their investments.*

### **RISKS RELATING TO OUR BUSINESS AND INDUSTRY**

#### **We are subject to the risks of our asset operation business.**

We are subject to risks associated with the provision of asset operation services, particularly our parking infrastructure operation and management services. Some of the factors that may affect our business include:

- local market conditions, such as oversupply of parking facilities, reduction in demand for parking facility space and the service fees we can charge for a parking facility, which may make a parking facility unprofitable;
- significant liabilities associated with parking space assets, such as mortgage payments, and property taxes, which are generally fixed and need to be paid even when market conditions reduce income from the assets;
- the attractiveness of our assets to potential customers and business partners;
- our ability to maintain, refurbish and redevelop existing assets;
- competition from other parking infrastructure operation service providers;
- our ability to maintain, and obtain insurance for, our assets;
- our ability to control variable operating costs;
- changes in labor laws or other laws and regulations in relation to the industry;
- governmental regulations, including changes in zoning and usage, condemnation, redevelopment and tax laws, and changes in these laws;
- construction costs (including labor costs) of a carpark may exceed the original estimates, or construction may not be completed on time, due to factors such as contract default, the effects of local weather conditions, the possibility of local or national strikes by construction-related labor, the effect of public health and safety issues and the possibility of shortages in materials, building supplies or energy and fuel equipment, making the parking facility less profitable than originally estimated or not profitable at all; and
- changes in or abandonment of development opportunities, and the requirement to recognize an impairment charge for those investments.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations and prospects.



**Our returns from investments in the intelligent infrastructure assets could be adversely affected by fluctuations in the income generated from, and in the value of, intelligent infrastructure assets and other factors, including the concentration of intelligent infrastructure assets in the parking infrastructure sector.**

Returns from investments in China's intelligent infrastructure assets depend largely upon the amount of income generated from China's intelligent infrastructure assets as well as changes in the fair market value of these assets. Income generated from, and/or the fair market value of, China's intelligent infrastructure assets may be adversely affected by a number of factors, including:

- the asset classes and quality of China's intelligent infrastructure assets;
- overall economic conditions in regions where we operate, such as growth or contraction in economic activity, disposable income levels, consumer confidence or sentiment, employment trends, the level of inflation, foreign exchange rates, interest rates and the credit environment;
- local parking infrastructure market conditions, such as the level of demand for, and supply of, parking facilities;
- competitiveness of parking facilities supplied by other players with lower costs, superior locations, or better management skills and services;
- changes in legal and regulatory frameworks and government guidance eliminating favorable policies of or imposing restrictions on parking facilities developments, leasing and maintenance, such as changes in environmental, tax, planning, tenancy or zoning laws or government guidelines;
- reduced demand from tenants arising from factors including, but not limited to, the perception of tenants of the utility and convenience of the relevant intelligent infrastructure assets, and changes in building and system technologies, carpark management, or local or regional infrastructure;
- our ability to provide or procure adequate management, maintenance or insurance;
- the skills, management knowhow and professionalism of our property operations team and its ability to respond to changing market conditions;
- our ability to negotiate rent on favorable terms and collect rent on a timely basis;
- exposure to the risk of tenants defaulting on leases or increases in vacancy rates;
- title defects affecting the intelligent infrastructure assets which could affect the ability of the relevant tenants to operate out of such properties; and
- external factors including major world events, such as war and terrorist attacks, and natural disasters, such as floods and earthquakes.

In addition, other factors may adversely affect the values of the intelligent infrastructure assets without necessarily affecting their revenue and operating income, including potential environmental or other legal liabilities and unforeseen capital expenditures. As the funds and investment vehicles we manage generally have limited operating history, it is difficult to evaluate our investment performance and prospects. If we are unsuccessful in addressing any of the above-mentioned risks or challenges associated with the carpark assets, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**We may not be able to secure capital resources to support our future asset operation and management right acquisition, project development and expansion of our infrastructure network for our business growth, either through equity or debt financing, on commercially reasonable terms, or at all.**

Our business requires substantial capital investment. We have in the past financed our business and operations through internal cash flows, debt financing from independent financial institutions, and other sources. We

may require additional financing to fund our capital expenditures to support the future growth of our business and/ or to refinance our existing debt obligations. The funds and investment vehicles we manage may also require additional financing to fund or refinance their existing projects and complete profitable acquisitions.

Our ability to arrange external financing and manage the cost of such financing is dependent on numerous factors, including general economic and capital markets conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, our own financial conditions, the success of our business, quality of any parking facilities or other assets as pledged assets, provisions of relevant tax and securities laws, policies regarding regulation of the logistics infrastructure markets where we operate, and political and economic conditions in these markets. In addition, changes in the global financial markets have, in recent years, affected the availability of financing and led to fluctuations in finance costs. We may consequently find it difficult to access the financial markets, which could in turn make it more difficult or expensive to obtain funding. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favorable to us or the funds and investment vehicles we manage. If we fail to obtain adequate financing to fund our operations or the existing projects and proposed acquisitions of the funds and investment vehicles we manage, our business, financial condition, results of operations, performance and prospects may be materially and adversely affected.

If we are unable to refinance our indebtedness or the indebtedness of the projects of the funds and investment vehicles we manage at maturity, or meet our payment or redemption obligations or the payment or redemption obligations of the funds and investment vehicles we manage, upon the occurrence of certain events such as change of control, our cash flows, results of operations, financial conditions and reputation could be adversely affected. In such circumstances, we may require additional equity financing, and the funds and investment vehicles we manage may require additional capital investment, which would be dependent on the appetite and financial capacity of our shareholders and our capital partners. For further details of the equity financing risks relating to the funds and investment vehicles we manage, see “—*Our capital partners in the funds and investment vehicles we manage with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect the operations and performance of the funds and investment vehicles we manage*” and “—*We may not be able to sustain our business relationships with existing capital partners and may fail to form relationships with new capital partners, either of which may adversely affect our financial condition and results of operations.*” If we are unable to raise equity or obtain debt financing in favorable terms, or at all, or the funds and investment vehicles we manage are not able to secure additional capital investment from capital partners, our business, financial condition, results of operations, performance and prospects will be materially and adversely affected.

**We may not be able to complete the development or redevelopment of the carpark projects according to our budget, on time, or at all.**

Our cash flows and results of operations may be significantly affected by our property development or redevelopment schedules and any changes to those schedules may affect our development or redevelopment budgets. The schedules and the budgets of our property developments or redevelopments depend on a number of factors, including regulatory approvals, project financing, and performance of third-party contractors. In particular, if we fail to obtain or maintain various approvals, licenses and permits that are required for the development or redevelopment of the carparks, we may be subject to fines, suspension of construction work, and/or other liabilities arising from such non-compliance, which could delay our construction progress, incur significant expenses and divert substantial management time to rectify these incidents. Other specific factors that could adversely affect our property development or redevelopment schedules and budget include, but are not limited to:

- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- shortage of capital;
- changes in relevant regulations and government policies, including environmental and zoning laws;
- relocation of existing tenants and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labor;

- labor disputes of third-party contractors and subcontractors;
- construction accidents;
- construction failures caused by unforeseen engineering, design, quality, environmental, or geological problems;
- breach of contractual obligations or unsatisfactory performance by third-party contractors and subcontractors;
- unforeseen costs or delays resulting from errors in judgment on the selection and acquisition criteria for potential sites; and
- natural catastrophes and adverse weather conditions.

Construction delays, or failure to complete the construction of a carpark according to its planned specifications, schedule and budget may harm our reputation and lead to loss of, or delay in recognizing revenue, and lower returns on our capital investment. We cannot assure you that we will not experience any significant delays or cost overruns in completing properties in the future, which could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**Our business depends on the financial performance of our parking assets, which could be adversely affected by a fall in occupancy rates or any inability to operate carparks on economically favorable terms.**

A significant portion of our revenue comprises revenue from asset operation, which primarily includes operation service income. As a result, our performance largely depends on our ability to operate parking assets on economically favorable terms. Our carparks typically rely on fixed rate payments. These rates are typically adjusted based upon the prevailing market rates, which are affected by factors including the location and overall attractiveness of our carparks, local supply and demand for comparable parking facilities, and our service quality. Accordingly, it is possible to have a concentration of rate adjustments in a given year, and a slowdown in the parking market in a given year could adversely affect our income in that year. If the rates are significantly lower than the current rates or if higher promotions are required in order to attract or retain users, our results of operations and cash flows would be adversely affected. Therefore, if we are unable to operate the carparks on economically favorable terms, our business, financial condition, results of operations, performance and prospects would also be adversely affected.

**We may not be able to develop assets in desirable locations on commercially reasonable terms and complete development of facilities, and we may be unable to successfully operate parking assets.**

The sustainable growth and success of our business significantly depend on our ability to continue developing carpark projects in desirable locations at commercially reasonable prices that are suitable for our development objectives. Our ability to develop carpark projects depends on a variety of factors, some of which are beyond our control, such as overall economic conditions, the availability of parking facility or parking space assets offered by property owners, and our effectiveness in identifying carpark projects suitable for development or redevelopment. Furthermore, in recent years, the rapid development of certain cities in which we conduct business has resulted in a limited supply of parking assets in desirable locations and at reasonable acquisition costs. Parking assets located in convenient locations or connected by airports, quality roads, highways and railroad access may command a premium price, which may exceed our budget. If we are unable to develop carpark projects in suitable locations for future development or redevelopment in a timely manner or at favorable terms that allow us to generate reasonable economic returns, or successfully operate parking assets, our business, financial condition, results of operations, performance and prospects may be materially and adversely affected.

Further, we intend to continue to pursue acquisitions of asset operation and management rights or parking space assets as opportunities arise. These acquisitions involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of the properties. While our policy is to undertake appropriate due diligence in order to assess these risks, unexpected problems and latent liabilities such as the presence of hazardous substances, or other environmental liabilities, may occur which could limit our ability to complete such acquisitions or successfully operate an asset once acquired. See “—*Due diligence on acquisitions and investments, either by us or by the funds and*

*investment vehicles we manage, may not reveal all relevant facts in connection with an acquisition or investment, or identify all material defects or other deficiencies.”* There is no guarantee that the projects that we acquire will be successfully developed or managed.

Acquisition activities of properties also include the following risks:

- the assets which we acquired or acquired the operation and management rights to may not achieve anticipated occupancy levels, or may not be suitable for redevelopment;
- assumptions or judgments with respect to financial returns (including the occupancy rates) of the assets which we acquired or acquired the operation and management rights to may prove inaccurate;
- we may incur unanticipated capital expenditures in connection with acquisitions or the owners of the properties we acquired or acquired the operation and management rights to may breach their obligations to us;
- we may abandon acquisition opportunities after we have incurred costs exploring. In the normal course of business, we enter into a number of non-binding memoranda of understandings for asset operation and management rights for our future acquisition or development, but for which we have not entered into definitive agreements with property owners. We cannot assure you that all of these memoranda of understanding will result in completed transactions, and we may be involved in legal disputes as a result of abandonment of relevant transactions;
- we may experience difficulty in obtaining the requisite licenses, permits, authorization or approvals from regulatory authorities, resulting in increases in development costs or delays in project construction;
- we may not be able to fully utilize assets located in desirable locations due to restrictions on use or development; and
- in relation to our interests in properties held through joint venture arrangements, necessary joint venture partner approvals in connection with operations or expansions, if applicable, may not be granted in a timely manner, or at all.

Any or all of the foregoing factors may affect our business, results of operations, financial condition and future cash flows.

#### **Our carpark projects rely on the transportation infrastructure and connectivity of the surrounding areas.**

Transportation infrastructure support, particularly public roads, highways and railroad access, is critical to the functioning and future development of our carpark projects. There can be no assurance that government development plans for such infrastructure will be executed in a timely manner, or at all. This may depend on the level of investment by the relevant government entities in the infrastructure support, which historically has varied among the regions in which we operate. Further, there can be no assurance that the amenities and transportation infrastructure and public transport services near our carparks will not be closed, relocated, terminated, delayed or uncompleted, or that there will be no impediment to the traffic flow in the vicinity. If the transportation infrastructure surrounding these carpark projects is not established in time, or at all, or adequately maintained, we may not be able to develop our carpark projects as scheduled and attract carpark users, which may have a material adverse effect on the valuation of the carparks. Furthermore, as the urban areas in the markets where we operate continue to develop, existing transportation infrastructure and traffic conditions surrounding these carparks may deteriorate, or become unattractive in light of other or new transportation links, which in turn may render the location of the carparks undesirable from users' perspective. In addition, a lack of infrastructure support in the countries and regions into which we aim to expand could negatively impact our ability to do so. Any such occurrence may have a material adverse effect on the valuation of the carparks as well as our business, financial condition, results of operations, performance and prospects.

**We face intense competition that could adversely affect our results of operations and market share.**

Our parking asset operation business faces intense competition from both large-scale service providers and smaller-scale local players, primarily on our ability to acquire quality assets and retain a vast user base.

Our fund management business may face significant competition from other private funds, specialist investment funds and hedge fund sponsors, among others. In particular, our fund management business faces competition in the pursuit of capital partners and in seeking profitable investment opportunities, while REITs that we may manage or invest face competition primarily in acquiring additional properties. In raising capital for the funds and investment vehicles we manage, we compete primarily on quality of parking facility assets and other intelligent infrastructure assets; investment performance; alignment of our interests to our capital partners' interests; categories of products provided and scope of services; quality of services provided to and relationships with capital partners; level of fees and expenses charged for services; brand recognition; and transaction execution skills. For acquisitions and investment opportunities, we compete primarily on price; speed of execution; access to market information about suitable investment opportunities; payment terms; and access to capital, among other factors. For example, REITs generally require unitholders' approval to raise funds before completion of any acquisitions, and therefore may require longer completion periods as compared to private funds and corporate buyers.

A number of factors serve to increase our competitive risks:

- some competitors are larger than us in terms of assets and revenue, and may have greater capital resources, possess better quality assets, offer more comprehensive lines of products and services, have stronger relationships with potential vendors and other business partners, and have considerably greater financial, technical and marketing resources than are available to us;
- some competitors may have stronger project sourcing and execution capabilities, lower development costs, better project planning, design and construction teams and higher development margins;
- some competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make; and
- the entry of new players in our markets.

In addition, if competitors sell assets similar to those that we intend to divest, we may not be able to dispose of our assets on favorable terms, or at all. Furthermore, if our competitors sell similar assets at lower prices than comparable assets held or managed by us, it may adversely impact the market value of these assets. Likewise, the existence of pricing competition for lettable properties may have a material adverse impact on our ability to secure carpark users at satisfactory rental rates and on a timely basis. There is no assurance that we will be able to continue competing effectively in our industry. If we fail to compete effectively, it could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**Our results of operations may fluctuate significantly from period to period due to various factors that are beyond our control.**

Our results of operations may fluctuate from period to period due to a combination of various factors, including the overall development schedule of our projects, our acquisition of target assets or target companies, the timing of our asset disposal as part of our capital recycling strategy our revenue recognition policies, changes in costs and expenses, such as property tax expenses and property operation and management fees, finance costs, changes in fair values of the parking assets, and financial instruments, as well as certain non-recurring expenses. In addition, as we focus on parking assets operation and fund management, both of which are mainly provision of services, our profitability is significantly subject to the demand of downstream users, which is closely tied to the cyclical development of grand economy.

As a result, for the year ended December 31, 2022, 2023 and 2024, our revenue was HK\$1,599.8 million, HK\$883.5 million and HK\$1,215.1 million respectively. In particular, our revenue generated from FIME business decreased by 77.8% from HK\$1,016.9 million in 2022 to HK\$225.3 million in 2023 and increased by 30.6% to

HK\$294.3 million in 2024, primarily because: (i) our excess return from investments funds decreased from HK\$515.5 million in 2022 to HK\$194.9 million in 2023 and further decreased to HK\$101.6 million in 2024, and (ii) we recorded an investment gain of HK\$314.5 million in 2022, and an investment loss of HK\$152.6 million in 2023, and an investment gain of HK\$1.3 million in 2024. Because excess return is related to the specific investment targets and exit cycles, and investment gain/(loss) is primarily subject to changes in the value of financial assets, our excess return and investment gain/(loss) are inherently volatile and may fluctuate significantly from period to period.

**We may not be able to remain profitable or increase profitability.**

We recorded net profit and total comprehensive income for the years of 2022, 2023 and 2024. We may incur fair value loss on our investment properties in the future due to lower valuation in light of the macroeconomic uncertainties. In addition, our costs and expenses may further increase and may be greater than we anticipate, as we expect to continue to invest in certain key assets to grow our business. Our financial investments could also result in fair value losses that adversely affect our net profit and/or comprehensive income. As a result, we may not be able to retain or increase our net profit or total comprehensive income.

**Dependence on leverage for investments made by us and by the funds and investment vehicles we manage could expose us to interest rate risks and adversely affect our results of operations.**

We use leverage on investments we make and those made by the funds and investment vehicles we manage. Our ability to achieve attractive yields and rates of return on our investments and the investments of the funds and investment vehicles we manage may depend on our continued ability to access sufficient sources of debt financing at attractive or acceptable rates. Due to the use of leverage, indebtedness may constitute a majority of the asset value of certain carpark assets, and may constitute a majority of the asset value of future properties that we acquire. An increase in either the general levels of interest rates or in the risk spread demanded by sources of financing would make it more expensive to finance those investments.

Leveraged investments are inherently more sensitive to declines in revenue, increases in expenses and interest rates and adverse economic, market and industry developments. The incurrence of a significant amount of indebtedness by us or the funds and investment vehicles we manage could, among other things:

- give rise to obligations to make mandatory prepayments of debt using excess cash flows, which might limit our ability or the ability of the funds and investment vehicles we manage to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit our ability or the ability of the funds and investment vehicles we manage to adjust to changing market conditions, thereby placing us or the funds and investment vehicles we manage at a competitive disadvantage;
- limit our ability or the ability of the funds and investment vehicles we manage to engage in strategic acquisitions that might be necessary to further expand our business or generate further growth; and
- limit our ability or the ability of the funds and investment vehicles we manage to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

**Covenants in our credit agreements limit the flexibility of our operations and any breach of these covenants could adversely affect our financial condition.**

The terms of our credit arrangements require compliance with a number of restrictive and financial covenants, such as restrictions on mortgages and pledges, limitations on the incurrence of indebtedness, and requirements to provide notice and publish announcements for certain significant corporate events. These covenants could limit the flexibility of our operations. In addition, we and our subsidiaries may incur borrowings from banks or other financial institutions from time to time, which could impose restrictions on our or our subsidiaries' business operations. Breaches of any covenants under our credit agreements could result in defaults under the applicable indebtedness and the acceleration of repayment of such indebtedness. Certain of our credit agreements also contain cross-default or cross-acceleration provisions that would permit the lenders thereunder to accelerate repayments of indebtedness in the

event of a default or acceleration of repayment of other material indebtedness. Any breaches of such covenants could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**Our business and the funds and investment vehicles we manage require significant upfront investment, and we and the funds and investment vehicles we manage may experience lower than expected returns on such investment.**

Our business involves developing properties through the funds and investment vehicles we manage. Infrastructure development requires significant upfront investment. In addition, we have made equity capital investments in the funds and investment vehicles we manage. We and the funds and investment vehicles we manage may experience lower returns on our investments, including on our equity capital investments, due to a number of reasons, many of which are beyond our control, including the overall economic conditions in the markets in which we operate, increases in interest rates or construction costs, delays in obtaining governmental permits and authorizations, defaults by counterparties with respect to the obligation to return cash deposits for land transactions in the event they are terminated, competition from other available parking facilities and new entrants into the parking market, and fluctuation in fee rates and variable operating costs. If we fail to attract and retain users for our carparks, we will not be able to generate any operating cash flow from these properties to recover the significant upfront investment in our business and/or in the funds and investment vehicles we manage, which could have a material adverse effect on our business, financial condition, results of operations, performance and prospects. We also have investments in the funds and investment vehicles. There is no assurance that these investments may experience expected or higher than expected returns.

**We may not be successful in executing our business strategy, including the expansion into new geographical locations.**

Our business model involves developing, operating and managing parking assets, either owned directly by us or by the funds and investment vehicles we manage or leased by us, and operating such parking assets and managing such funds and investment vehicles. As we expand into new geographic locations, we may face uncertainties and challenges due to our unfamiliarity with local regulatory practices and users' preferences and behavior, the reliability of local contractors and suppliers, business practices and business environments and municipal-planning policies. These uncertainties affect our development schedule and therefore our ability to meet stated goals. In addition, whether we can successfully expand into these new locations depends on many factors which are beyond our control, including whether we can find suitable sites at reasonable costs in urban areas, whether we can establish and maintain cooperative relationships with local governments and property owners, and whether we can raise capital for the funds and investment vehicles in the new locations. Further, expanding our business into new locations may entail competition with asset operation service providers who have better-established local presence or better relationships with local governments or property owners or greater access to local labor, expertise and knowledge than we do.

**We may face difficulties in realizing the benefits of any acquisitions and successfully integrating acquired businesses.**

We expect to continue to evaluate potential acquisition opportunities and may pursue acquisitions of major businesses. Prior to completing any acquisition, we identify expected synergies, cost savings and growth opportunities. However, due to legal, regulatory and business limitations, we may not have access to all necessary information and, as a result, will face the operational and financial risks inherent in such acquisitions. The integration process, particularly in connection with a transformative acquisition, may be complex, costly and time-consuming. The potential difficulties of integrating the operations of an acquired business and realizing our expectations for an acquisition, including the benefits that may be realized, include, among other things:

- failure to implement the business plan for the combined business;
- delays or difficulties in completing the integration of acquired companies or assets, including unanticipated issues in integrating logistics, information, communications and other systems;
- higher than expected interest expenses in relation to the historical debts incurred by the acquired company, higher than expected costs, lower than expected cost savings and/or a need to allocate resources to manage unexpected operating difficulties;

- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- failure to maintain the continuity or integration of operations or employees;
- retaining key tenants, suppliers, business partners and capital partners;
- retaining, renewing and obtaining required regulatory approvals, licenses and permits;
- diversion of the attention and resources of management;
- assumption of liabilities not identified in due diligence;
- difficulties in establishing and maintaining effective internal controls;
- potential litigations from existing shareholders for any deficiencies in due diligence process and overpriced considerations or potential litigations or arbitrations from us seeking indemnification from the acquired entity; and
- other unanticipated issues, expenses and liabilities.

Any such acquisition, or the failure to complete any future intended acquisition, may have a material adverse impact on our business, financial condition, results of operations, performance and prospects. For example, to ensure the smooth integration of our business and an acquired business and to create synergies for each other, a certain degree of optimization and integration will be required with respect to marketing, technical research and development, financial accounting and human resources management of us and the acquired business. However, it is uncertain whether such integration can be successfully implemented, if at all. If the relevant risks of such integration are not properly managed or the expected benefits of an acquisition fail to materialize, the post-acquisition business may risk losing key employees, senior management team and/or supplier, capital partner and other business partner relationships, which may have a material and adverse effect on our business, financial condition, results of operations, performance and prospects.

**Due diligence on acquisitions and investments, either by us or by the funds and investment vehicles we manage, may not reveal all relevant facts in connection with an acquisition or investment, or identify all material defects or other deficiencies.**

Before making acquisitions and investments, either by us or by the funds and investment vehicles we manage, we generally conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each acquisition or investment. When conducting due diligence and making an assessment regarding an acquisition or an investment, we rely on the resources available to us, including information provided by the target of the acquisition or investment or seller of a assets/asset operation and management rights and, in some circumstances, third-party investigations. As part of the due diligence process, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Third party property appraisers, market consultants, legal advisors, accountants and financial advisors may be involved in the due diligence process in varying degrees depending on the type of acquisition or investment. However, due diligence information or materials prepared by these third parties or the due diligence investigation that we will carry out with respect to any acquisition or investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such acquisition or investment opportunity. Public searches may not be available in certain jurisdictions and, even if they are available, such searches may have limited details or may not be up-to-date. In addition, even if our due diligence uncovers certain issues with respect to the acquisition, such as ongoing litigation affecting the target, we may decide to proceed with the acquisition due to strategic reasons. This could result in, among other things, management time and expenditure to resolve the outstanding issues. Finally, our acquisitions or investments, or the investments we make on behalf of the funds and investment vehicles we manage may not perform as expected.

In addition, there is no assurance that any parking assets we acquire will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects) that may require additional capital expenditures, special repair or maintenance expenses. Further, the experts' due diligence



reports that we rely upon as part of our due diligence process may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques, used, data forgery by engineering firms and other factors. As such, we may not detect defects or deficiencies in properties through a due diligence process and there is no guarantee that the parking assets we acquire have no defects in relation to the installation piles or other equipment used for construction. Undisclosed and undetected defects or deficiencies, if any, may require significant capital expenditures or trigger repair and maintenance obligations to our tenants and involve significant and unpredictable patterns and levels of expenditure or reduction in rental income during the repair process which may have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**Our capital partners in the funds and investment vehicles we manage with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect the operations and performance of the funds and investment vehicles we manage.**

The funds and investment vehicles we manage rely heavily on capital investment from our capital partners. Our capital partners make capital commitments to the funds and investment vehicles we manage during the commitment periods as prescribed in the organizational agreements for the funds and investment vehicles we manage, and we, as the general partner or the investment manager, on behalf of such funds and investment vehicles, are entitled to call capital from those capital partners at any time during such periods. We depend on capital partners fulfilling their commitments when called to fund, investments and otherwise fulfill their obligations when due. As of the date of this document, we have not had any capital partners who failed to honor capital calls to any material extent. A capital partner that does not fund a capital call will be subject to several possible penalties, including having a significant amount of its existing investment in that fund or investment vehicle forfeited, indefinite suspension of such capital partner's right to vote or consent on any matters requiring the consent of capital partners under the applicable organizational agreement, or having the drawdown of its entire undrawn commitment accelerated. However, the impact of these penalties can be limited, and they may not defer capital partners from defaulting. For example, the investment forfeiture may be less meaningful if a capital partner has little or no prior capital investment and the forfeiture occurs early in the life of the fund or investment vehicle. Capital partners also negotiate for fewer or reduced penalties in the organizational agreements of the fund or investment vehicle, thereby reducing the enforceability of a capital call. In addition, we have a certain level of concentration of major capital partners, which increases our risk exposure if any of the major capital partners were to default. If our capital partners were to fail to satisfy a significant amount of capital calls for any particular fund or investment vehicle, the operation and performance of such fund and investment vehicle could be materially and adversely affected and/or an intended investment may not be able to be made, which could further have a material adverse effect on our management fee income, business, financial condition, results of operations, performance and prospects.

**We may not be able to sustain our business relationships with existing capital partners and may fail to form relationships with new capital partners, either of which may adversely affect our financial condition and results of operations.**

Our business depends on our ability to maintain relationships with our existing capital partners and form relationships with new capital partners. Our funds and investment vehicles cease to have the right to call capital from our capital partners for new projects that have not been identified and approved after the investment period. Also, our capital partners may choose not to continue to invest with us in new funds and investment vehicles we may set up, upon the winding down of the funds and investment vehicles in which they have originally invested. In addition, we may fail to form relationships with new capital partners and, as a result, fail to diversify capital sources other than from our current capital partners, which could materially and adversely affect our business, financial condition, results of operations, performance and prospects.

We possess certain management rights as part of our fund management operations. The organizational agreements of the funds and investment vehicles we manage contain provisions such as capital partner exit provisions or allow capital partners to resolve to remove us as the general partner under certain circumstances. Our material default or underperformance with respect to the funds and investment vehicles we manage or may manage in the future may give rise to risks that the general partner mandates can be canceled or otherwise changed, and that we may have to indemnify the funds and investment vehicles we manage or may manage in the future for certain losses incurred, subject to certain conditions. If any of the foregoing were to occur, our business, financial condition, results of operations, performance and prospects may be materially and adversely affected.

Even if we manage to sustain business relationships with existing capital partners or form relationships with new capital partners, we may not enter into agreements with them on commercial terms more favorable to us under certain circumstances. We earn management fees and carried interest from managing funds and investment vehicles, which are negotiated on a case by case basis under the organizational agreements of the funds and investment vehicles we manage. Our capital partners may demand more aggressive commercial terms or lower fees under certain circumstances, such as decreases in the prevailing market rates of management fees, increases in the supply of competing services at terms more favorable to them, poor performance of investment funds and vehicles, or deteriorating economic conditions. Under such circumstances, fundraising conditions for the funds and investment vehicles we manage are likely to be challenging and pressures by capital partners for lower fees, different fee sharing arrangements or fee concessions may increase. If we are unable to agree to terms, which may be less favorable to us, we may lose capital support from our capital partners, which would affect our management fee income, financial condition, results of operations and performance.

***As part of our business, we may encounter conflicts of interest, and any failure to identify, address and resolve such conflicts of interest could adversely affect our business.***

From time to time as part of our business model, we acquire and sell properties both owned by us and for the funds and investment vehicles we manage. We have in the past and expect in the future to encounter conflicts of interest including, but not limited to, the following situations:

- our fiduciary and contractual obligations to our capital partners in the funds and investment vehicles we manage may preclude us from pursuing investment opportunities for our own balance sheet;
- conflicts may arise among the funds and investment vehicles we manage as to which fund or investment vehicle is allocated a certain investment opportunity;
- conflicts may arise in allocating time, services, expenses, personnel and financial or other resources: (i) between the investment activities of the funds and investment vehicles we manage, on the one hand, and of our balance sheet, on the other hand; or (ii) among the investment activities of the funds and investment vehicles we manage; and
- conflicts may arise in our capital recycling strategy, through which the funds and investment vehicles we manage may seek to effect a purchase or sale of an asset from or to one or more of the other funds or investment vehicles we manage, or we may seek to effect a purchase or sale of an asset from or to a fund or investment vehicle we manage. Because we undertake various roles simultaneously in such transactions (such as the owner and seller of the asset as well as the investment manager of the fund or investment vehicle which purchases the asset, or the investment manager of the fund or investment vehicle which sells the asset and the investment manager of the fund or investment vehicle that purchases the asset), and there is no open market bid to substantiate the purchase price of the relevant asset, there may be a conflict between our interests and the interests of our capital partners, as well as a conflict between the interests of capital partners of different funds.

We cannot assure you that we could identify, address and resolve all of the potential, perceived or actual conflicts of interest. We may fail to identify all conflicts or fail to effectively resolve conflicts and/or the perception of conflicts. We may not be able to resolve all conflicts in a way suitable to us or to our capital partners. If we fail to identify, address and resolve conflicts, our business and our reputation may be damaged. The willingness of capital partners to enter into agreements with us or invest in the funds or investment vehicles we manage may be adversely affected if we fail, or appear to fail, to deal appropriately with conflicts of interest or fulfill our fiduciary and contractual obligations. Conflicts of interest not properly addressed and/or resolved could give rise to claims by and liabilities to capital partners, litigation or enforcement actions. As a result, we may be obligated to bear legal, settlement and other costs. If we are unable to effectively manage conflicts of interest, we may not be able to carry on with our capital recycling strategy, and our business, financial condition, results of operations, performance and prospects could be materially adversely affected.

***The organizational agreements of the funds and investment vehicles we manage include provisions that constrain our ability to take certain actions without the approval of our capital partners, including with respect to investment opportunities.***

We have partnered with respect to, or acquired interests in, funds and investment vehicles we manage to acquire properties. Cooperation and agreement among us and our capital partners on the acquisition of properties is critical for the operation and financial viability of the funds and investment vehicles we manage. Certain actions or decisions of the funds and investment vehicles we manage require the approval of investment committees consisting of representatives from us and capital partners, including but not limited to amendments to the leverage policies and limitations, potential conflict of interest matters, deviation to budget and plan and amendment to the distribution policies. These arrangements may involve certain risks associated with the possibility that our capital partners may:

- have economic or business interests or goals that are inconsistent with each other or our own and act in a manner that does not serve our interests or goals;
- take actions contrary to the instructions or requests of us or contrary to our policies or objectives with respect to our investments;
- vote on business, financial or management decisions with which we do not agree;
- be unwilling to fulfill their obligations or unable due to financial or other difficulties; or
- have disputes with us as to the scope of their and our responsibilities and obligations, and with regard to the performance of their or our obligations.

In particular, our capital partners may disagree as to whether to invest in investment opportunities we have identified due to their different perception of the risk-return profile of the assets and they may exercise veto rights pursuant to the relevant shareholders agreements or partnership agreements. As we typically do not hold a majority interest in most of the funds and investment vehicles we manage, we may not be able to proceed with certain investment opportunities and our ability to efficiently deploy resources to take advantage of new investment opportunities in a timely and efficient manner may be restricted. Further, we may not be able to effectively implement our capital recycling strategy if the sale of assets from our own balance sheet to funds or investment vehicles we manage or sales between the funds and investment vehicles we manage are vetoed by our capital partners.

If we were to have a significant disagreement with our capital partners, such disagreement may have a material adverse effect on our reputation and the success of the funds and investment vehicles we manage. In addition, a disposal of our interests in a fund or investment vehicle is subject to certain contractual restrictions. As a result, a disposal of our interests in a fund or investment vehicle may require a longer time to complete, if at all, than a disposal of a wholly-owned asset. If any of the foregoing occurs, our business, financial condition, results of operations, performance and prospects will be materially and adversely affected.

**Our business and industry are subject to significant and evolving regulation and supervision by regulatory authorities, and compliance failures and changes in regulation could adversely affect us.**

Our operations are subject to various laws and regulations. Our activities in relation to the parking asset operation are regulated by planning laws and regulations and other regulations enacted by the authorities in these markets. Developing properties, refurbishing, re-developing and operating properties require government permits, some of which may take longer to obtain than others. The carparks are subject to routine inspections by the authorities in these markets with regard to various safety and environmental issues, among other potential issues. Changes in laws and regulations or the implementation thereof may require us to obtain additional approvals and licenses from the relevant authorities for the conduct of our operations in these markets. In such event, we may incur additional expenses to comply with such requirements, which may affect our business and results of operations. Furthermore, there may also be delays on the part of the administrative authorities in reviewing our applications and granting approvals, and there can be no assurance that such approvals or licenses will be granted to us promptly, or at all. If we experience delays in obtaining, or are unable to obtain, such required approvals or licenses, the investment, development and operation of the carparks could be substantially disrupted, which may have a material adverse impact on our business,

financial condition, results of operations, performance and prospects. The occurrence of any of the foregoing may have a material adverse effect on our financial condition, results of operations and cash flow.

Our fund management activities are subject to significant regulation and supervision, and we incur compliance costs accordingly. In particular, in the PRC, it typically takes longer to complete fund management registration before setting up a new fund vehicle as compared with other jurisdictions. We may be materially affected if new or revised legislation or regulations are enacted, or if there are changes in the interpretation or enforcement of existing rules and regulations that apply to us. Such events could increase our costs of doing business, require us to restructure the way in which we carry on our business, or render us unable to continue all or part of our business, which in turn could have a material adverse effect on our business, financial condition, results of operations, performance and prospects. As a key player in the investment side of capital markets, private equity funds have grown rapidly alongside the development of China's capital markets, playing a significant role in fostering the formation of innovative capital and nurturing the incubation of new economic sectors. Since 2022, the China Securities Regulatory Commission (CSRC) and the Asset Management Association of China (AMAC) have successively issued industry regulations and policies to promote the development of the private equity fund industry, further facilitating standardized development. As the industry evolves and institutional reforms proceed, the government is expected to continue refining existing regulatory policies or introduce new ones. Future changes in government regulatory policies may have certain adverse effects on our business operations or profitability.

**We are subject to risks related to our use of independent service providers for the provision of essential services, including construction services in particular.**

We engage contractors and independent third-party service providers in connection with our business, including construction contractors, property management companies and property valuers, among others. Our in-house teams work with third-party contractors with respect to design and construction in the project development process. We engage third-party service providers to conduct property maintenance work and provide security services in our parking facilities, including regular cleaning, repairing and security for our infrastructures assets, under the supervision of our property manager. We engage third-party valuers to perform independent valuations of the parking facilities. There can be no assurance that our contractors or independent service providers will always perform to contractual specifications or on schedule, or that such contractors or providers will continue their contractual relationships with us under commercially reasonable terms, if at all, and we may be unable to source adequate replacement services in a timely or cost-efficient manner. Properties that we develop with the help of third-party contractors may prove to have defects for which we are not able to hold the contractor responsible and we would be required to spend additional time and expense on implementing remedial measures.

There is also a risk that our major contractors and service providers may experience financial or other difficulties, such as labor disputes, which may affect their ability to discharge their obligations, thus delaying the completion of their work which may result in additional costs for us or the funds or investment vehicles we manage. Any of these factors could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost structure and development schedule of our projects and could have a negative impact on our reputation, financial position and business operations. In addition, as we are expanding our business into other geographical locations in the PRC and overseas market, there may be a shortage of third-party contractors that meet our quality standards and other selection criteria in such locations and, as a result, we may not be able to engage a sufficient number of high-quality third-party contractors in a timely manner, which may adversely affect the construction schedules and development costs of our industrial park projects and may also materially and adversely affect our business, results of operations and financial conditions.

**We may not successfully manage our growth.**

Our growth requires us to improve managerial, technical and operational knowledge and allocation of resources, to implement an effective information management system and to strengthen management control across our businesses. We need to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties for our existing operations. Our ongoing operations and future growth both require sufficient capital from internal sources and additional access to financing from external sources to sustain. In

the event that we develop or invest in new businesses ancillary or related to our existing businesses, such diversification may place significant demands on our management and resources due to lack of experience or expertise necessary for the successful development of such new businesses. We may undertake potential acquisitions, establish joint ventures or enter into new strategic alliances, corporation agreements, memoranda of understanding and partnerships as part of our future business expansion plans, if suitable opportunities in the market arise. However, we may not successfully identify new acquisition opportunities or opportunities on favorable or acceptable terms to us. We may not be able to integrate successfully the acquired business into us or deal with difficulties, such as the loss of middle management and junior staff, failure to detect and rectify business, operational or financial issues of the acquired business, and to derive any synergies from such acquisitions, leading to increases in costs, time and resources. There can be no assurance that we will be able to manage our growth successfully or that our growth and expansion plans will not adversely affect our existing operations and thereby have a material adverse effect on our business, financial condition and results of operations.

**Our risk management and internal control systems may not be adequate or effective in all respects and any deficiency in these systems could materially and adversely affect our business, financial condition and results of operations.**

We seek to establish risk management and internal control systems consisting of organizational frameworks, policies, procedures and risk management methods that are appropriate for our business operations and also seek to continue to improve these systems. However, there are inherent limitations in the design and implementation of risk management and internal control systems, and due to the significant size of our operations, the implementation of these systems may involve human error or mistakes. There is no assurance that our risk management and internal control systems will be able to identify, prevent and manage all risks, which may materially affect our business and results of operations. As a result, we may need to establish and implement additional risk management and internal control policies and procedures to further improve our systems from time to time.

We implement our risk management and internal controls by using a series of risk management methods. However, these methods also have their inherent limitations as risk management methods are generally based on statistical analysis of historical data as well as assumptions that risks in future periods share similar characteristics as risks in past periods. There is no assurance that such assumptions will be reliable. In addition, our information technology systems may not be adequate in the collection, analysis and processing of these data, and our historical data and experience may not be able to adequately reflect risks that may emerge from time to time in the future. As a result, our risk management methods and techniques may not be effective in directing it to take timely and appropriate measures in risk management and internal controls. Our risk management and internal controls also depend on effective implementation by our employees.

Financial risks are inherent in our businesses. There can be no assurance that the systems and procedures of identifying and reporting financial risks will prevent any loss that affects our financial condition. Any failure of internal controls could have a material adverse effect on our businesses, results of operations and financial condition.

Furthermore, as our business and asset scale continue to grow, the number of our subsidiaries across various regions continue to increase, imposing higher demands on our operational management and internal controls. If we fail to effectively implement our internal management systems and enhance our management capabilities, our business, financial condition and operating results could be negatively affected.

**We depend on our senior management team and certain key senior personnel as well as skilled employees.**

Our success largely depends upon the continued service and performance of our senior management, key personnel, and our skilled employees. In particular, our senior management has been crucial to the development of our business, culture and growth strategies. If we lose the services of any member of our senior management, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit replacements, which could severely disrupt our business and impede our growth. If any member of our senior management joins a competitor or forms a competing business, we may lose know-how and business relationships with capital partners, suppliers, and other business partners. If any of the foregoing were to occur, our business, financial condition, results of operations, performance and prospects may be materially and adversely affected.

We have been diversifying our asset portfolio and service offerings. As we expand into new markets, we may require the expertise of individuals with relevant knowledge of the local market as well as an understanding of our international business. However, competition for talent is intense, especially for those who have the relevant skill-sets and experience in the industry. We cannot assure you that key personnel and skilled employees will always choose to stay with us. The loss of any of these key personnel or skilled employees, or the inability to attract and retain talent, could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**We may be involved in disputes or legal and other proceedings arising from our operations from time to time, which could result in significant liabilities and reputational harm and could materially and adversely affect our results of operations, financial condition and liquidity.**

We may be involved, from time to time, in disputes relating to our commercial arrangements and operations, environmental, health and safety, labor and employment, or other harms, including claims resulting from the actions of individuals or entities outside of our control. These disputes may lead to legal or other proceedings, and may cause us to incur additional costs or delays in our operations. In addition, we may have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable orders, directives or decrees that may result in financial losses, and/or delay the construction or completion of our carpark projects. Adverse outcomes in any litigation or other proceedings could have a material adverse effect on our brand image and reputation, as well as our business, results of operations, financial condition or prospects.

We are exposed to risk of litigation by capital partners of the funds and investment vehicles we manage, if our management thereof is alleged to constitute fraud, negligence, willful default, for breach of applicable laws or regulations, breach of the constitutive documents or breach of any other agreements we may have entered into with our capital partners or the relevant portfolio companies. Capital partners could sue us to attempt to recover amounts lost by the funds or investment vehicles we manage due to our alleged misconduct, up to the entire amount of the loss. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of the funds or investment vehicles we manage. We are also exposed to risks of litigation or investigation relating to transactions where potential conflicts of interest were not properly addressed. In such actions, we may be obligated to bear legal, settlement and other costs, which may be in excess of available insurance coverage. If we are required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from the funds or investment vehicles we manage, our results of operations, financial condition and liquidity could be materially and adversely affected.

**The valuation of our parking assets contains assumptions that may not materialize or may prove inaccurate and the value of these assets may not reflect their current value.**

Parking assets are inherently difficult to value. Valuations are subject to judgments and estimates and are made on the basis of assumptions that may not necessarily materialize. Additionally, the inspection and other work undertaken in connection with a valuation exercise of modern infrastructure may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that our investment in our directly held properties or the property investment made by the funds and investment vehicles we manage will be realized at the valuations or property values recorded or reflected in our financial statements or in this document. We apply fair value accounting for all of the parking assets. Independent valuations are carried out on the parking assets. We assess the valuation of the parking assets to ensure that the carrying amount of each of the parking assets reflects the market conditions at the relevant financial reporting date. The value of the parking assets may fluctuate from time to time due to market and other conditions. There is no assurance that the parking assets will retain the price at which they may be valued or that our investment or the investment made by the funds and investment vehicles we manage in such properties will be realized at the valuation or property values we have recorded or reflected in our financial statements, and the price at which we may sell or lease any part or the whole of the properties may be lower than the valuation for those properties. Adjustments to the fair value of the parking assets could have an adverse effect on our financial performance. It may also affect our ability to obtain more borrowings, or result in us having to reduce debt, if the financial covenants in our financing and other agreements require us to maintain a certain level of debt relative to gross asset value, and such covenants are triggered as a result of adjustments to the fair value of the parking assets.

**The parking assets or parts thereof may be acquired compulsorily by the government under certain circumstances.**

Governments have the power to compulsorily acquire any land within their jurisdictions for the public interest pursuant to the provisions of applicable law. The likelihood of such acquisitions may increase as governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. For example, the PRC government has the right to acquire compulsorily any land in the PRC pursuant to the provisions of applicable legislation. In certain circumstances, the PRC government may, where it considers to be in the public interest, terminate land use rights before the expiration of the term. The amount of compensation to be awarded for compulsory acquisition of property is assessed pursuant to the relevant laws and regulations. If any of our parking assets is acquired compulsorily by the relevant government, and we or the funds or investment vehicles we manage are not able to win a favorable judgment after appealing to the courts in the relevant jurisdiction for reconsidering the validity of such compulsory acquisition, the level of compensation paid to us or the funds or investment vehicles we manage pursuant to this calculation method may be less than the acquisition price which we or the funds or investment vehicles we manage paid for such properties.

**The costs of our share schemes may adversely affect our results of operations and any issue of shares or exercise of the options granted thereunder may result in a dilution of our shareholders' shareholding.**

To further incentivize our employees to contribute to us, we may pay additional share-based compensation in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. In addition, we may adopt share schemes from time to time and issuance shares or any exercise of options under the share schemes would result in a reduction in the percentage ownership of our shareholders and may result in a dilution in the earnings per Share and net asset value per Share, as a result of the increase in the number of Shares outstanding after such issuance.

**Our results of operations, financial condition and prospects may be adversely affected by fair value changes on financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, and valuation uncertainty due to the use of unobservable inputs.**

As of December 31, 2022, 2023 and 2024, our financial assets, including financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income were HK\$4,985.7 million, HK\$4,628.0 million and HK\$4,056.5 million, respectively. The fair value measurement used for determining the fair value of our financial assets was classified as level 1, level 2 and level 3 of the fair value hierarchy for financial reporting purpose in 2022, 2023 and 2024. Determining whether to classify financial instruments into level 3 of the fair value hierarchy is generally based on the significance of the unobservable factors involved in valuation methodologies.

The valuation of fair value changes of our financial assets are subject to uncertainties in estimations. Such estimated changes in fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. It may lead to changes in the fair value of our financial assets, and changes in such fair value may affect our financial performance. In addition, the valuation methodologies may involve a significant degree of management judgment and are inherently uncertain, which may result in material adjustment to the carrying amounts of certain liabilities and in turn may materially and adversely affect our results of operations. As such, the valuation of our financial assets have been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of the financial assets and result in significant fluctuations in profit or loss from year to year.

**We may be subject to impairment losses on prepayments, deposits and other receivables.**

Our prepayments, deposits and other receivables primarily consist of prepayments and deposits, value added tax recoverable, other receivables, and amounts due from related companies. We may be subject to impairment losses on prepayments, deposits and other receivables if their actual recoverability is lower than the expected level, which could adversely affect our cash flow and our ability to meet our working capital requirements, thereby adversely affecting our business, financial condition and results of operations.

**Failure of our joint ventures or associates to perform as anticipated could have a material adverse effect on our business, results of operations, financial condition and future cash flows.**

We may be exposed to special risks in the decision-making processes of our joint ventures and associates as certain corporate actions of our joint ventures and associates require approval of all joint venture and associate partners whilst our joint venture and associate partners may have economic or business interests or goals that are inconsistent with ours and may take actions contrary to ours. As a result, we are generally not in a position to exercise sole decision-making authority with respect to these joint ventures and associates. If any of our joint ventures or associates fail to perform as anticipated, or if for any reason, including the need to retain cash for operations, any of our joint ventures or associates are unable to declare any dividends, even if the share of profits of these joint ventures and associates are consolidated into our accounts under equity accounting method, we may not receive cash payments for our share of profits on a timely basis, or at all, which could have a material adverse effect on our business, results of operations, financial condition and future cash flows. In addition, there is liquidity risk associated with our investments in our joint ventures and associates. A disposal of our interests in our joint ventures is subject to certain pre-emptive rights on the part of the other joint venture partners or certain other restrictions. As a result, a disposal of our interests in our joint ventures may require a longer time to complete, if at all, than a disposal of our investments in publicly-listed companies or of our wholly-owned subsidiaries or assets.

**We may suffer substantial losses in the event of a natural or man-made disaster, such as an earthquake, typhoon or other casualty event, which may not be covered by insurance.**

Natural disasters, severe weather conditions, catastrophes or other events may adversely affect the economy and infrastructure of the regions where we operate and/or result in severe personal injury, property damage and environmental damage, which may curtail our business operations and materially adversely affect our prospects, financial condition and results of operations. Some cities where we operate are under the threat of typhoon, flood, earthquake, severe storm, sandstorm, snowstorm, fire and drought. If any of our carparks is damaged by severe weather or any other disaster, accident, catastrophe or other event, our operations may be significantly interrupted and our business and financial condition may be adversely affected. The continuance of any of these events could increase the costs associated with our operations and reduce our ability to operate our businesses at their intended capacities, thereby reducing revenues and profitability.

**Potential liability for environmental issues relating to the parking assets could result in substantial costs.**

As an owner, lessor, developer and manager of infrastructure assets in multiple jurisdictions, we are subject to extensive regulation under environmental laws, which are subject to change. Current and future environmental laws and regulations in relation to climate change could impose significant costs or liabilities on us. The environmental laws and regulations that apply to any given project sites vary greatly according to the site's location, environmental condition and present and former uses, as well as the adjoining properties. Compliance or non-compliance with environmental laws and regulations may result in delays and/or the incurring of substantial costs and can severely restrict development activities for projects in environmentally sensitive areas. There is no assurance that our policies and procedures will be effective in preventing non-compliance with environmental laws and regulations. If any part of any of our development projects is found to be non-compliant with certain environmental laws or regulations, we may be subject to suspension of operations or a part of our operations as well as fines and other penalties, which may materially and adversely affect our business, financial condition and results of operations.

In addition, the presence of hazardous or toxic substances on any of the parking assets may adversely affect our ability to sell such properties or to borrow using such properties as collateral and the value of such parking assets may decrease, and may cause us to incur penalties and clean-up costs. We may also become liable if, directly or indirectly, a third party is injured or otherwise suffers a loss as a result of the presence of toxic substances on the parking assets, and in such a case it is unclear whether we can be indemnified by those who are actually responsible. In such event, unanticipated clean-up costs that we may incur, the adverse effect on the ability to operate or sell the parking asset, the likely adverse impact on carpark users affected by such substance, and the risk of prosecution by governmental authorities may materially adversely affect our business, financial condition, results of operations, performance and prospects.



**Disruptions in the global capital and credit markets may adversely affect our operating results and financial condition.**

To the extent there is turmoil in the global financial markets, this could adversely affect (i) the value of the parking assets; (ii) the availability or the terms of financing that we have or may anticipate utilizing; and (iii) our ability to make principal and interest payments on, or refinance any outstanding debt when due. Disruptions in the capital and credit markets may also adversely affect the market price of the public REIT to which we act as the asset manager.

**Accidents that occur at our parking assets may expose us to liability and reputational risk.**

Accidents may occur at our parking assets. We engage third-party service providers to provide repair and maintenance services on the premises of the parking assets. Repair and maintenance services such as elevator maintenance involve the operation of heavy machinery and therefore, are generally subject to certain risks of accidents. These occurrences could result in damage to, or destruction of property, personal injury or death, and consequentially, potential legal liability for us. We may also experience interruptions to our business and may be required to change the manner in which we operate as a result of governmental investigations or the implementation of safety measures upon occurrence of accidents. We have established a series of emergency response management regulations to promptly and effectively address various major crises to prevent or minimize losses. However, if we encounter unexpected events, such as accidents, production safety incidents, social security issues, or inability of management to fulfill their duties, this could harm our public image, jeopardize the safety of our personnel and assets, and disrupt our corporate governance mechanisms. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

**Any failure, inadequacy and security breach in our computer systems and servers may adversely affect our business.**

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices which are connected through computer systems and servers. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend, in part, on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to, and received by, our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate changing times.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our cybersecurity measures may not detect or prevent all attempts to compromise our systems. Our computer systems, servers and software may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft, including parking data, employee data and proprietary business data, for which we could potentially be liable. Any failure to effectively maintain, improve or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly, are disabled, or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our business, which could have a material adverse effect on our business, financial condition, results of operation, performance and prospects.

**We may fail to effectively manage confidential information received from carpark users and capital partners, which could harm our reputation, our relationships with capital partners and our business.**

In the normal course of business, we obtain confidential information from carpark users in connection with their use of our parking services and from our capital partners in connection with their investments in the funds and investment vehicles we manage. Our efforts to protect this information may be unsuccessful due to employee errors or malfeasance, technical malfunctions, the actions of third parties (such as hacking and other cyber-attacks) or other

factors. Failure to protect the confidential information of our carpark users or capital partners could expose us to liability, harm our reputation and deter current and potential carpark users and capital partners from doing business with us, which could have a material adverse effect on our business, financial condition, results of operation, performance and prospects.

**We may not be able to prevent the unauthorized use of our intellectual property and may be subject to intellectual property infringement or misappropriation claims, which could harm our business and competitive position.**

We regard our trademarks, domain names and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that our trademark applications will be approved, that any issued trademarks will adequately protect our intellectual property, or that such trademarks will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable.

In addition, we cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims relating to the intellectual property rights of others. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against these claims and proceedings may result in substantial costs and divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

**We are subject to extensive occupational health and safety regulations, which could impose significant costs or liabilities on us.**

The owners of the parking assets have obligations under the various occupational health and safety regulations. Any failure in health and safety performance may result in penalties for non-compliance with relevant regulatory requirements, and a failure that results in a significant health and safety incident is likely to be costly in terms of potential liabilities incurred. Such a failure could generate significant negative publicity and have a corresponding impact on our brand image and reputation, our relationships with relevant regulatory agencies or governmental authorities, and our ability to attract carpark users and employees, which in turn could have a material adverse effect on our business, financial condition, results of operations, performance and prospects. Even if we are in compliance with applicable occupational health and safety regulations, any significant health and safety incident, such as bodily injury or death, may still lead to negative publicity and trigger scrutiny from regulatory agencies or authorities.

**Labor shortages, labor disputes or increases in labor costs could materially and adversely affect our business and results of operations.**

We are subject to risks of labor shortages, increases in labor costs, strikes or other labor problems. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption in our operations and/or higher on-going labor costs, which may have a material adverse effect on our business, financial condition and results of operations. Similarly, any labor shortages, labor disputes or increases in labor costs of our third-party contractors could cause an extension of the construction progress and an increase in our fees payable to the contractors, which could in turn materially and adversely affect our business and results of operations.

**If more stringent labor laws or other industry standards become applicable to us, our business, financial condition, results of operations, performance and prospects may be adversely affected.**

The PRC has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. In addition, we may be subject to certain industry standards regarding our employees. Our employees may in the future form unions. If these labor laws or industry standards become more stringent or are more strictly enforced, or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on business, financial condition, results of operations, performance and prospects. We have engaged third-party human resources agencies to make social insurance and housing provident fund contributions for some of our employees on behalf of us. We believe that the third-party human resource agencies made full social insurance and housing provident fund contributions on behalf of us for relevant employees according to the legal requirements. We cannot assure you that we will not receive any complaint or demand for social insurance and housing provident fund contributions from the relevant employees, or that relevant PRC authorities will not deem our engagement of third-party human resources agencies as non-compliant with the relevant labor laws or require us to make additional social insurance and housing provident fund contributions.

Further, the introduction of legislation imposing new restrictions on working hours or conditions of workers in general or in the modern infrastructure industry and fund management industry could have an adverse effect on our business, financial condition, results of operations, performance and prospects.

**The occurrence of a contagious disease or any other serious public health concerns around the world could affect our business, financial condition, results of operations, performance and prospects.**

Some cities where we operate have previously been subject to, or may be under the threat of, COVID-19, Severe Acute Respiratory Syndrome, H5N1 avian flu, H1N1 human swine flu, Middle East respiratory syndrome coronavirus (MERS-CoV) and the Zika virus. In 2003, there was an outbreak of SARS in Hong Kong, the PRC and other Asian countries. The SARS outbreak in 2003 had a significant adverse impact on the economies of many of the affected countries. There have also been sporadic outbreaks of the H5N1 virus or “Avian Influenza A” among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. In 2009 and 2010, there have also been outbreaks among humans of the H1N1 human swine flu, also known globally as influenza A (H1N1). In recent years, the outbreaks of COVID-19 pandemic resulted in quarantines, travel restrictions, and the temporary closure of businesses and facilities in the PRC and worldwide.

There can be no assurance that there will not be another significant outbreak of a highly contagious disease in the future in the markets where we operate or that may affect us. Nor can there be any assurance that any precautionary measures taken against infectious diseases will be effective. If such an outbreak were to occur, together with any resulting restrictions on travel and/or imposition of quarantines, it could have a negative impact on the economy and business activities in areas where we operate, which could in turn have a material adverse impact on our business, financial condition, results of operations, performance and prospects.

**Terrorist attacks, civil unrest, hostilities, and other acts of violence or war, and adverse political developments may affect our business, financial condition, results of operations, performance and prospects.**

Terrorist activities have contributed to the substantial and continuing economic volatility and social unrest globally. Any developments stemming from these events or other similar events could cause further volatility. Any significant military response by relevant governments or any further terrorist activities could also materially and adversely affect international financial markets and the economies of the countries and regions where we operate and may adversely affect our operations, revenues and profitability. Local civil disturbances witnessed in certain countries and regions and any future civil unrest and any other adverse social, economic or political events could have an adverse effect on our business. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**We are exposed to the potential impacts of future climate change and could be required to implement new or stricter regulations, which may result in unanticipated losses that could affect our business and financial condition.**

We are also exposed to potential physical risks from possible future changes in climate. Our parking assets may be exposed to catastrophic weather events, such as severe storms, fires or floods. If the frequency of extreme weather events increases, our exposure to these events could increase. We may be adversely impacted as a provider of asset operation services in the future by potential impacts to the parking facilities and industrial parks or stricter energy efficiency standards or greenhouse gas regulations for the modern infrastructure industry. We cannot give any assurance that other such conditions do not exist or may not arise in the future. The potential impacts of future climate change on our investment properties could adversely affect our ability to lease, develop or sell such properties or to borrow using such properties as collateral.

## **RISKS RELATING TO OUR BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE**

### **Our business may be affected by regional and global economic and political developments.**

Regional and global economic factors may adversely affect the economic growth in regions in which we do business. For example, the PRC economy has experienced slowing investments in recent years and may face additional pressures due to the impact of difficulties in Sino-U.S. relations, including the ongoing trade and tariff disputes. As a result, our business, financial position and results of operations may be materially and adversely affected. There can be no assurance that a recession or slower economic growth globally or in countries and regions where we operate will not result in reduced demand for parking facilities, a decrease in the confidence of our carpark users, capital partners and shareholders, or lower property prices in countries and regions in which we do business.

As of the date of this document, we conduct our businesses mainly in Hong Kong and in mainland China. Our results of operations, financial conditions, business and future growth depend, to a large extent, on the operational and financial performance of the parking assets in and the general economic conditions of these markets. Over the past decade, inflation, currency and interest rate fluctuations, national fiscal and monetary policies, and other factors have adversely affected many countries and regions in which we operate. Any further severe economic decline in countries and regions where we operate could adversely affect our results of operations and future growth. In addition to being affected by global, regional and local economic conditions, property values in the regions where we operate have in the past been affected by the supply and demand of comparable properties, rental yield fluctuations, political developments, capital restrictions, governmental regulations and taxation, which may have a material adverse effect on our results of operations, financial conditions, business performance and prospects.

We may expand our business into other countries and regions, resulting in changes to our risk profile as it encompasses the risks in each of the countries and regions or businesses which we expand into. Our results of operations, financial conditions, business performance and prospects may be materially and adversely affected by risks in these countries and regions, including, but not limited to, risks relating to adverse economic conditions, political instability, and property market developments and dynamics.

**If we were to fail to commence or complete construction within a certain time period or develop carpark projects according to the investment criteria set forth in the service concession arrangements and/or other agreements, the PRC government or other business partners may hold us liable for breach of contract.**

We entered into service concession arrangement with local governments or parties in respect of our carpark projects in different locations in mainland China on a Build-Operate-Transfer (“**BOT**”) basis. Under the service concession arrangements, we were responsible for construction of the carpark assets. During the operation phase of BOT projects, we operate and maintain the carpark assets at a specified level of serviceability on behalf of the grantors for periods ranging from five to 30 years (the “**Service Concession Periods**”). The carpark assets will be transferred to the respective grantors at the end of the service concession periods for BOT. We may fail to comply with the terms of such arrangements and/or other agreements with the PRC government and other business partners due to a delay in commencing or completing our developments or operate and maintain the BOT projects at the specific level or as a result of factors out of our control. As a result, the PRC local government or other business partners may hold us liable for breach of contract or terminate the relevant agreements where the construction did not timely commence or complete pursuant to the agreed timeline or operate and maintain the agreed level. If the relevant government

authorities or other business partners were to hold us liable for breach of contract or terminate the agreements, we may suffer financial loss, including our investments in the land, any land premiums paid and development costs incurred, we may lose our ability to obtain new concession rights projects. Any of these results could materially and adversely affect our business, financial condition, results of operations, performance and prospects.

In addition, pursuant to some of our service concession agreements with PRC local governments and other business partners, we are required to develop property projects according to investment criteria set forth in the relevant agreements, including those relating to the total investment amount and the total investment amount of fixed assets. We cannot assure you that each of our projects under development will fulfill the investment criteria as specified in the relevant service concession agreements and/or other agreements. Pursuant to the service concession agreements and/or other agreements, if we fail to develop a property project according to the investment criteria set forth in the relevant agreement, the relevant PRC local government authorities and/or other business partners may seek liquidated damages from us and/or reduce the land area in the land use right granted to us proportionately.

**We may fail to obtain, or experience material delays in obtaining, requisite government approvals, licenses and permits for our properties under construction.**

To construct carparks in different locations in China, our relevant PRC subsidiaries and joint ventures must obtain permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of construction, such as construction land planning permits, construction works planning permits, construction works commencement permits and filing forms of completion inspection. In particular, before commencement of construction work for our carparks, we are required to obtain the project approval, construction works planning permit and construction works commencement permit, among other approvals, licenses and permits. Most of these licenses are subject to examination or verification by governmental authorities and are valid only for a fixed period of time, subject to renewal and accreditation. Obtaining such approvals may require substantial expense, and any non-compliance may expose us to liability. In the event of non-compliance, we may have to incur significant expense and divert substantial management time to rectify the incidents.

In the future, if we were to fail to obtain, or experience material delays in obtaining, the requisite governmental approvals, licenses and permits for our properties under construction, we may be subject to fines, suspension of construction work or the suspension of operations of the carparks that do not have all the requisite licenses and permits, which could materially and adversely affect our investment in our PRC subsidiaries and joint ventures and the schedule of development and commencement of our leasing operations could be substantially disrupted, resulting in a material adverse effect on our business, financial condition, results of operations, performance and prospects. We may also experience adverse publicity arising from non-compliance with government regulations, which would negatively impact our reputation.

**The establishment and operation of funds and investment vehicles in the PRC are subject to legal regulations and various regulatory approval procedures, and substantial costs may be incurred in our future fund management activities in the PRC.**

In the PRC, pursuant to Law of Security and Investment Fund of the PRC (《中華人民共和國證券投資基金法》) promulgated by the Standing Committee of the NPC on October 28, 2003 and latest updated on April 24, 2015, a manager of a private fund shall undergo registration formalities with the Asset Management Association of China (the “AMAC”). Such manager of fund shall be the responsible entity for the filing of fund or investment vehicle with the AMAC. However, it typically takes a long time for a manager of a private fund to complete the registration and filing with the AMAC due to the highly regulated nature of the fund management industry. The AMAC has released series of regulations on the registration of a manager of a private fund and filing of the formation of a fund. Pursuant to the Measures on the Registration and Filing-Record of Private Investment Fund (《私募投資基金登記備案辦法》), which came into effect on May 1, 2023, to apply for and complete the registration with the AMAC, the manager of a private fund shall meet certain regulatory requirements. It also clarifies that the applications for changes in relation to private fund manager registration, fund filing and the related registration information that have been submitted before the implementation of the Measures but have not yet been completed shall be reviewed and processed by the AMAC in accordance with the Measures. In the future, if we plan to engage in fund management activities, we need to apply for and obtain the approvals, licenses, permits or qualifications required from relevant regulators in the

PRC in accordance with any tightened legal regulations or various regulatory approval procedures or otherwise, and substantial costs might be incurred therein.

**Changes in regional or global economic, political and social conditions could adversely affect our business, financial condition, results of operations, cash flows and prospects.**

Substantially all of our businesses, operations and revenues are located in or derived from our operations in the PRC and, as a result, our business, financial condition and results of operations may be influenced to a significant degree by the economic, political, social and regulatory environment in the PRC generally and by continued economic growth in the PRC as a whole. The PRC government plays a role in China's industrial development and economic growth. During the past decades, the PRC government has taken various actions, including strategically allocating resources, regulating foreign exchange, setting monetary policy and providing governmental policy support to particular industries or companies, to promote the market economy and the establishment of sound corporate governance in business entities, and China's economy has experienced significant growth in the past few decades. However, in recent years, the growth of the regional and global economies has slowed, and it remains uncertain whether, and for how long, the regional and global economic downturn will persist. Decreased regional or global economic activity, including in the PRC or other jurisdictions where we operate, may adversely affect our business, financial condition and results of operations.

In addition, the global economic, political and social conditions are also evolving rapidly and subject to uncertainties. For example, health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate fluctuations, and instability in the financial system impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the regional and global political and economic conditions in the long term. We are unable to predict all the risks and uncertainties that we may face as a result of current economic, political, social and regulatory developments, and many of these risks are beyond our control. All such factors may materially and adversely affect our business and operations as well as our financial performance.

**We may fail to contribute to the registered capital of our PRC subsidiaries or experience material delays in contributing to the registered capital of our PRC subsidiaries.**

Following the amendments to the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), which came into force on March 1, 2014 (as most recently amended on December 29, 2023 and effective from July 1, 2024), the shareholders of the company shall make their respective capital contributions in full and on schedule as specified in the articles of association, and the capital contributions subscribed to by all shareholders shall be paid in full by the shareholders pursuant to the provisions of the articles of association of the company within five years following the establishment date of the company. Any failure to contribute capital pursuant to legal requirements may subject us to governmental penalties.

For any of our PRC subsidiaries, if the capital contribution period stipulated in its respective articles of association exceeds the time stipulated in the Company Law, it must adjust such period in accordance with Company Law.

Pursuant to Article 252 of the Company Law, if a promoter or shareholder of a company fails to contribute money or non-monetary assets as registered capital or fails to contribute such on time, the relevant company registration authority has the power to request rectification. It is possible that new PRC laws or regulations may be promulgated in the future imposing more stringent requirements and liabilities, which could have a material adverse effect on our business, financial condition, results of operations, performance and prospects.

**Inflation in the PRC could negatively affect our profitability and growth.**

Economic growth in China has, in the past, been accompanied by periods of high inflation. In response, the PRC government has implemented policies from time to time to control inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The PRC government may take similar measures in response to future inflationary pressures. Rampant inflation without the PRC government's mitigation policies would likely increase our costs, thereby materially reducing our profitability. There can be no assurance that

we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity and we may see reduced demand for our services.

**We may be classified as a “resident enterprise in mainland China” for mainland Chinese enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment.**

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”), which became effective on January 1, 2008 and was most recently amended on December 29, 2018, an enterprise established outside mainland China whose “de facto management body” is located in mainland China is considered a “resident enterprise in mainland China” and will generally be subject to the uniform 25% EIT rate, on its global income. Under the implementation rules of the EIT Law, “de facto management body” is defined as the organization body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, the State Taxation Administration of the PRC (the “SAT”) released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People’s Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (“SAT Circular 82”) that sets out the standards and procedures for determining whether the “de facto management body” of an enterprise registered outside of mainland China and controlled by mainland Chinese enterprises or mainland Chinese enterprise groups is located within mainland China. Further to SAT Circular 82, on July 27, 2011, the SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》) (“SAT Bulletin 45”), to provide more guidance on the implementation of SAT Circular 82; the bulletin became effective on September 1, 2011 and most recently amended on June 15, 2018. SAT Bulletin 45 clarified certain issues in the areas of resident status determination, post-determination administration and competent tax authorities’ procedures.

Under SAT Circular 82, a foreign enterprise controlled by a mainland Chinese enterprise or mainland Chinese enterprise group is considered a mainland Chinese resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within mainland China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in mainland China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders’ meetings are located or kept within mainland China; and (iv) at least half of the enterprise’s directors with voting rights or senior management reside within mainland China.

We believe that none of our Company and our subsidiaries outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body”. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of China is a PRC resident enterprise for enterprise income tax purposes, we would be subject to a 25% enterprise income tax on our global income. If these entities derive income other than dividends from our wholly-owned subsidiaries in the PRC, a 25% enterprise income tax on our global income may increase our tax burden.

**We may be subject to the approval, filing or other requirement of the CSRC or other PRC governmental authorities in connection with our capital raising activities.**

PRC laws and regulations in relation to overseas issuance and listing of shares have been developed substantially recently and may be subject to changes. We are required to make filings with or report to CSRC or other PRC governmental authorities or fulfill other obligations for our equity capital raising activities. Any failure or perceived failure to make filing, report, fulfill our obligations or comply with other applicable laws and regulations would have a material adverse effect on our relevant capital raising activities and result in negative publicity and legal proceedings or regulatory actions against us.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Opinions on Strictly Combating Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》) (the “July 6 Opinion”), which called for

the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities.

To echo and reflect the July 6 Opinion, on February 17, 2023, the CSRC promulgated the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and their implementation guidelines. The Trial Measures, which came into effect on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations, and the filing procedures. As advised by our PRC Legal Adviser, we are required to file with the CSRC in accordance with the Trial Measures within three business days after the issuance. We will submit a filing application with the CSRC in accordance with the Trial Measures, but there is uncertainty as to whether we will be able to complete the filing.

In addition, according to the Trial Measures, any future issuance or listing of shares after the Listing will also be subject to filing procedure of CSRC. We are also required to report certain material matters to CSRC or other PRC governmental authorities after the Listing, including for a change of control, change of the listing status or stock exchange or termination of listing. Any failure to complete such filing or reporting procedure would subject us to administrative penalties, which could harm our reputation and may adversely affect our results of financial condition.

Furthermore, on February 24, 2023, the CSRC and other PRC government authorities released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality Provisions**”), which came into effect on March 31, 2023. Pursuant to the Confidentiality Provisions, any future inspection or investigation conducted by overseas securities regulator or the relevant competent authorities on our PRC domestic companies with respect to our overseas issuance and listing shall be carried out in the manner in compliance with PRC laws and regulations.

**We are subject to risks relating to foreign currency exchange rate fluctuations.**

We conduct businesses mainly in Hong Kong and mainland China, and are subject to the foreign exchange fluctuation risks of Hong Kong dollars, U.S. dollars and Renminbi. We recorded exchange differences arising on translation of foreign operations of HK\$215.5 million, HK\$116.1 million and HK\$145.1 million in 2022, 2023 and 2024, respectively, and release of exchange reserve upon disposal of asset classified as held for sale of HK\$42.6 million in 2022. In addition, we recorded share of exchange differences of associates and joint ventures arising on translation of foreign operations of HK\$71.0 million, HK\$21.3 million and HK\$23.3 million in 2022, 2023 and 2024, respectively, and exchange differences arising on currency translation of HK\$8.0 million, HK\$9.0 million and HK\$0.5 million in 2022, 2023 and 2024, respectively. It is not possible to predict the effect of future exchange rate fluctuations on our assets, liabilities, income, cost of sales and margins. In addition, some of the currencies used by us may not be readily convertible or exchangeable or may be subject to exchange controls. Furthermore, while we receive income and incur expenses in a variety of currencies, we report our financial results in Hong Kong dollars. Therefore, fluctuations in currency exchange rates could adversely affect our reported financial results. The foreign exchange gains or losses we recorded in various line items in our profit and loss statements result from the settlement of foreign currency translations, which are translated into the functional currency of Hong Kong dollars using prevailing foreign exchange rates at the dates of the relevant transactions or valuation where items are re-measured, and from the translation at the year-end foreign exchange rates of the monetary assets and liabilities denominated in foreign currencies. Any future fluctuations in currency exchange rates could materially adversely affect our business, financial condition and results of operations.

**China’s M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.**

On August 8, 2006, six PRC regulatory authorities, including the MOFCOM and other government authorities jointly issued the Rules on Mergers and Acquisitions of Domestic Enterprise by Foreign Investors (《關於外國投資者併購境內企業的規定》) which was effective as of September 8, 2006, and amended on June 22, 2009 (the “**M&A Rules**”). The M&A Rules, and other recently adopted regulations and rules concerning mergers and



acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if any important industry is concerned, such transaction involves factors that impact or may impact national economic security, or such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, the Anti-monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the “**Anti-monopoly Law**”) promulgated by the SCNPC effective in August 2008 and amended in 2022 and the Provisions of the State Council on the Thresholds for Declaring Concentration of Business Operators (《國務院關於經營者集中申報標準的規定》), which was effective on August 3, 2008, and most recently amended on January 22, 2024, require that transactions which are deemed concentrations and involve parties with specified turnover thresholds (meaning during the previous fiscal year, (a) the total global turnover of all operators participating in the transaction exceeds RMB12 billion and at least two of these operators each had a turnover of more than RMB800 million within China, or (b) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion, and at least two of these operators each had a turnover of more than RMB800 million within China) must be cleared by anti-monopoly enforcement authority before they can be completed. Furthermore, if there is evidence indicating that the concentration of business operator has or may have an effect of excluding or limiting competition, the anti-monopoly authority may order the relevant operators to file for clearance, regardless of the threshold standard.

In addition, in 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知》), also known as Circular 6, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Further, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) (“**Security Review Rules**”), effective in September 2011, to implement Circular 6. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors having “national defense and security” concerns and mergers and acquisitions by which foreign investors may acquire the “de facto control” of domestic enterprises with “national security” concerns. Under the foregoing MOFCOM regulations, MOFCOM will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If MOFCOM decides that a specific merger or acquisition is subject to a security review, it will submit it to the Inter-Ministerial Panel, an authority established under Circular 6 led by the NDRC, and MOFCOM under the leadership of the State Council, to carry out security review. The regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements, offshore transactions, etc.

On December 19, 2020, the NDRC and MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the Security Review of Foreign Investment (外商投資安全審查工作機制辦公室) (the “**Office of the Working Mechanism**”) was established under NDRC, and leads the task together with MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to the investments in fields related to national defense and security, such as military industry and military industrial facilities, and the investments in military facilities and areas surrounding military facilities, and important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. See the section headed “Regulations—Regulations relating to Overseas Listing and M&A” in this document.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises national defense and security or national security concerns.

We may in the future develop certain business that may be subject to certain foreign investment restrictions, and hence may enter into contractual arrangements and conduct such restricted business through variable interest entities. However, we cannot assure you that the structure of variable interest entities will be deemed compliant with applicable regulatory requirements. If the PRC government determines that such structure is in violation of any existing or future PRC laws or regulations, the potential adoption of the structure of variable interest entities by us may be prohibited, which may negatively impact our business, financial condition and results of operations.

**The heightened scrutiny over acquisition transactions by tax authorities in the PRC may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.**

Pursuant to the Notice of State Administration for Taxation on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Resident Enterprises (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》) (“**SAT Circular 698**”) issued by the SAT in December 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a mainland Chinese resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate of less than 12.5%; or (ii) does not impose income tax on foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the mainland Chinese resident enterprise this Indirect Transfer. Using a “substance over form” principle, the mainland Chinese tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring mainland Chinese tax.

On March 28, 2011, the SAT released the SAT Public Notice on Certain Issues of Administration of Enterprise Income Tax of Non-Resident Enterprises (2011) No. 24 (《國家稅務總局關於非居民企業所得稅管理若干問題的公告》) (“**SAT Public Notice 24**”), which became effective on April 1, 2011, to clarify several issues related to SAT Circular 698. According to SAT Public Notice 24, the term “effective tax” refers to the effective tax on the gain derived from disposition of the equity interests of an overseas holding company; and the term “does not impose income tax” refers to the cases where the gain derived from disposition of the equity interests of an overseas holding company is not subject to income tax in the jurisdiction where the overseas holding company is a resident.

On February 3, 2015, the SAT issued the Announcement of the SAT on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (“**SAT Circular 7**”), which abolished certain provisions in SAT Circular 698, as well as certain other rules providing clarification on SAT Circular 698. SAT Circular 7 provided comprehensive guidelines relating to, and also heightened the mainland Chinese tax authorities’ scrutiny over, Indirect Transfers by a non-resident enterprise of mainland Chinese taxable assets. Under SAT Circular 7, the tax authorities in mainland China are entitled to reclassify the nature of an Indirect Transfer of mainland Chinese taxable assets, when a non-resident enterprise transfers mainland Chinese taxable assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such mainland Chinese taxable assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of mainland Chinese enterprise income taxes and without any other reasonable commercial purpose. However, SAT Circular 7 contains certain exemptions, including: (i) where a non-resident enterprise derives income from the Indirect Transfer of mainland Chinese taxable assets by acquiring and selling shares of an overseas listed company which holds such mainland Chinese taxable assets on a public market; and (ii) where there is an Indirect Transfer of mainland Chinese taxable assets, but if the non-resident enterprise had directly held and disposed of such mainland Chinese taxable assets, the income from the transfer would have been exempted from enterprise income tax in mainland China under an applicable tax treaty or arrangement.

On October 17, 2017, the SAT issued the Circular on the Source of Deduction of Income Tax for Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (“**SAT Circular 37**”), which became effective on December 1, 2017 and abolished SAT Circular 698 as well as certain provisions in SAT Circular 7. Pursuant to SAT Circular 37, where the party responsible to deduct such income tax did not or was unable to make such deduction, the non-resident enterprise receiving such income should declare and pay the taxes that should have been deducted to the relevant tax authority. The taxable gain is calculated as the income from such transfer net of the net book value of equity interest.

We may conduct acquisitions involving changes in corporate structures. We cannot assure you that the mainland Chinese tax authorities will not, at their discretion, adjust any capital gains or impose tax return filing obligations on us or require us to provide assistance for the investigation of mainland Chinese tax authorities with respect thereto. Any mainland Chinese tax imposed on a transfer of our Shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

**We may be subject to LAT in connection with an equity transaction which in substance may be treated as an asset transaction.**

In the PRC, we acquire land-use rights directly from the local governments. Our property transfer activities are subject to land appreciation tax (“LAT”) with respect to the appreciated value of the land. LAT applies to both domestic and foreign investors in the sale of properties on which developments are completed in the PRC, and is levied at progressive rates ranging from 30% to 60% of the appreciation of land value after deducting allowed costs and expenses. In addition, our subsidiaries may be subject to LAT when selling properties that are still under construction and the rate of LAT so levied is calculated based on rates and formula local tax authorities implement. As a result, our results are susceptible to any significant increase in LAT expenses, which depends on the level of appreciation in land value as well as the amount of deductible costs and expenses, such as land premium and applicable property development costs. Furthermore, if we sell properties by way of equity transfer, the applicable tax authority may deem such equity transfer subject to LAT as the underlying assets of such equity are land use rights and property thereon. We cannot assure you that the relevant tax authorities will agree to the basis on which we have calculated our LAT for provision purposes, or that such provisions will be sufficient to cover all LAT obligations that tax authorities may ultimately impose on us, especially with regard to any equity transfer which involves land as the underlying asset and which in substance may be treated as an asset transaction. Our financial condition and results of operations may be materially adversely affected if our LAT as calculated by the relevant tax authorities are substantially higher than our provisions.

**We may be subject to penalties if our resident shareholders or beneficial owners in mainland China fail to comply with relevant mainland Chinese foreign exchange regulations.**

The SAFE issued the Notice on Relevant Issues Relating to Domestic Residents’ Investment and Financing and Round-Trip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (“Circular 37”), effective on July 4, 2014, which replaced the previous Notice on Relevant Issues Concerning Foreign Exchange Administration for the People’s Republic of China Residents Engaging in Financing and Roundtrip Investments via Overseas Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (“Circular 75”). Circular 37 requires mainland Chinese residents, including mainland Chinese individuals and institutions, to register with the SAFE or its local branches in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such mainland Chinese residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such residents in mainland China must update their foreign exchange registrations with the SAFE or its local branches when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such mainland Chinese individual shareholder, name and operation term), increases or decreases in investment amount, share transfers or exchanges, or mergers or divisions.

If any shareholder holding interest in an offshore special purpose vehicle, who is a mainland Chinese resident as determined by Circular 37, fails to make the required foreign exchange registration with a local SAFE branch, the mainland Chinese subsidiaries of that offshore special purpose vehicle may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to its mainland Chinese subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under mainland Chinese laws for evasion of applicable foreign exchange restrictions.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are mainland Chinese residents, and therefore, we may not be able to identify all our shareholders or beneficial owners who are mainland Chinese residents in order to ensure their compliance with Circular 37 or other related rules. In addition, we cannot provide any assurance that all of our shareholders and beneficial owners who are residents in mainland China

will comply with our request to make, obtain or update any applicable registrations or comply with other requirements required by the Circular 37 or other related rules in a timely manner. Even if our shareholders and beneficial owners who are residents in mainland China comply with such request, we cannot provide any assurance that they will successfully obtain or update any registration required by Circular 37 or other related rules in a timely manner due to many factors, including those beyond our and their control. If any of our shareholders who are residents in mainland China as determined by Circular 37 fail to make the required foreign exchange registration with local SAFE branches, our mainland Chinese subsidiaries may be prohibited from distributing their profits and dividends to us or from carrying out other subsequent cross-border foreign exchange activities, and we may be restricted in our ability to contribute additional capital to our subsidiaries in mainland China, which may adversely affect our business.

**Governmental regulation of currency conversion may limit our ability to payments and other obligations, and affect the value of your investment.**

The PRC government imposes regulations on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of the PRC requires approval or registration in accordance with regulatory requirements. We conduct our businesses mainly in Hong Kong and mainland China, and may need to convert a portion of our cash and cash equivalents from Renminbi into other currencies in the future to meet our foreign currency obligations, including payments on the Bonds. Shortages in the availability of foreign currency may restrict the ability of our subsidiaries incorporated in the PRC to remit sufficient foreign currency to satisfy their foreign currency-denominated obligations.

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 by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies, or to remit funds offshore to make overseas investments. For example, for our funds repatriated to the PRC from overseas financing activities, we will need to complete certain filing or approval procedures to remit the funds out of the PRC for investment, acquisition or other capital account purposes. Any failure to complete these procedures may adversely impact our ability to carry out our overseas expansion. We cannot guarantee that additional regulatory requirements on the convertibility of the RMB into foreign currencies will not be imposed in the future, such as requirements due to foreign exchange policy adjustments in response to changes in global economic conditions. If the foreign exchange control system in the PRC prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to make payments in foreign currencies. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC.

**RISKS RELATING TO THE BONDS AND THE SHARES**

**The U.S. Outbound Investment Rule may be applicable to U.S. persons purchasing our Bonds in this offering or to U.S. persons converting the Bonds, and we can provide no assurance as the application of that rule to the Offering or the conversion of the Bonds.**

With effect from January 2, 2025, the U.S. Department of the Treasury has implemented a rule regulating certain U.S. investments in Chinese companies active in developing certain national security technologies, or the Outbound Investment Rule. The Outbound Investment Rule targets investments involving persons and entities associated with “countries of concern,” a designation currently limited to China, and imposes investment prohibitions and notification requirements on a range of investments in companies engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum technologies, and (iii) AI systems. Persons from countries of concern engaged in these activities are defined as “covered foreign persons.” Investments by U.S. persons subject to the Outbound Investment Rule include, among others, the acquisition of a contingent equity interest and the conversion of contingent equity interest into an equity interest. In addition to directly regulating U.S.-person investments, the Outbound Investment Rule also (1) prohibits a U.S. person from knowingly directing a non-U.S. person from engaging in a transaction that would be a prohibited transaction if entered into by a U.S. person, and (2) imposes notification filing requirements on U.S. persons for any transaction by the U.S. person’s “controlled foreign entity” (as defined in the Outbound Investment Rule) if that transaction would be notifiable if entered into by a U.S. person. The Outbound Investment Rule excludes some investments from the scope of covered transactions, including those in publicly traded

securities trading on a stock exchange or in over-the-counter markets. U.S. persons' acquisitions of the Bonds in secondary market transactions after the Offering will therefore be exempted from the scope of covered transactions under the Outbound Investment Rule.

We have not determined whether we are a covered foreign person under the Outbound Investment Rule. If we are a covered foreign person, a U.S. person's acquisition of our Bonds in the Offering would be a covered transaction as an acquisition of a contingent equity interest. And if we are a covered foreign person at the time of any conversion of the Bonds, a conversion by a U.S. person would be a covered transaction as the conversion of an equity interest. Because we have not determined whether we are a covered foreign person and do not know if we will be a covered foreign person at the time of any conversion, U.S. persons should consult their legal counsel before purchasing our Bonds in the Offering or converting our Bonds. Also, any U.S. person directing or controlling a non-U.S. person purchasing our Bonds in the Offering or converting our Bonds should similarly consult with legal counsel before such actions are taken. In considering any decision to purchase Bonds in the Offering or to convert the Bonds, investors should also consider that the Outbound Investment Rule's definition of U.S. person is broader than the definition of U.S. person under Regulation S. Penalties for violations of the Outbound Investment Rule can include substantial fines and imprisonment.

**The Bonds will be unsecured obligations.**

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(A) (*Negative Pledge*) of the Terms and 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 Condition 4(A) (*Negative Pledge*) of the Terms and Conditions, rank at least equally with all of its other present and future unsecured and unsubordinated obligations. The repayment of the Bonds may be compromised if:

- the Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under Group's future secured indebtedness or other unsecured indebtedness of us; 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 before taking action on behalf of Bondholders.**

In certain circumstances (including, without limitation, being requested or directed by the Bondholders pursuant to Conditions 10 (*Events of Default*) and 15 (*Enforcement*) of the Terms and Conditions), the Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps or actions or institutes proceedings against the Issuer on behalf of Bondholders. The Trustee shall not be obliged to take any such steps or actions or to institute any proceedings if it is not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding could be a lengthy process and may affect when such actions can be taken. The Trustee may not be able to take actions and/or steps or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed or the Terms and Conditions and in circumstances where there is uncertainty or dispute as to such actions' compliance with the applicable law or regulations. In such circumstances, to the extent permitted by the Trust Deed, the Conditions and other applicable agreements and by applicable law and regulations, it would be for the Bondholders to take such actions or steps 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 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 would be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record data occurs after the date of conversion.

For example, on March 26, 2025, the Board resolved to recommend a final dividend in the total amount of HK\$120 million for the year ended December 31, 2024, payable to Shareholders whose names appear on the register of members of the Company on July 16, 2025. Based on the 7,284,855,440 Shares in issue as at the declaration date, such final dividend would amount to HK\$1.64 cents per Share. The proposed final dividend was approved by the Shareholders at the Company's annual general meeting held on April 30, 2025. The final dividend is expected to be paid on August 7, 2025.

In addition, on March 26, 2025, the Company also declared a special dividend in the aggregate amount of HK\$768 million, comprising three tranches as follows: (i) the first tranche of HK\$256 million, which was paid in cash on 25 April 2025 to Shareholders whose names appear on the register of members of the Company on April 14, 2025; (ii) the second tranche of HK\$256 million, which is payable in cash on September 26, 2025 to shareholders whose names appear on the register of members of the Company on September 16, 2025; and (iii) the third tranche of HK\$256 million, which is payable in cash on December 29, 2025 to shareholders whose names appear on the register of members of the Company on December 18, 2025. For details, please refer to the announcements of the Company dated March 26, 2025 and April 30, 2025.

**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. 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. Please refer to "*Taxation*" for a discussion of tax consequences in certain jurisdictions.

**The market value and liquidity of the Bonds may fluctuate.**

Trading prices and trading volume 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, reorganizations, 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 market price of the Shares will also be influenced by our operational results (which in turn are subject to the various risks to which our businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which we operate and the capital markets in general. Corporate events such as reorganizations, takeovers or share buy-backs may also adversely affect the market price of the Shares. Any decline in the market price of the Shares could adversely affect the market price of 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 and there are restrictions on resale of the Bonds.**

The Bonds are 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 issue price. Whether or not the Bonds would trade at lower prices depends on many factors, including, but not limited to:

- 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 as well as general market and economic conditions; or
- the Group's financial condition, 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 an investment in the Bonds 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 or any applicable supplement;
- 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 Bonds, including where the currency for principal payments or default interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour 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 the help of 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 contain provisions regarding modification and waivers, which could affect the rights of Bondholders.**

The Terms and Conditions 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 are corresponding provisions for written resolutions of the Bondholders and for passing of resolutions by electronic consent, which also permit defined majorities to bind all Bondholders including those Bondholders who did not participate and those who opposed the resolution. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interest of individual holders of the Bonds.

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

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default (as defined in the Terms and Conditions) or Potential Event of Default (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 Company or any of its subsidiaries is unable to comply with the restrictions and covenants in its 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 Company or any of its subsidiaries is unable to comply with the restrictions and covenants or its 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. 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 Company's or such subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Company would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Company would be able to find alternative financing. Even if the Company could obtain alternative financing, it could not guarantee such financing will be on terms that are favorable or acceptable to the Company.

**The Company may be unable to obtain and remit foreign currencies out of China.**

The Company's ability to satisfy its obligations under the Bonds will be affected by its ability to obtain and remit sufficient foreign currency. The Company must present certain documents to SAFE, its authorized branch, or the designated foreign exchange bank, for registration before it can obtain and remit foreign currencies out of China, including, in the case of dividends, the resolution of the board of directors and evidence that the relevant PRC taxes have been paid. If the Company for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, it may affect the Company's ability to satisfy its obligations under the Bonds in a timely manner.

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

The Issuer will pay principal on the Bonds in U.S. 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 U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. 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 U.S. 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 Hong Kong and other local insolvency laws may differ from those of other jurisdictions with which the holders of the Bonds are familiar.**

Because the Company is incorporated under the laws of Hong Kong, any insolvency proceeding relating to the Company may involve Hong Kong insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

The Company conducts substantially all of its business operations through PRC-incorporated subsidiaries in the PRC. The Company's PRC subsidiaries are subject to the bankruptcy and insolvency laws of the PRC. The PRC laws and regulations 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 investing in the Bonds.

**Bondholders have limited anti-dilution protection.**

The conversion price of the Bonds will be adjusted only in the situations and only to the extent provided in "*Terms and Conditions of the Bonds—Conversion—Adjustments to Conversion Price.*" There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. In particular, unless provided for in the Terms and Conditions, there is no conversion price adjustment 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 or any of its Subsidiaries 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 Relevant Stock Exchange (as defined in the Terms and Conditions)). 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.

**The conversion of some or all of the Bonds will dilute the ownership interests of existing Shareholders.**

The conversion of some or all of the Bonds will dilute the ownership interests of existing Shareholders. Any sales in the public market of the Shares issuable upon such conversion could affect prevailing market prices for the Shares. In addition, the conversion of the Bonds might encourage short selling of the Shares by market participants.

**The Company may not have the ability to redeem the Bonds.**

Bondholders may require the Company, subject to certain conditions, to redeem for cash some or all of their Bonds at the option of the Bondholders upon the occurrence of 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 Optional Put Date as described under "*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption at the option of the Bondholders.*" The Company 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 Company'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 Company would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Company.

**There are risks attached to the exercise of Conversion Rights.**

At any point when the Bonds are outstanding, depending on the performance of the Shares, the value of the Shares may be substantially lower than when the Bonds were initially purchased. In addition, because there will be a delay between when Conversion Rights are exercised and when Shares are delivered, the value of the Shares to be delivered may vary substantially between the date on which Conversion Rights are exercised and the date on which such Shares are delivered.

**There is a limited period during which the Bondholders may convert their Bonds.**

Subject as provided in the Terms and Conditions, the Conversion Right in respect of a Bond may only be exercised in certain limited circumstances (subject to any applicable fiscal or other laws or regulations and as further provided in the Terms and Conditions) at any time after Issue Date (a) up to the close of business on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in the Condition 6(A)(iii) (*Revival and/or survival after default*) of the Terms and Conditions, in no event thereafter); or (b) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, up to the close of business on a date no later than ten days (both days inclusive) prior to the date fixed for redemption thereof; or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) (*Redemption for Delisting or Change of Control*) of the Terms and Conditions then up to the close of business on the day prior to the giving of such notice.

If the Conversion Rights are not exercised by Bondholders during the Conversion Period, the Bonds will be redeemed at their principal amount on the Maturity Date unless the Bonds are previously purchased and cancelled or redeemed in accordance with the Terms and Conditions.

**The Bonds may be early redeemed at the Company's option, which may adversely affect the trading price and liquidity of the Bonds.**

The Company may, on giving not less than 30 days' nor more than 60 days' notice, redeem the Bonds in whole, but not in part, on the date specified in the Optional Redemption Notice at their principal amount, together with interest accrued (if any) to (but excluding) the Optional Redemption Date, at any time if, prior to the date the relevant Optional Redemption Notice is given, 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 (which shall for this purpose include any further bonds issued pursuant to Condition 17 (*Further Issues*) of the Terms and Conditions). In addition, the Bonds may be redeemed at the option of the Company in whole and not some only, on giving not less than 30 days' nor more than 60 days' notice, at its principal amount, together with interest accrued (if any) to (but excluding) the Tax Redemption Date, if the Company becomes obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of certain events set out in the Terms and Conditions and such obligation cannot be avoided by the Company taking reasonable measures available to it. As a result, the trading price of the Bonds may be affected when the redemption options of the Company 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 will bear the risk of fluctuations in the price of Shares.**

The market price of the Bonds at any time will be affected by fluctuations in the price of the Shares. The Shares are currently primary listed on the Hong Kong Stock Exchange. 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. Sales of substantial numbers of Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and the Bonds. The market price of the Shares will also be influenced by the Group's operational results (which in turn are subject to the various risks to which the Group's businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which the Group operates and the capital markets in general. Corporate events such as

reorganizations, takeovers or share buy-backs may also adversely affect the market price of the Shares. Any decline in the market price of the Shares could adversely affect the market price 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 our equity securities after the offering of the Bonds could dilute the interest of our existing shareholders and could substantially decrease the trading price of the Shares. We may issue equity securities in the future for a number of reasons, including to finance our operations and business strategies (including in connection with acquisitions, strategic collaborations or other transactions), to adjust our debt-to-equity ratio, to satisfy our 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 and impair our ability to raise capital through the sale of additional equity securities. We 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 our Company and by hedging or engaging in arbitrage trading activity involving the Bonds.

**Bondholders may only be entitled to the Cash Settlement Amount.**

During the relevant Conversion Period (as defined in the Terms and Conditions and described in the section headed “*The Offering*”), the Issuer has the option to satisfy the Conversion Right (as defined in the Terms and Conditions and described in the section headed “*The Offering*”) in respect of a relevant Conversion Notice by electing to pay to the Bondholder an amount of cash in U.S. dollars equivalent to the relevant Cash Settlement Amount (as defined in the Terms and Conditions) in order to satisfy such Conversion Right in whole or in part in lieu of delivery of Shares. In such event, a Bondholder will receive fewer or no Shares (as applicable) on conversion of its Bonds.

**The Cash Settlement Amount payable to Bondholders will be subject to market price volatility during the 20 consecutive Stock Exchange Business Days calculation period.**

Notwithstanding the Conversion Right of each Bondholder in respect of each Bond, at any time when the delivery of Shares deliverable upon conversion of the Bonds is required to satisfy the Conversion Right in respect of a Conversion Notice, the Issuer shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined in the Terms and Conditions). The Cash Settlement Amount will be calculated using the average of the volume weighted average price of the Shares for each day during the 20 consecutive days on which the Stock Exchange is open for business of dealing in securities (“**20 Stock Exchange Business Days**”). During the initial Conversion Period, the Cash Settlement Amount will be calculated after the date of the relevant Cash Settlement Notice. As such, a Bondholder will need to wait for the calculation period to be completed before receiving any payment of the Cash Settlement Amount. The calculation of the Cash Settlement Amount will be affected by share price movements and volatility during this 20 Stock Exchange Business Days period, which can be affected by a wide array of factors including, without limitation, trade tensions between the U.S. and the PRC, general market conditions of the securities markets in Hong Kong, the PRC, the U.S. and elsewhere in the world or economic downturn locally or globally. See “—*Bondholders may only be entitled to the Cash Settlement Amount*” and “—*The market value of the Bonds may fluctuate.*”

**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 depository for Euroclear and Clearstream (each of Euroclear and Clearstream, a “**Clearing System**” and together the “**Clearing Systems**”). Except in the limited circumstances described in the Global Certificate,

investors will not be entitled to receive definitive certificates in respect of their 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. The Issuer, the Trustee or the Agents, or any of their respective representatives, directors, officers, employees, agents, affiliates, advisers or any person who controls any of them or their respective affiliates has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

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 depository for the Clearing Systems, 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. The Issuer has no 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.

**The risks described above do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.**

**The investment referred to in this Offering Circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser before making a decision to subscribe for the Bonds.**

## **USE OF PROCEEDS**

The total net proceeds from the offering of the Bonds, after deducting underwriting commissions and other estimated expenses payable in connection with the offering of the Bonds, are estimated to be approximately U.S.\$178 million. The net proceeds from the offering of the Bonds will be used by the Company for investing in certain key assets and for general corporate purposes.

## EXCHANGE RATE INFORMATION

### 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 market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to July 20, 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by the PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. On July 21, 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. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system.

On May 18, 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on April 16, 2012 and 2.0% on March 17, 2014. The 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 trading against the Renminbi on the following working day. Effective since August 11, 2015, market makers are required to quote their central parity rates for Renminbi against U.S. dollar to the China Foreign Exchange Trade System daily before the market opens by reference to the closing rate of the PRC inter-bank foreign exchange market on the previous trading day in conjunction with the demand and supply conditions in the foreign exchange markets and exchange rate movements of major currencies. The PBOC has further authorised the China Foreign Exchange Trade System to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. The 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 trading against the Renminbi on the following working day. The PRC government may adopt further reforms of its exchange rate system, including but not limited to making the Renminbi freely convertible in the future.

The table below sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			
	Period end	Average <sup>(1)</sup>	High	Low
		<i>(RMB per US\$1.00)</i>		
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4382	6.5716	6.3435
2022	6.8972	6.7518	7.3048	6.3084
2023	7.0999	7.0896	7.3430	6.7010
2024	7.2993	7.1933	7.2993	7.0106
2025				
January	7.2422	7.2957	7.3326	7.2422
February	7.2828	7.2734	7.3088	7.2422
March	7.2567	7.2493	7.2843	7.2273
April	7.2706	7.2968	7.3499	7.2675
May	7.1991	7.1991	7.2706	7.1798
June (through June 20, 2025)	7.1785	7.1841	7.1975	7.1726

Source: Federal Reserve H.10 Statistical Release

Note:

(1) Determined by averaging the rates on the last business day of each month during the relevant year, except for the monthly average rate which is determined by averaging the daily rates during the month.

## HONG KONG

The Hong Kong dollar is freely convertible into the U.S. dollar. Since 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to U.S.\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (the “**Basic Law**”), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong. The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to U.S.\$1.00. The Hong Kong government has indicated its intention to maintain the link at that rate. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, we cannot assure you that the Hong Kong government will maintain the link at HK\$7.80 to U.S.\$1.00, or at all.

The table below sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			
	Period end	Average <sup>(1)</sup>	High	Low
		<i>(HK per US\$1.00)</i>		
2020	7.7534	7.7562	7.7951	7.7498
2021	7.7996	7.7727	7.8034	7.7515
2022	7.8015	7.8324	7.8499	7.7693
2023	7.8109	7.8309	7.8499	7.7920
2024	7.7677	7.8018	7.8368	7.7617
2025				
January	7.7917	7.7852	7.7917	7.7749
February	7.7775	7.7819	7.7928	7.7692
March	7.7799	7.7728	7.7799	7.7677
April	7.7548	7.7631	7.7820	7.7548
May	7.8409	7.8015	7.8409	7.5000
June (through June 20, 2025)	7.8499	7.8480	7.8499	7.8443

Source: Federal Reserve H.10 Statistical Release

Note:

(1) Determined by averaging the rates on the last business day of each month during the relevant year, except for the monthly average rate which is determined by averaging the daily rates during the month.

## MARKET PRICE INFORMATION

Our shares have been listed on the Hong Kong Stock Exchange (Stock Code: 0697) since April 30, 1991.

The table below sets forth, for the periods indicated, the low and high closing prices per Share, as reported on the Hong Kong Stock Exchange:

<b>Period</b>	<b>Closing Share Price</b>	
	<b>Low</b>	<b>High</b>
	<b>(HK\$)</b>	
<b>2024</b>		
First quarter ended March 31, 2024	1.34	1.60
Second quarter ended June 30, 2024	1.30	1.53
Third quarter ended September 30, 2024	1.24	1.39
Fourth quarter ended December 31, 2024	0.94	1.37
<b>2025</b>		
First quarter ended March 31, 2025	0.98	1.89



## CAPITALISATION AND INDEBTEDNESS

The following table sets forth our capitalisation and indebtedness as of December 31, 2024 on an actual basis and on an adjusted basis after giving effect to the issuance of the Bonds in this offering before deducting the underwriting discounts and commissions payable by us in connection with this offering. The table should be read in conjunction with the financial statements and the accompanying notes incorporated by reference in this Offering Circular.

	<b>As of December 31, 2024</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Short-term borrowings</b>		
Borrowings	38,160	38,160
Bond payables	3,816	3,816
Bonds to be issued <sup>(2)</sup>	—	1,398,186
<b>Total short-term borrowings</b>	41,976	1,440,162
<b>Long-term borrowings</b>		
Borrowings	358,662	358,662
Bond payables	1,095,043	1,095,043
<b>Total long-term borrowings</b>	1,453,705	1,453,705
<b>Equity</b>		
Share capital <sup>(2)</sup>	12,994,847	12,994,847
Reserves	(3,574,159)	(3,574,159)
Capital and reserves attributable to owners of the Company	9,420,688	9,420,688
Non-controlling interests	95,156	95,156
<b>Total equity</b>	9,515,844	9,515,844
<b>Total capitalisation</b> <sup>(3)</sup>	10,969,549	10,969,549

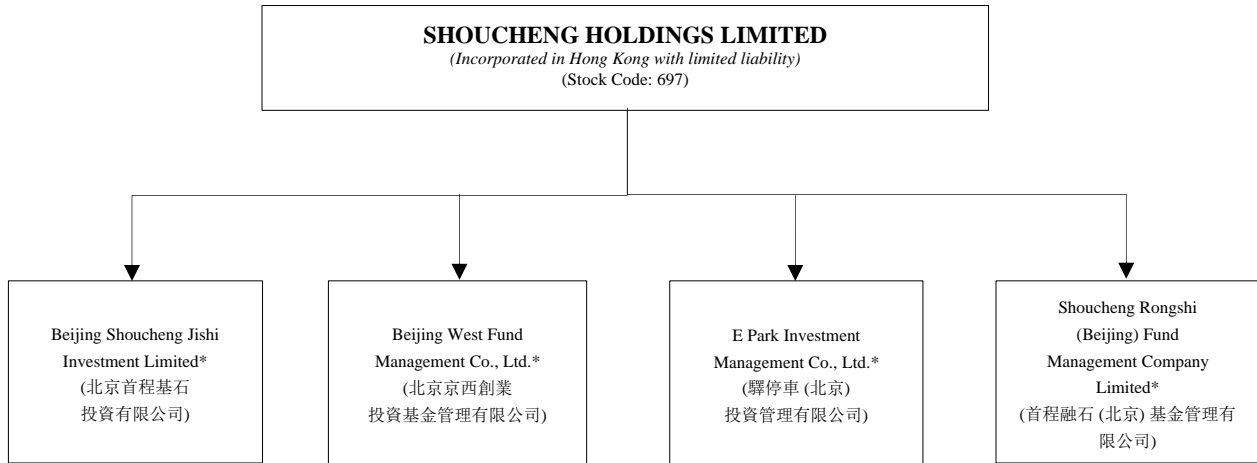
*Note:*

- (1) Except as disclosed herein, there has been no material changes to the consolidated capitalisation of the Company since December 31, 2024.
- (2) The Bonds in the aggregate principal amount of U.S.\$180,000,000 will be recorded as short-term borrowings as of the Issue Date. Translations from U.S. dollar amounts to Hong Kong dollars were made at the rate of U.S.\$1.00 to HK\$7.7677, the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System on December 31, 2024. To calculate this capitalisation table and for illustration purposes, the amount of Bonds to be issued equal to gross proceeds and did not take into consideration of the accounting implications under Hong Kong Accounting Standard 32 “Financial Instruments: Presentation.”
- (3) Total capitalisation equals total long-term borrowings plus total equity.

In our ordinary course of business, we may consider various financing opportunities and incur additional debt, including, among others, bank borrowings and domestic or offshore bonds or other securities issuances, to finance our business developments or for general corporate purposes. There has been no material adverse change in our capitalisation and indebtedness since December 31, 2024.

## CORPORATE STRUCTURE

The following chart sets forth a simplified overview of our organisational structure indicating certain key subsidiaries as of the date of this Offering Circular:



\* For identification purpose only.

Note:

- (1) The shareholding is 100%.
- (2) The chart only listed the Issuer and its key subsidiaries.

## DESCRIPTION OF THE ISSUER

### OVERVIEW

We are a leading intelligent infrastructure asset service provider in China, focusing on the investment, operation and management of core infrastructure assets with long-term values. Leveraging our extensive experience in asset operations and fundraising, investment, management and exit (“**FIME**”), we have built strong lifecycle service capabilities for infrastructure assets. On the one hand, we actively drive the comprehensive intelligent upgrade of our asset management system, aimed at transitioning to digitalized, intelligent operations with enhanced operational efficiency while achieving significant asset value appreciation. On the other hand, drawing on our in-depth industry knowledge and experience in real estate investment trusts (“**REITs**”), we have effectively recycled capital for our infrastructure assets, which enables us to accelerate our shift toward an asset operation model spanning asset acquisition, efficient operations, asset securitization and capital return.

We primarily carry out the asset operation and the FIME businesses:

- **Asset operations.** Our asset operation business primarily focuses on parking facility and industrial park asset operations. In recent years, driven by an “investment + operation” model, we have been continuously innovating and expanding our service offerings throughout the lifecycle and value chain of infrastructure assets. Our services encompass planning and design, investment and construction, as well as operational management and innovative value enhancement. As a leading intelligent infrastructure asset service provider in China, we actively invest in and manage intelligent infrastructure assets with long-term value, including parking spaces and industrial parks.

Our parking space operations cover various developed regions in China, primarily the Beijing-Tianjin-Hebei area (covering Beijing, Tianjing, Tangshan and Baoding), the Yangtze River Delta area (covering Nanjing and Shanghai), the Chengdu-Chongqing area, and the Greater Bay Area (covering Guangzhou and Foshan).

Our asset operation business is conducted mainly through four models—long-term leasing, parking complex, property ownership, and entrusted management. Our revenue generated from this business primarily includes operation service income, construction revenue from service concession agreement, and leasing income.

- **FIME.** To capture the opportunities presented by the Chinese real estate investment trusts (C-REITs) era, we provide a full ecosystem of FIME services in infrastructure sectors such as parking, transportation, and industrial parks. Our services range from development fund investment to public REITs consulting and strategic investments in REITs. In a typical REITs business cycle, we invest in and develop infrastructure assets, and then further enhance the assets’ quality with our robust infrastructure management capabilities. After the assets start to generate stable cash flows and maintain stable returns, we exit the investment and recoup our funds through public REITs products.

In 2022, 2023 and 2024, our total revenue was HK\$1,599.8 million, HK\$883.5 million and HK\$1,215.1 million, respectively; our gross profit was HK\$1,064.4 million, HK\$359.7 million and HK\$507.1 million, respectively; and our net profit attributable to owners of the Company was HK\$922.0 million, HK\$403.6 million and HK\$410.2 million, respectively.

### REVENUE BREAKDOWN

We operate two business segments: asset operation and FIME. The table below provides a breakdown of our revenue by business segment, each expressed as an absolute amount and as percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	<i>HKD'000</i>	<i>% of revenue</i>	<i>HKD'000</i>	<i>% of revenue</i>	<i>HKD'000</i>	<i>% of revenue</i>
Asset operation	582,944	36.4	658,130	74.5	920,777	75.8
- Operation service income	386,737	24.1	567,807	64.3	823,446	67.8
- Construction revenue from service concession agreement	124,594	7.8	48,706	5.5	46,708	3.8
- Leasing income	71,613	4.5	41,617	4.7	50,623	4.2
FIME	1,016,865	63.6	225,348	25.5	294,346	24.2
- Fund management services income	186,833	11.7	183,032	20.7	191,525	15.8
- Excess return from investment funds	515,489	32.2	194,931	22.1	101,555	8.3
- Investment gain/(loss)	314,543	19.7	(152,615)	(17.3)	1,266	0.1
<b>Total</b>	<b>1,599,809</b>	<b>100.0</b>	<b>883,478</b>	<b>100.0</b>	<b>1,215,123</b>	<b>100.0</b>

## BUSINESS SEGMENTS

### Asset Operation

Our asset operation business primarily focuses on parking facility and industrial park operations. In this business, our asset management services cover planning and design, investment and construction, as well as operational management and innovative value enhancement. Our revenue generated from asset operations primarily includes operation service income, construction revenue from service concession agreement, and leasing income. In 2022, 2023 and 2024, our revenue generated from asset operations amounted to HK\$582.9 million, HK\$658.1 million and HK\$920.8 million, respectively.

### Our Asset Operation Models

Our asset operation business is conducted mainly through four business models—long-term leasing, property ownership, parking complex, and entrusted management:

- *Long-term leasing.* Under the long-term leasing model, we, as the lessee, contract the operating rights of parking lots from property owners, typically with lease terms ranging from five to 20 years. We are entitled to all the revenue generated during the operation period, including parking operation income, retail leasing, and advertising income. Our projects under this model include, for example, carparks of Beijing Daxing International Airport, Chengdu Western Wisdom Valley, and China-Japan Friendship Hospital.
- *Property ownership.* Under the property ownership model, we collaborate with leading real estate developers, such as Vanke and Longfor, to purchase rights to ownership of or revenue from parking spaces, and we generate revenue through operation or disposal of such assets or rights. For example, our carparks of Chengdu Star Space, Foshan Jinyu Central, and Chongqing Longfor Tianjie projects are generally operated under this model.
- *Parking complex.* Under the parking complex model, we invest in the construction of parking structures on the land provided by the government to obtain concession rights to such parking structures for a term of ten to 30 years. We are entitled to the revenue generated from parking operations and commercial leasing during the operation period. For instance, we have operated carparks of Nanjing Egret Island Park and Beijing Wuhu Bridge Parking Structure under this model.

- *Entrusted management.* Under the entrusted management model, we operate the parking lots and enter into entrusted management agreement with property owners, providing them with daily parking lot operation services. Such agreements typically have a term of one year, and we collect a fixed operational management fee from property owners on an annual basis. Our representative projects under this model include carparks of Beijing Chaoyang Station and Qinghe Station.

### ***Our Parking Facility Assets Network***

We mainly operate three types of parking facility assets under our parking facility operation business: transportation hubs, municipal support, and commercial support.

- We have industry-leading and specialized asset operation capabilities in parking facility operations for transportation hubs. Our notable transportation hubs projects currently include carparks of Beijing Capital International Airport, Daxing Airport, Shanghai Hongqiao Airport, and Xi'an Xianyang Airport, as well as carparks of multiple railway stations along the Beijing railway hub lines.
- Our municipal support parking facility operations cover scattered urban areas and underground spaces, including parking projects for public buildings, tourist attractions, hospitals, roadside areas, and Park-and-Ride (“P+R”) facilities. We have operation rights for roadside parking areas in multiple cities within the Beijing-Tianjin-Hebei region and parking areas at multiple major tertiary hospitals, such as Anzhen Hospital and China-Japan Friendship Hospital.
- Our commercial support parking facility operations primarily encompass parking facilities at industrial parks, office buildings, and mixed-use complexes. For example, we established a joint venture with Vanke Co., Ltd. to implement and manage projects, such as carparks of Guangzhou Tianhe Cloud City. We have also been expanding our value-added services by developing our electric vehicle charging operations.

Our parking facility operation business has penetrated various developed regions in China, primarily including the Beijing-Tianjin-Hebei area (covering Beijing, Tianjing, Tangshan and Baoding), the Yangtze River Delta area (covering Nanjing and Shanghai), the Chengdu-Chongqing area, and the Greater Bay Area (covering Guangzhou and Foshan).

### **FIME**

We actively engage in domestic and international capital markets to attract high-quality strategic investors, continuously expand our core asset portfolio, and enhance our operational efficiency. To capture the opportunities presented by the Chinese real estate investment trusts (C-REITs) era, we provide a full ecosystem of FIME services in infrastructure sectors such as parking, transportation, and industrial parks. Our services range from development fund investment to public REIT consulting and strategic investments in REITs.

Our revenue generated from the FIME business primarily consists of fund management services income, excess return from investment funds, and investment gain/(loss). In 2022, 2023 and 2024, our revenue generated from FIME business amounted to HK\$1,016.9 million, HK\$225.3 million and HK\$294.3 million, respectively.

### ***Infrastructure Real Estate Investment Funds***

For infrastructure real estate investment, we focus on investing in urban renewal projects, including industrial parks, logistics parks, and affordable housing, creating a closed loop in asset management. A major project invested by the infrastructure property investment funds we manage is the New Shougang High-end Industrial Comprehensive Service Area (“**Shougang Park**”). Shougang Park has been included in China’s first batch of pilot projects for the transformation of urban old industrial areas and is positioned to host major events and conferences.

### ***Equity Investment Funds***

For equity investment funds, we strategically invest in areas along the upstream and downstream companies of the industrial chain of our core asset operation business, particularly in smart mobility, new energy vehicles, and

new materials. This dual approach aims to achieve investment returns and excess profits upon exit, while also creating an industry incubation platform to promote synergistic business development. Examples of the projects invested by the funds we manage include Li Auto, Bayi Space, Shimeng Supply Chain Management and Horizon Robotics.

### ***REITs Investment Funds***

In recent years, the Chinese real estate investment trusts (C-REITs) market has continued to expand, and government policies have provided various support to REITs, including broadening the categories of underlying infrastructure assets, improving pilot guidelines, and regulating income distribution. In line with national policy opportunities, we have achieved first-mover advantages. For example, we have established pre-REITs equity investment fund in China jointly with China Life Investment Insurance Asset Management Co., Ltd. and Beijing Shougang Fund Co., Ltd., which primarily invests in environmental infrastructure projects, such as waste treatment and sewage treatment projects. In addition, we have assisted in the REIT issuances of Shougang Green Energy (the first green REIT in China) and BJENERGY PV (the first public offering REIT in the new energy sector in China).

## **SELECTED INDUSTRIES WE FOCUS ON**

### ***Robot Industry***

We manage the Beijing Robot Industry Development Investment Fund (Limited Partnership), which has assets under management of RMB10 billion. With the support of this fund, we have established Beijing Shoucheng Robot Technology Industry Co., Ltd. to invest in the robot industry under a triple-empowerment model of “building a foundation with capital + providing scenarios for implementation + serving the industry.” We aim to create a value hub that connects innovations and the industrial chain, thereby building a complete robot industry ecosystem spanning investment, production, and services.

### ***Parking Mobility***

In the field of parking mobility, in 2024 we obtained the operation rights for the Guangzhou Baiyun International Airport Parking Operation Rights Project, the Tibet Lhasa Gonggar International Airport Parking Lot Project, and the Tianjin Binhai International Airport Parking Lot Project, which have helped to solidify our leading position in airport parking. We remain committed to the strategy of supporting the growth of local businesses and markets. In key areas such as the Beijing-Tianjin-Hebei region, the Chengdu-Chongqing region, the East China region, and the Greater Bay Area, we have gradually secured parking projects for large business centers, hospital facilities, and charging stations, thus further expanding our asset management scale for “parking + charging.”

### ***Industrial Parks***

In terms of industrial parks, our customized project, the Li Auto Headquarters Phase II Project, became fully operational in the first quarter of 2024. We also manage projects such as Chang’an Mills, Shougang Winter Olympic Plaza, and Rongshi Square, with a steadily increasing occupancy rate. The business formats of our industrial parks include commercial, industrial and apartment spaces, which provide abundant application scenarios for high-tech enterprises such as robotics companies to settle in. In addition, we have collaborated with China World Property & Hotel Management Limited to set up a property company, with its business gradually expanding to cover investment, construction, commercial management and property management.

## **SAFETY MANAGEMENT**

We place a high priority on user safety, making it the foremost concern in all of our parking facility asset operation projects. In particular, we have established a comprehensive set of internal management policies for the safety management of parking facilities, such as Implementation Standards for Traffic Safety Facilities and Signage in Parking Lots, Parking Lot Safety Management Policies, the Emergency Response Plan for Fire Accidents, and the Anti-Terrorism and Explosion Emergency Response Plan. These policies aim to ensure traffic safety, fire safety, vehicle theft prevention, information security management and order management within the parking facility. We take our inspection responsibilities seriously and are committed to ensuring effective and safe operations of our parking facilities. In addition, we conduct regular checks of parking systems, promptly addressing detected system failures by

replacing faulty equipment. We also place safety signs in hazardous areas and remind our staff to conduct additional inspections to minimize the risk of accidents.

Emergency response plans are also a crucial aspect of our daily operations. We provide our operational staff with quarterly training on handling emergencies, such as charging system failures, wind and flood prevention, and vehicle accidents. Furthermore, we organize comprehensive emergency drills at least once a year, and we keep records for emergency drills and conduct evaluations afterward, adjusting inspection routes and increasing the frequency of inspections ensure thorough management of the parking facilities. Meanwhile, we designate fire safety officer for enforcing fire regulations, ensuring that fire safety protocols (including the hot work approval system) are strictly followed.

## **INTELLECTUAL PROPERTY**

We regard our trademarks, domain names and similar intellectual property as critical to our success. In addition, we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our proprietary rights.

## **COMPETITION**

We face competition in both of our business segments. Our parking asset operation business faces competition from both large-scale service providers and smaller-scale local players, primarily on our ability to acquire quality assets and retain a large and loyal user base. We believe our competitive advantage primarily include our full-cycle asset operation and management capabilities, digital intelligence capabilities, as well as our ability to respond quickly and effectively to market changes.

Our fund management business may face competition from other private funds, specialist investment funds and hedge fund sponsors, among others. In particular, our fund management business faces competition in the pursuit of capital partners and in seeking profitable investment opportunities, while REITs that we may manage or invest in in the future face competition primarily in acquiring additional properties.

## **RISK MANAGEMENT**

Our management is responsible for the design, implementation and monitoring of our risk management and internal control systems, while our Board is responsible for overseeing management in performing its duties on an ongoing basis. A review of the effectiveness of risk management and internal control system has been conducted annually by the Board to cover all material controls, including financial, operational, corporate culture, Board independence, Board diversity, shareholders communication, environmental, social and governance and compliance controls.

### **Risk Management System**

We have adopted a comprehensive risk management system to manage the risks associated with our business and operations. This system comprises the following phases:

- *Identification:* Identify type of significant risks, business objectives and risks that could affect the achievement of objectives (including environmental, social and governance risks).
- *Evaluation:* Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management:* Consider the risk responses, ensure effective communication to the Board and continuously monitor the residual risks (including but not limited to environmental, social and governance risks).

Our management identifies relevant major risks through the above risk management processes and monitors major risks that we face in our business operations on an on-going basis.

## **Internal Control System**

We have in place an internal control system that is compatible with the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework. This framework enables us to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The framework primarily consists of the following processes and polices:

- *Control Environment*: A set of standards, processes and structures that provide the basis for carrying out internal control across our Group.
- *Risk Assessment*: A dynamic and iterative process for identifying and analyzing risks to achieve our objectives, forming a basis for determining how risks should be managed.
- *Control Activities*: Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- *Information and Communication*: Internal and external communication to provide us with the information needed to carry out day-to-day controls.
- *Monitoring*: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

## **Internal Audit**

Our compliance audit department analyzes and independently evaluates the adequacy and effectiveness of the our risk management and internal control systems, which covers all significant controls, including financial, operational and compliance controls. Our compliance audit department is independent of the our daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

We outsource our internal audit work to a globally renowned professional internal audit services provider who reports the results of the review to our compliance audit department and makes recommendations to improve the identified significant system deficiencies or control weaknesses. An internal audit plan has been reviewed by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually, and the results are reviewed by the Audit Committee and reported to the Board.

The Board is responsible for allocating adequate resources to our relevant departments to address significant internal control deficiencies identified during the review of risk management and internal control system, and promptly implement recommendations provided by our compliance audit department.

## **Board Supervision of the Risk Management and Internal Control Systems**

The Board is responsible for our risk management and internal control systems and ensuring review of the effectiveness of these systems is conducted annually according to the requirements of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Our control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## **INSURANCE**

We currently have insurance coverage for our properties and fixed assets, as well as our plant and equipment inventories. We believe that our insurance coverage is consistent with market practice our industry. We regularly renew our insurance policies based on our business operation related requirements.

## **EMPLOYEES**

As of December 31, 2024, we had a total of approximately 450 employees. Our employees are primarily located in mainland China and Hong Kong. In accordance with the laws and applicable regulations of local



governments in regions where we have business operations, we are required to make contributions to the pension contribution plan, medical insurance, unemployment insurance, maternity insurance and personal injury insurance and housing provident fund. We enter into an employment contract with each of our employees in accordance with applicable laws and regulations.

Our employees' remuneration package is designed based on the practices of the locations where we have business operations, which typically includes salaries, overtime pay, various allowances and bonuses. Our remuneration policy is to ensure that employees receive a fair and competitive overall remuneration package. We have established a remuneration incentive mechanism with "fixed salary as basis and performance linked remuneration as a main component" based on factors including position value, ability, and contribution to performance, to motivate and retain existing employees. By making full use of a variety of incentives, we seek to attract and retain talented employees to achieve our strategic goals together.

We believe in equal job opportunities and respect personal privacy. We strictly comply with regulations of state and local governments and adopt a fair, just, and open recruitment process to provide employees with an equal, diverse and discrimination-free working environment. In the process of recruitment, training and promotion, we provide equal treatment to all candidates to safeguard employees' rights and interests.

In addition, to strengthen employees' sense of belonging, we arrange a variety of recreational activities for all employees to strengthen team cohesion, as well as a town hall meeting to commend excellent individual and team performances.

## **ENVIRONMENTAL MATTERS**

At the ninth "Global Investment Carnival 2025" hosted by Gelonghui, we were honored with the "Golden Grid Award" for the 2024 Social Responsibility Award. This award covers Chinese listed companies across multiple exchanges and evaluates them on various dimensions including value, growth, innovation, social responsibility, and brand influence, selected through a process of expert jury review and big data analysis. This accolade recognizes our dedicated efforts in making comprehensive contributions across economic, social, and environmental aspects, and highlights the Group's commitment to the principles and practical achievements of sustainable development.

## **LEGAL PROCEEDINGS**

We may from time to time be involved in legal proceedings concerning matters arising in the ordinary course of our business. See "*Risk Factors—Risks Relating to Our Business and Industry—We may be involved in disputes or legal and other proceedings arising from our operations from time to time, which could result in significant liabilities and reputational harm and could materially and adversely affect our results of operations, financial condition and liquidity*" for more information.

Except as disclosed above, as of the date of this Offering Circular, we are not involved in any litigation or arbitration proceedings that we believe would have a material adverse effect on our business or financial position nor are we aware that any such litigations or proceedings are pending or threatened against us.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### DIRECTORS

Our board of directors of our Company (the “**Director(s)**”) is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of the members of our board as of the date of this Offering Circular:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Zhao Tianyang (趙天暘)	45	Chairman of the Board and Executive Director
Li Hao (李浩)	43	Vice Chairman of the Board of Directors and Executive Director
Xu Huajie (許華傑)	46	Executive Director
Liu Jingwei (劉景偉)	57	Executive Director
Wu Lishun (吳禮順)	50	Non-executive Director
Peng Jihai (彭吉海)	55	Non-executive Director
Ho Gilbert Chi Hang (何智恒)	48	Non-executive Director
Zhang Quanling (張泉靈)	52	Independent Non-executive Director
Zhuge Wenjing (諸葛文靜)	47	Independent Non-executive Director
Wang Xin (王鑫)	47	Independent Non-executive Director
Zhang Jianwei (張建偉)	61	Independent Non-executive Director
Tse, Theresa Y Y (謝其潤)	32	Independent Non-executive Director

### Executive Directors

**Mr. ZHAO Tianyang (趙天暘)**, aged 45, was appointed an Executive Director and the Chairman of the Board of Directors of the Company on 6 January 2018 and is also a member and the chairman of the Nomination Committee of the Company. He holds a Bachelor degree in science and a Master degree in economics from Peking University and an Executive Master of Business Administration degree from Cheung Kong Graduate School of Business. He is a co-chairman of the Asset Securitization Business Committee (資產證券化業務委員會) of Asset Management Association of China (中國證券投資基金業協會). Mr. Zhao joined Shougang Group Co., Ltd. (首鋼集團有限公司, “Shougang Group”) in December 2011. He is a deputy general manager of Shougang Group, a director of Shougang Holding (Hong Kong) Limited (“Shougang Holding”), and the vice chairman and general manager of Beijing Shougang Fund Co., Ltd. (北京首鋼基金有限公司, “Shougang Fund”). Both Shougang Holding and Shougang Fund are wholly-owned subsidiaries of Shougang Group. Each of Shougang Group, Shougang Holding and Shougang Fund is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Zhao worked in the China Securities Regulatory Commission, Beijing Municipal Commission of Development and Reform and Peking University. He has extensive experience in company operation and management, investment and capital operation.

**Mr. LI Hao (李浩)**, aged 43, was appointed as a Non-executive Director of the Company on 27 September 2018, became the Vice Chairman of the Board of Directors on 15 February 2022 and re-designated as an Executive Director and appointed as a member of the Nomination Committee. He holds a Bachelor degree from Dalian University of Technology and a Master of Business Administration degree in Finance from Waseda University, Japan. Mr. Li has been with ORIX Corporation (“ORIX”, a substantial shareholder of the Company) since October 2007. He is currently the executive officer (responsible for Greater China Group) and general manager of Greater China Group at ORIX, a diversified financial services company and whose shares are listed on both Tokyo Stock Exchange and New York Stock Exchange. Mr. Li also serves as the director and president of each of ORIX (China) Investment Company Limited and ORIX Asia Capital Limited, both of which are wholly-owned subsidiaries of ORIX, and the director and the chief executive officer of ORIX China Industrial Holdings Limited, which is an affiliate of ORIX. He is also a non-executive director of Beijing Energy International Holding Co., Ltd. and China Water Affairs Group Limited, both of which are being listed on the Stock Exchange. He was a non-executive director of Haichang Ocean Park Holdings Ltd., a company listed on the Stock Exchange (resigned on 3 July 2023).

**Mr. Xu Huajie** (許華傑), aged 46, was appointed as an Executive Director of the Company on 16 May 2025. Mr. Xu obtained a Bachelor degree in accounting from Beijing Technology and Business University (北京工商大學) in 2001. Mr. Xu joined Beijing Shougang Fund Co., Ltd. (北京首鋼基金有限公司, “Shougang Fund”, a substantial shareholder of the Company) in May 2016, currently acts as a deputy general manager of Shougang Fund. Prior to joining Shougang Fund, Mr. Xu worked in Deloitte Touche Tohmatsu Certified Public Accountants LLP and Beijing Pan-China Certified Public Accountants Ltd\* (北京天健會計師事務所有限公司).

**Mr. LIU Jingwei** (劉景偉), aged 57, was appointed as a Non-executive Director of the Company on 6 January 2018 and re-designated as an Executive Director of the Company on 18 June 2025. He graduated from the School of Economics of Beijing Forestry University in 1989 and from Shanghai Advanced Institute of Finance with a Master degree in 2016. Mr. Liu is a PRC Certified Public Accountant. He currently serves as a senior partner of Shinewing Certified Public Accountants. Mr. Liu is also an independent non-executive director of Sino-Ocean Group Holding Limited, a company listed on the Stock Exchange, an independent director of Beijing Yanjing Brewery Co., Ltd., a company listed on Shenzhen Stock Exchange, and an external director of China Beijing Tong Ren Tang Group Co., Ltd. He was an external director of Shougang Group, an independent director of Guiyang Longmaster Information & Technology Co., Ltd. (retired on 10 March 2023) and BeiJing StarNeto Technology Co., Ltd. (retired on 23 May 2024), both of which are being listed on Shenzhen Stock Exchange, an independent director of Hubei Huaqiang High-tech Co., Ltd., a company listed on Shanghai Stock Exchange (retired on 24 April 2025), and an independent non-executive director of China Nonferrous Mining Corporation Limited (resigned on 27 December 2023), a company listed on the Stock Exchange.

#### **Non-executive Directors**

**Mr. WU Lishun** (吳禮順), aged 50, was appointed as a Non-executive Director of the Company on 5 December 2023. Mr. Wu graduated from the International Business Administration School of University of International Business and Economics and obtained a Bachelor degree in Economics in 1997, and obtained a Master of business administration degree from University of Maryland – Robert H. Smith Business School in 2013. Mr. Wu is the party secretary (黨委書記) and the chairman of Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司, “Beijing State-owned Capital”). He is also the chairman of First Capital Securities Co., Ltd. (第一創業證券股份有限公司), a company listed on Shenzhen Stock Exchange. He was a non-independent director of BOE Technology Group Co., Ltd. (京東方科技集團股份有限公司), a company listed on Shenzhen Stock Exchange (resigned on 15 October 2024). Before joining Beijing State-owned Capital, Mr. Wu was a standing member of the party committee (黨委常委) and a deputy general manager of Beijing Capital Entrepreneurship Group Co., Ltd. (北京首都創業集團有限公司), and a member of the party committee (黨委委員) and a deputy chief of the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (北京市人民政府國有資產監督管理委員會).

**Mr. PENG Jihai** (彭吉海), aged 55, was appointed as a Non-executive Director of the Company on 25 May 2023 and is also a member of the Remuneration Committee of the Company. He obtained a Bachelor degree in Agricultural Finance and Credit Specialization from Central Institute of Finance and Banking (now known as Central University of Finance and Economics) in 1993 and obtained a postgraduate diploma in Monetary Banking from Graduate School of Chinese Academy of Social Sciences and an EMBA from Tsinghua University in 1998 and 2017 respectively. Mr. Peng is a CPA of The Chinese Institute of Certified Public Accountants. Mr. Peng is an executive director, co-chief executive officer and deputy general manager, chief financial officer, head of investment and chief investment officer of Sunshine Insurance Group Company Limited, a company listed on the Stock Exchange. He also serves as the chairman of Sunshine Surety Insurance Company Limited (陽光信用保證保險股份有限公司) and the director and the general manager of Sunshine Asset Management Corporation Limited(陽光資產管理股份有限公司).

**Mr. HO Gilbert Chi Hang** (何智恒), aged 48, was appointed as a Non-executive Director of the Company on 21 May 2018 and is also a member of the Audit Committee of the Company. He holds a Bachelor of Commerce degree and a Bachelor of Laws degree from University of Sydney, Australia and was admitted as a solicitor in New South Wales, Australia and England and Wales and as a solicitor and barrister in the High Court of Australia. Mr. Ho is also a fellow member of CPA Australia. He is a member of General Committee and the Vice Chairman of the China

Committee of Hong Kong General Chamber of Commerce, the Vice Chairperson of the Chamber of Hong Kong Listed Companies, the Deputy Chairman of the Greater Bay Area Committee of CPA Australia, a member of the Hong Kong Logistics Development Council, a member of the Advisory Council on Career Development of Hong Kong University of Science and Technology, and a standing committee member of the Youth Federation of Inner Mongolia. He was also a committee member of the Industry Advisory Committee of Insurance Authority from June 2020 to May 2022 and a committee member of the Chinese People's Political Consultative Conference of Shenyang from December 2007 to December 2021. Mr. Ho is the executive director and co-chief executive officer of CTF Services Limited (formerly known as NWS Holdings Limited, a substantial shareholder of the Company) and an independent non-executive director of each of Asia Allied Infrastructure Holdings Limited and Kam Hing International Holdings Limited, all being listed on the Stock Exchange. He is also a director and co-chief executive officer of Chow Tai Fook Enterprises Limited (a substantial shareholder of the Company) and an executive director of New World Development Company Limited, which is listed on the Stock Exchange (an associate of a substantial shareholder of the Company). He was the senior investment director of New World Development Company Limited and an executive director of New World Strategic Investment Limited, and was also a non-executive director of Wai Kee Holdings Limited, which is listed on the Stock Exchange (resigned on 26 June 2024). Mr. Ho was also a partner of an international law firm Fried, Frank, Harris, Shriver & Jacobson LLP. Mr. Ho has extensive experience in the area of corporate management, investments, corporate finance, merger and acquisition transactions and international brand and retail management.

### **Independent Non-executive Directors**

**Ms. ZHANG Quanling (張泉靈)**, aged 52, was appointed as an Independent Non-executive Director of the Company on 6 January 2018 and is also a member and the chairlady of the Remuneration Committee of the Company and a member of each of the Audit Committee and the Nomination Committee of the Company. She holds a Bachelor degree in Arts. Ms. Zhang joined China Central Television in 1997 and has hosted the famous programmes such as “Oriental Horizon” and “Focus Interview”. She participated in numerous news live coverage and was awarded the “Golden Microphone Awards”, the “Golden Eagle Awards”, the “Fan Changjiang Journalism Award”, the most prestigious journalism award in China, and the 19th “Top Ten Outstanding Chinese Youths”. Ms. Zhang is the founding partner of Ziniu Fund (紫牛基金) and the chairlady of Cool Youth (Tianjin) Culture Communication Co., Ltd. (酷得少年(天津)文化傳播有限公司). She has extensive experience in news media, brand building and strategic planning.

**Ms. ZHUGE Wenjing (諸葛文靜)**, aged 47, was appointed as an Independent Non-executive Director of the Company on 28 May 2021 and is also a member of each of the Audit Committee and Nomination Committee of the Company. She obtained a Bachelor degree from Renmin University of China and a Master of Business Administration degree from each of the Kellogg School of Business at Northwestern University in the United States and the Hong Kong University of Science and Technology School respectively. She is currently a director of GLP China Holdings Limited (“GLP”) which is a public limited company incorporated in Hong Kong, an executive vice chairman of GLP China, the chairman of executive committee and the president of China at GLP Capital Partners, who is responsible for strategic planning, investment and financing, legal affairs, internal audit and human resources management in China. She has served as the co-president and chief financial officer of GLP China responsible for fund management, capital allocation, mergers and acquisitions and strategic cooperation in China, as well as financial and human resources management. Prior to joining GLP, Ms. Zhuge worked in Morgan Stanley Asset Management Company and Deloitte Touche Tohmatsu.

**Dr. WANG Xin (王鑫)**, aged 47, was appointed as an Independent Non-executive Director of the Company on 18 May 2018 and, is also a member and the chairman of the Audit Committee of the Company and a member of each of the Nomination Committee and the Remuneration Committee of the Company. He received his Ph.D. degree in Accounting from Duke University in 2006 and obtained a Bachelor degree and a Master degree in Accounting from Tsinghua University in 1999 and 2001 respectively. Dr. Wang is a CPA of CPA Australia. He is a professor of accounting at the Faculty of Business and Economics, The University of Hong Kong (“HKU”). Dr. Wang joined HKU in 2011 and was awarded a tenured position by HKU for his excellent academic performance in 2014. Before he joined HKU, Dr. Wang worked at The Chinese University of Hong Kong from 2006 to 2011. He has research interests in the fields of executive compensation, financial disclosure quality, corporate governance and insider trading. Dr. Wang's papers were published on various world leading academic journals, such as Journal of Accounting and Economics, The Accounting Review, Contemporary Accounting Research and Review of Accounting Studies. Dr. Wang has teaching experience in several accounting courses, including Introductory Financial Accounting, Intermediate

Financial Accounting I and II, and Management Accounting. Dr. Wang is also an independent director of Kweichow Moutai Co., Ltd. (stock code: 600519), a company listed on Shanghai Stock Exchange.

**Dr. Zhang Jianwei** (張建偉), aged 61, was appointed as an Independent Non-executive Director of the Company on 16 May 2025 and is also a member of the Remuneration Committee of the Company. Dr. Zhang obtained a Bachelor degree and a Master degree in computer science from Tsinghua University in 1986 and 1989 respectively, and obtained a Doctoral degree in natural sciences from the University of Karlsruhe in 1994. Dr. Zhang is an international member of the Chinese Academy of Engineering, a member of the German National Academy of Engineering (Deutsche Akademie der Technikwissenschaften e.V.), a distinguished visiting professor at Tsinghua University and a tenured professor at the Department of Computer Science at the University of Hamburg in Germany. Dr. Zhang worked as an assistant professor at Bielefeld University in Germany.

**Ms. Tse, Theresa Y Y** (謝其濶), aged 32, was appointed as an Independent Non-executive Director of the Company on 18 June 2025. She obtained a Bachelor Degree of Science in Economics from the Wharton School of University of Pennsylvania. Ms. Tse is the chairwoman and an executive director of Sino Biopharmaceutical Limited, a company listed on the Stock Exchange. Ms. Tse was a member of the first and second board of directors of Beijing Chia Tai Charity Foundation. Ms. Tse was included in the list of “100 Outstanding Business Women in China” by Forbes China for six times from 2018 to 2025, and selected as one of “The Bloomberg 50” for 2024 by Bloomberg Businessweek.

## DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN OUR SHARES

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES

As of December 31, 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), were as follows:

#### Long positions in the Shares and underlying shares of the Company

Name of director	Capacity in which interests were held	Number of Shares and underlying shares held (Note 1)	% of the total number of Shares in issue as of December 31, 2024 (Note 2)
Zhao Tianyang	Beneficial owner	Shares: 600,000	0.0082
		Share options: 2,380,000	0.0327
Xu Liang*	Beneficial owner	Shares 900,000	0.0124
		Share options: 1,700,000	0.0233
Liu Jingwei	Beneficial owner	Shares: 4,293,200	0.0589
Wang Xin	Beneficial owner	Shares: 290,000	0.0040
	Interest of spouse	Shares: 200,000	0.0027

\* Mr. Xu Liang retired from the position of an executive director on April 30, 2025.

#### Notes:

- (1) Each share option entitles the holder thereof to purchase 1 Share pursuant to the terms of the share incentive plan which was granted on November 5, 2021.
- (2) As of December 31, 2024, the total number of issued Shares was 7,286,015,440.

Save as disclosed above, as of December 31, 2024, none of the Directors or chief executive of the Company or their respective associates had registered any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

So far as is known to the Directors and chief executive of the Company, as of December 31, 2024, the following persons (other than a Director or chief executive of the Company) had or deemed to have interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

## Long positions in the Shares

Name of shareholder	Capacity in which interests were held	Number of shares held	% of the total number of shares in issue as of December 31, 2024	Notes
Shougang Group Co., Ltd. (“Shougang Group”)	Interests of controlled corporations	1,817,411,917	24.9438	1, 7
ORIX Corporation	Interests of controlled corporations	1,044,081,679	14.3299	2, 7
Cheng Yu Tung Family (Holdings II) Limited	Interests of controlled corporations	835,485,105	11.4670	3, 7
Cheng Yu Tung Family (Holdings) Limited	Interests of controlled corporations	835,485,105	11.4670	3, 7
Rocket Parade Limited	Beneficial owner	535,485,105	7.3495	3, 7
Beijing State-owned Capital Operation and Management Company Limited	Interests of controlled corporations	728,035,520	9.9922	4, 7
Sunshine Insurance Group Company Limited	Interests of controlled corporations	586,944,246	8.0558	5, 7
HOPU Investments Co. III Ltd	Interests of controlled corporations	507,072,891	6.9595	6, 7
HOPU USD Master Fund III, L.P.	Interests of controlled corporations	507,072,891	6.9595	6, 7

### Notes:

- (1) Shougang Group is interested in all the Shares held by its indirect subsidiaries, namely, China Gate Investments Limited (holding 899,050,068 Shares), Lyre Terrace Management Limited (holding 46,000 Shares) and Jingxi Holdings Limited (holding 918,315,849 Shares).
- (2) ORIX Corporation is interested in all the 300,748,346 Shares and 743,333,333 Shares held by its direct wholly-owned subsidiary ORIX Asia Capital Limited and indirect wholly-owned subsidiary Mountain Tai Peak I Investment Limited, respectively.
- (3) Rocket Parade Limited is wholly owned by NWS FM Limited which is a wholly-owned subsidiary of NWS FM Holdings Limited. Chow Tai Fook Life Insurance Company Limited is wholly owned by Earning Star Limited which is a wholly-owned subsidiary of Success Idea Global Limited. Both NWS FM Holdings Limited and Success Idea Global Limited are wholly-owned subsidiaries of NWS Service Management Limited (incorporated in the British Virgin Islands) (“NWS Service”), which was accordingly deemed to be interested in 535,485,105 Shares held by Rocket Parade Limited and 300,000,000 Shares held by Chow Tai Fook Life Insurance Company Limited. NWS Service is a wholly-owned subsidiary of NWS Service Management Limited (incorporated in the Cayman Islands), which is wholly owned by CTF Services Limited which is held as to 73.19% by Century Acquisition Limited. Century Acquisition Limited is a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited (“Chow Tai Fook Enterprises”). Chow Tai Fook Enterprises is wholly owned by Chow Tai Fook (Holding) Limited, which is held as to 81.03% by Chow Tai Fook Capital Limited, which in turn is held as to 48.98% and 46.65% by Cheng Yu Tung Family (Holdings) Limited and by Cheng Yu Tung Family (Holdings II) Limited respectively.
- (4) Beijing State-owned Capital Operation and Management Company Limited is interested in 728,035,520 Shares held by its indirect wholly-owned subsidiary BSCOMC Operation Limited (formerly known as Beijing State-owned Capital Operation and Management Investment and Operation Limited).
- (5) Sunshine Insurance Group Company Limited is interested in 334,142,000 Shares and 252,802,246 Shares held by its wholly-owned subsidiary Sunshine Property and Casualty Insurance Company Limited and 99.99%-owned subsidiary Sunshine Life Insurance Corporation Limited, respectively.
- (6) HOPU Investments Co. III Ltd (“HOPU Investments”) is interested in 507,072,891 Shares held by its indirect wholly-owned subsidiary, Soteria Financial Investment Company Limited (“Soteria Financial Investment”). Soteria Financial Investment is a wholly-owned subsidiary of Soteria Financial Holding Company Limited, which in turn is a wholly-owned subsidiary of HOPU USD Master Fund III, L.P., a direct wholly-owned subsidiary of HOPU Investments.

(7) As of December 31, 2024, the total number of issued Shares was 7,286,015,440.

Save as disclosed above, as of December 31, 2024, the Company had not been notified of any person (other than a Director or chief executive of the Company), who had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



## **RELATED PARTY TRANSACTIONS**

For the discussion of our related party transactions, please refer to Note 33 to the Consolidated Financial Statements as set out in our annual reports for 2023 and 2024, respectively, which are incorporated by reference into this Offering Circular. Each of our related party transactions was entered into on fair and reasonable commercial terms, in our interests and the interests of our shareholders.

## DESCRIPTION OF THE SHARES

*Set forth below is a summary of the material terms of the articles of association of the Company (the “Articles”) insofar as they relate to the material terms of our ordinary shares. For the complete and full version of the Articles, please refer to the Company Articles available on the website of the Hong Kong Stock Exchange.*

### INTRODUCTION

As of December 31, 2024, the total share capital of the Company was HK\$12,994,847,000, comprising 7,286,015,440 ordinary shares. We do not have any preference shares or other classes of shares in issue.

### ALTERATION OF CAPITAL

The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Companies Ordinance**”):

- (i) consolidate its shares or any of them into shares of a smaller number of shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company’s benefit;
- (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or that have been forfeited; and
- (iii) sub-divide its shares or any of them into shares of a larger number of shares, subject nevertheless to the provisions of the Companies Ordinance, 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 Company has power to attach to new shares.

The Company may by special resolution reduce its share capital in any manner authorized and subject to any conditions prescribed by law.

### TRANSFERS OF SHARES

All transfers of shares may be effected by transfer in writing in the usual common form or in such other form as the Board may accept provided that such form is consistent with the standard form of transfer as prescribed by the Stock Exchange. If the transferor or the transferee is a clearing house or its nominee(s), or otherwise, the Board may resolve, either generally or in any particular case or cases (subject to such conditions as it may think fit), to accept machine imprinted, mechanically produced or other forms of signatures of the transferor or the transferee as the valid signature(s) of the transferor or the transferee, as the case may be. All instruments of transfer must be kept at the registered office or at such other place as the Board may appoint.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and by or on behalf of the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in the Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favor of some other person.

The Board may 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 Company has a lien.

The Board may also decline to recognize any instrument of transfer unless:

- (a) a fee of HK\$2.50 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (c) the instrument of transfer is in respect of only one class of shares;
- (d) the shares concerned are free of any lien in favor of the Company; and
- (e) the instrument of transfer is properly stamped.

No transfer shall be made to an infant or to a person who is mentally incapacitated or under other legal disability.

If the Board shall refuse to register a transfer of any share:

- (i) the transferor or transferee may request a statement of the reasons for the refusal; and
- (ii) the instrument of transfer must be returned to the transferor or transferee who lodged it unless the Board suspects that the proposed transfer may be fraudulent.

The instrument of transfer must be returned in accordance with Article 45(ii) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the Company.

If a request is made under Article 45(i), the Directors must, within 28 days after receiving the request:

- (i) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
- (ii) register the transfer.

Upon every transfer of shares the certificate held by the transferor (if any) shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him (except in respect of shares bought back by the Company and held as treasury shares), and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.

The registration of transfers may be suspended and the register closed at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year or, with the approval of the Company in a general meeting, 60 days in any year.

## **GENERAL MEETINGS**

The Company shall, when so required by the Companies Ordinance, in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices for such meeting. The annual general meeting shall be held at such time as the Board shall designate.

The Directors may, whenever they think fit, and shall on requisition in accordance with the Companies Ordinance, proceed to convene a general meeting other than an annual general meeting.

Subject to the Companies Ordinance and the Listing Rules:

- (a) an annual general meeting shall be called by at least 21 days' prior notice in writing.
- (b) a general meeting other than an annual general meeting shall be called by at least 14 days' prior notice in writing.
- (c) the notice shall be exclusive of:
  - (d) the day on which it is served or deemed to be served; and
  - (e) the day on which it is given.
- (f) the notice must:
  - (i) specify the date and time of the meeting;
  - (ii) specify the physical venue(s) of the meeting and/or the virtual meeting technology to be used for holding the meeting (as applicable) (and if two or more physical venues are specified, the principal venue of the meeting and the other venue or venues of the meeting);
  - (iii) state the general nature of the business to be dealt with at the meeting; and
  - (iv) for a notice calling an annual general meeting, state that the meeting is an annual general meeting.
- (g) despite the fact that a general meeting is called by shorter notice than that specified in the Articles, it is regarded as having been duly called if it is so agreed:
  - (i) for an annual general meeting, by all the members entitled to attend and vote at the meeting; and
  - (ii) in any other case, by a majority in number of the members entitled to attend and vote at the meeting, being a majority together representing at least 95% of the total unsuspended voting rights at the meeting of all the members.

The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive such notice shall not invalidate any resolution passed or any proceeding at any such meeting. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

For all purposes the quorum for a general meeting shall be two members present in person or by proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

## **VOTES OF MEMBERS**

Subject to the Companies Ordinance and to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative duly authorized under the Companies Ordinance, shall have one vote, and on a poll every member present in person or by proxy or by duly authorized representative shall have one vote for every fully paid share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion paid up thereon bears to the value of the share, but no amount paid or credited as paid up on a share in advance of calls shall be treated for the purposes of the Articles as paid up on the share. 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. Votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the Directors or the Chairman of the meeting may determine.

Save as expressly provided in the Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares and is entitled to attend and vote shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum (save as proxy for another member), at any general meeting. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman presiding at the meeting, whose decision shall be final and conclusive.

Where the Company is of the view that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and to speak and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion.

Any corporation which is a member of the Company may by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

## **DIVIDENDS**

The Company in a general meeting may declare dividends in any currency, but no dividends shall exceed the amount recommended by the Board.

The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company, and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.

No dividend shall be payable except out of the profits of the Company in accordance with the Companies Ordinance. No dividend shall carry interest.

Whenever the Board or the Company in a general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares or other securities of the Company or any other company, or in any one or more of such ways, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the dividend distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any member upon the determination of the value so fixed in order to adjust the rights of all parties, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members

concerned, and may vest such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies Ordinance, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

Whenever the Board or the Company in a general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve: (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; and (ii) that the shareholders entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. Any allotment of shares as prescribed above shall be subject to members' approval pursuant to the Companies Ordinance, and such shares allotted shall rank *pari passu* in all respects with the shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend. The Directors may do all acts and things considered necessary or expedient to give effect to any capitalization, with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions. The Board may authorize any person to enter into, on behalf of all members interested, an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned. Notwithstanding the above, the Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any particular dividend of the Company that a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof for any profit or benefit derived therefrom. All dividends or bonuses unclaimed for six years after having been declared may be declared forfeited by the Board and shall revert to the Company.

## **RESERVES**

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, in the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalizing dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, in the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit. It shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute as dividends.

## **INCREASE OF SHARES**

The Company in a general meeting may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution, increase its share capital in any one or more of the ways set out in the Companies Ordinance.

Without prejudice to any special rights previously conferred on the holders of existing shares, any new shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Ordinance and of the Articles as the Board may determine.

The Company may by ordinary resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance to all the existing holders of any class of shares in proportions as

nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of the new shares, but in default of any such determination, the new shares may be dealt with as if they formed part of the shares in the capital of the Company existing prior to the issue of the new shares.

Except as otherwise provided by the conditions of issue, or by the Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in the Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

Subject to the provisions of the Companies Ordinance and of the Articles relating to new shares, to allot shares (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, or to grant rights to subscribe for or convert any security into shares of the Company at such times, to such persons, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit.

## **MODIFICATION OF RIGHTS**

All or any of the special rights (unless otherwise provided for in the terms of issue) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the Companies Ordinance and the Listing Rules, be varied or abrogated either with the consent in writing of the holders representing at least 75% of the total unsuspended voting rights of holders of shares of that class (if the capital is divided into different classes of shares) or with the sanction of a special resolution passed at a general meeting of the holders of the shares or at a separate general meeting of the holders of the shares of that class (if the capital is divided into different classes of shares). To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third of the total unsuspended voting rights of holders of shares of that class, and at an adjourned meeting one person holding shares (excluding treasury shares) of that class or his proxy, and that any holder of shares (excluding treasury shares) of the class present in person or by proxy may demand a poll.

## **REPURCHASE OF SHARES**

The Company may exercise any powers conferred or permitted by the Companies Ordinance or any other applicable ordinance from time to time to buy back its own shares or warrants (including redeemable shares or other securities convertible into shares which are issued from time to time by the Company) at any price or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a buy-back made or to be made by any person of any shares or warrants in the Company. If the Company acquires its own shares or warrants, neither the Company nor the Board shall be required to select the shares to be bought back rateably or in any other particular manner as between the holders of shares (excluding treasury shares) or warrants of the same class or as between them and the holders of shares (excluding treasury shares) or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such buy-back or financial assistance shall only be made or given in accordance with the relevant rules or regulations issued by the Hong Kong Stock Exchange or the Securities and Futures Commission and any other applicable laws, rules and regulations from time to time.

## **UNTRACEABLE SHARES**

The Company has the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:

- (a) all cheques, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorized by the Articles of the Company have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and



- (c) the Company has caused an advertisement to be presented in English in an English language newspaper and in Chinese in a Chinese language newspaper giving notice of its intention to sell such shares and has notified the Hong Kong Stock Exchange of such intention and a period of three months has elapsed since the date of such advertisement.

For the purpose of the foregoing, “relevant period” means the period commencing 12 years before the date of publication of the advertisement referred to in paragraph (c) above and ending at the expiry of the period referred to in that paragraph. To give effect to any such sale, the Board may authorize any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale hereunder shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

## **INFORMATION**

Subject to the Companies Ordinance and the Listing Rules, no member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

## **ACCOUNTS**

The Board shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounting or other records or documents of the Company, or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any such document of the Company, except as conferred by the Companies Ordinance or authorized by the Directors or by the Company in a general meeting.

A copy of the relevant reporting documents or summary financial report shall, not less than 21 days before the date of the meeting, be delivered or sent to every member of, and every holder of debenture of, the Company and every person registered and every other person entitled to receive notices of general meetings of the Company. However the Company is required to send a copy of these documents to (i) any person of whose address the Company is not aware, (ii) in the case of joint holders of any shares or debentures, none of whom is entitled to receive notices of the Company’s general meeting, (iii) more than one of the joint holders of any shares or debentures, or (iv) in the case of joint holders of any shares or debentures some of whom are entitled to receive notices of the Company’s general meetings and some not, to those who are not entitled. However, where a member or debenture holder of the Company has, in accordance with the Companies Ordinance, the Listing Rules and any other applicable laws, rules and regulations, consented to treat the publication of the relevant reporting documents and/or the summary financial report on the Company’s website as discharging the Company’s obligation under the Companies Ordinance to send a copy of the relevant reporting documents and/or the summary financial report, then subject to compliance with the Companies Ordinance, the Listing Rules and any other applicable laws, rules and regulations, publication by the Company on the Company’s website of the relevant reporting documents and/or the summary financial report at least 21 days before the date of the meeting shall, in relation to each such member or debenture holder of the Company, be deemed to discharge the Company’s obligation.

## **WINDING UP**

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may with the authority of a special resolution and any other sanction required by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), divide among the members in



specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property 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, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other assets in respect of which there is a liability.

In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in an English language newspaper in English and a Chinese language newspaper in Chinese as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds (as defined below), substantially as they will appear on the reverse of each individual registered bond certificate evidencing the Bonds and in the Global Certificate:*

The issue of the U.S.\$180,000,000 aggregate principal amount of 0.75% due 2026 (the “**Bonds**,” which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 17 and consolidated and forming a single series therewith) of Shoucheng Holdings Limited (the “**Issuer**”) and the right of conversion into Shares (as defined in Condition 6(A)(iv)) was authorised by the Board of Directors of the Issuer on 30 June 2025.

The Bonds are constituted by a trust deed (as amended, restated, replaced and/or supplemented from time to time, the “**Trust Deed**”) dated 9 July 2025 (the “**Issue Date**”) between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the “**Trustee**,” which expression shall, where the context so permits, include any successor Trustee and all other persons or companies for the time being acting as the trustee or trustees appointed under the Trust Deed) as trustee for itself and 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 Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the agency agreement dated 9 July 2025 (as amended, restated, replaced and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as principal paying agent and principal conversion agent (collectively in such capacities, the “**Principal Agent**”) and as transfer agent, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”) and the other paying agents, conversion agents and transfer agents appointed under it (each a “**Paying Agent**,” a “**Conversion Agent**” or a “**Transfer Agent**,” as applicable, and, together with the Registrar and the Principal Agent, the “**Agents**,” which expressions shall include their respective successors and all persons for the time being Agents appointed under the Agency Agreement) relating to the Bonds. References to “**Paying Agents**” include the Principal Agent and references to “**Conversion Agents**” include the Principal Agent and references to “**Transfer Agents**” include the Principal Agent. References to the “**Principal Agent**,” the “**Registrar**,” the “**Transfer Agent**” and the “**Agents**” below are references to the principal agent, the registrar, the transfer agent and the agents for the time being for the Bonds.

For so long as the Bonds are outstanding (as defined under the Trust Deed), copies of the Trust Deed and of the Agency Agreement are available for inspection by the Bondholders at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays) at the principal trustee office for the time being of the Trustee (being at the Issue Date at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) following prior written request and proof of holding and identity to the satisfaction of the Trustee.

Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed. In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” mean the person in whose name a Bond is registered.

### 1 **Form, Denomination and Title**

#### (A) *Form and Denomination*

The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each an “**Authorised Denomination**”). 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 a Global Certificate 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, these Conditions are modified by certain provisions contained in the Global Certificate. See “The Global Certificate.”*

*Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds. The Bonds are not issuable in bearer form.*

**(B) Title**

Title to the Bonds will pass only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as 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 the endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

**2 Status**

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(A)) 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), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

**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 of both Hong Kong and the United Kingdom in accordance with the terms of the Agency Agreement on which shall be entered the names, addresses and registered accounts 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 the Bonds.

**(B) Transfer**

The Bonds may, subject to Conditions 3(E) and 3(F) and the terms of the Agency Agreement, be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of those Bonds, with the form of transfer on the back of the relevant Certificate 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, during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays), together with such evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. In the case of a transfer of part only of a holding of Bonds (being that of one or more Bonds) represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number). A Bond may not be transferred unless the principal amount of such Bond to be transferred and (where not all of the Bonds held by a holder are being transferred) the principal amount of the balance of such Bond not being transferred are equal to an Authorised Denomination.

*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 of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed and any other evidence required by the Registrar or the relevant Transfer Agent as contemplated in Condition 3(B), 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.

*Except in the limited circumstances described in the Global Certificate (see "The Global Certificate"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

Where only part of a 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 in accordance with these Conditions, 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 and provision of any other evidence required by the Registrar or the relevant Transfer Agent as contemplated in Condition 3(B) to the Registrar or, as the case may be, any other 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, Condition 6 and Condition 8, "**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, where applicable, in the city in which the specified office of the relevant Transfer Agent, with whom a Certificate is deposited in connection with a transfer or conversion, is located.

**(D) Formalities Free of Charge**

Subject to Conditions 3(E) and 3(F), registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment of any tax, duty, assessment or other governmental charges of whatsoever nature that may be levied, imposed, collected or withheld or assessed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar and 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 and the relevant Transfer Agent being satisfied in its absolute discretion that the regulations concerning transfer of Bonds have been complied with.

**(E) Restricted Transfer Periods**

No Bondholder may require the transfer of a Bond to be registered (a) during the period of seven days ending on (and including) the dates for payment of any principal or interest pursuant to these Conditions; (b) after a Conversion Notice (as defined in Condition 6(B)(i)) has been delivered with respect to a Bond; or (c) after a Relevant Event Put Exercise Notice (as defined in Condition 8(D)) has been deposited in respect of such Bond pursuant to Condition 8(D). Each such period is a "**Restricted Transfer Period**."

**(F) Regulations**

All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers and registration of Bonds scheduled to the Agency Agreement. The 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 made available for inspection (free of charge to the Bondholder and at the Issuer's expense) by the Registrar to any Bondholder following prior written request and proof of holding and identity satisfactory to the Registrar at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays) at the specified office for the time being of the Registrar.

#### 4 Covenants

##### (A) *Negative Pledge*

So long as any Bond remains outstanding (as defined in the Trust Deed) or any amount is due under or in respect of any Bond or otherwise under the Trust Deed, the Issuer will not, and will ensure that none of its Material Subsidiaries (as defined below) will, create, permit to subsist or arise, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**Charge**") (other than a security interest arising by operation of law) upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Bonds are accorded:

- (i) the same Charge as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity equally and rateably; or
- (ii) at the option of the Issuer by such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In these Conditions:

"**Relevant Indebtedness**" means any present or future indebtedness issued or incurred outside of the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market but shall not include any financing of the acquisition of assets if (a) by the terms of such financing it is expressly provided that the holders of the resulting indebtedness shall look to the assets financed and the revenues to be generated by the operation of, or loss of or damage to, such assets as the sole source of repayment for the moneys advanced and payment of interest thereon and (b) such financing is not guaranteed by the Issuer of any of its Subsidiaries. For the avoidance of doubt, Relevant Indebtedness shall not include indebtedness under any transferable bank loan facilities or agreements, bilateral loans or syndicated bank loans obtained by the Issuer or its Subsidiaries, or drawing down of any credit lines or facilities of the Issuer or any of its Subsidiaries; and

a "**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 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.

"**Material 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 ten 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 profits before taxation and exceptional items (“**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 ten 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 of 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 ten 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 Material Subsidiary, provided that the Material Subsidiary which so transfers its assets shall forthwith cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Material 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 Material 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 Material 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 of the Issuer stating that, in the opinion of the Issuer, a Subsidiary is or is not, or was or was not, or would or would not have been, pursuant to the immediately preceding paragraph, treated

as, at any particular time, a Material Subsidiary of the Issuer shall, in the absence of manifest error, be conclusive and binding on all parties. If there is a dispute as to whether any Subsidiary of the Issuer is or is not a Material Subsidiary of the Issuer, 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 Material Subsidiaries of the Issuer and mathematical accuracy of the calculation. The Trustee shall be entitled to rely conclusively on such certificate without any further investigation and without liability to the Issuer, any Bondholder or any other person.

**(B) CSRC Post-Issuance Filings**

The Issuer undertakes to:

- (i) file or cause to be filed with the China Securities Regulatory Commission of the PRC (the “**CSRC**”) within the relevant prescribed timeframes (as prescribed by the CSRC) after the Issue Date the requisite information and documents in respect of the Bonds and comply with the continuing obligations in accordance with the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies ( 境內企業境外發行證券和上市管理試行辦法 ) and supporting guidelines issued by the CSRC on 17 February 2023 and became effective on 1 March 2023, as amended, supplemented or otherwise modified from time to time (the “**CSRC Filing Rules**”) and any implementation rules, reports, certificates, approvals or guidelines as issued by the CSRC from time to time, including but not limited to the Initial CSRC Post-Issuance Filing (as defined below); and
- (ii) comply with all applicable PRC laws and regulations in connection with the Bonds, including but not limited to the CSRC Filing Rules and any implementation rules, reports, certificates, approvals or guidelines promulgated thereunder from time to time.

**(C) Notification of Submission of the Initial CSRC Post-Issuance Filing**

The Issuer undertakes to:

- (i) file or cause to be filed with the CSRC the CSRC filing report and other requisite information and documents within three PRC Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”); and
- (ii) within ten PRC Business Days after the submission of the Initial CSRC Post-Issuance Filing, provide the Trustee with (i) a certificate in English signed by any authorised signatory of the Issuer substantially in the form scheduled to the Trust Deed, confirming (A) the submission of the Initial CSRC Post-Issuance Filing and (B) non-existence of any Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust Deed), and (ii) copies of any document(s) evidencing the submission of the Initial CSRC Post-Issuance Filing, each certified in English by any authorised signatory of the Issuer as a true and complete copy of the original (the items specified in (i) and (ii) together, the “**Registration Documents**”). In addition, the Issuer shall at the same time as the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders in accordance with Condition 11 confirming the submission of the Initial CSRC Post-Issuance Filing.

The Trustee and the Agents may rely conclusively (without liability) on the Registration Documents and shall have no obligation or duty to monitor, assist or ensure the submission or completion of the Initial CSRC Post-Issuance Filing within the timeframe referred to above or to verify the accuracy, completeness, content, validity and/or genuineness of any certificate, confirmation or other documents in relation to or in connection with the Initial CSRC Post-Issuance Filing and/or the Registration Documents or to translate or procure the translation into English of the Registration Documents or documents in relation to or in connection with the Initial CSRC Post-Issuance Filing, or to verify the accuracy, completeness, content, validity and/or genuineness of such English translation, or to give notice to the Bondholders confirming the submission or completion of the Initial CSRC Post-Issuance Filing, and shall not be liable to the Issuer, any Bondholder or any other person for not doing so.

**(D) Financial Statements**

So long as any Bond remains outstanding the Issuer shall provide (1) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) within 14 days of a request by the Trustee and at the time of the provision of the Issuer Audited Financial Reports; (2) as soon as practicable after their date of publication and in any event not more than 120 days after the end of the Issuer's financial year, an electronic copy of the Issuer Audited Financial Reports (audited by an internationally recognised firm of independent accountants of good repute) prepared and presented in accordance with HKFRS; and (3) as soon as practicable after their date of publication and in any event not more than 90 days after the end of the Issuer's first half financial year, an electronic copy of the Issuer Unaudited Financial Reports prepared and presented on a basis consistent with the Issuer Audited Financial Reports, and if any such financial reports referred to in this sub-paragraph shall be in the Chinese language, together with an English language translation of the same translated by (x) an internationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally recognised Signatory of the Issuer certifying that such translation is complete and accurate provided that, if at any time the capital stock of the Issuer is listed for trading on a recognised stock exchange, the Issuer may furnish to the Trustee, as soon as they are available, but in any event not more than 14 days after any financial reports of the Issuer is filed with The Stock Exchange of Hong Kong Limited on which the Issuer's capital stock is at such time listed for trading copies of such financial report filed with such exchange in lieu of the reports identified in this sub-paragraph (and if the same are not in the English language, together with an English translation of the same translated by (x) an internationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally recognised firm of independent accountants of good repute). The Trustee may rely conclusively without liability to any Bondholder or any other person on any such translation as being a complete and accurate translation of the original reports or statements. The Trustee shall not be required to review the Issuer Audited Financial Reports or Issuer Unaudited Financial Reports delivered to it as contemplated in this Condition 4(D) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English translation of the same, and the Trustee shall not be liable to any Bondholder, the Issuer or any other person for not doing so.

**(E) Definitions**

In these Conditions:

(A) "**Compliance Certificate**" means a certificate of the Issuer in English substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer certifying that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate:

- a. no Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- b. the Issuer has complied with all its respective obligations under the Trust Deed, the Agency Agreement and the Bonds or, if any non-compliance had occurred, giving details of it.

(B) "**HKFRS**" means Hong Kong Financial Reporting Standards;

(C) "**Issuer Audited Financial Reports**" means the annual audited consolidated statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity of the Issuer and its consolidated Subsidiaries together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them;

(D) "**Issuer Unaudited Financial Reports**" means the semi-annual unaudited and unreviewed consolidated statement of comprehensive income, statement of financial position, statement of cash flows



and statement of changes in equity of the Issuer and its consolidated Subsidiaries together with any statements, reports (including any directors' and auditors' reports, if any) and notes attached to or intended to be read with any of them, if any.

## 5 Interest

The Bonds bear interest from and including the Issue Date at the rate of 0.75 per cent. per annum on the outstanding principal amount of the Bonds. Interest is payable on 9 January 2026 and the Maturity Date (each an “**Interest Payment Date**”). If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in Condition 7(F)), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.

Each Bond will cease to bear interest (a) where the Conversion Right attached to it shall have been exercised by the holder thereof, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below) (or if such Conversion Date falls on or before the first Interest Payment Date, the Issue Date) subject to conversion of the relevant Bond in accordance with Condition 6(B), or (b) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, such unpaid amount shall bear interest at the rate of 2.75 per cent. per annum (both before and after judgment) until 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 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 interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed. Interest payable under this Condition will be paid in accordance with Condition 7(A).

Interest in respect of any Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the interest rate, the Calculation Amount and the day-count fraction (determined in the same manner as stated above in this Condition 5) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

## 6 Conversion

### (A) *Conversion Right*

- (i) *Conversion Period:* Subject as provided in these Conditions, each Bond shall entitle the holder to convert such Bond into Shares (as defined in Condition 6(A)(iv)) credited as fully paid at any time during the Conversion Period referred to below (the “**Conversion Right**”).

Subject to and upon compliance with these Conditions, the Conversion Right in respect of a 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 the Issue Date up to (a) the close of business (being 3:00 p.m. (Hong Kong time)) on the date falling ten days prior to the Maturity Date (as defined in Condition 8(A)) (both days inclusive) (but, except as provided in Condition 6(A)(iii), in no event thereafter) or, (b) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (being 3:00 p.m. (Hong Kong time)) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) then up to the close of business (being 3:00 p.m. (Hong Kong

time)) (at the place aforesaid) on the business day prior to the giving of such notice (the “**Conversion Period**”).

A Conversion Right may not be exercised (a) in respect of a Bond where the holder shall have exercised his right, by delivering or depositing the relevant notice, to require the Issuer to redeem or repurchase such Bond pursuant to Condition 8(D), or (b) except as provided in Condition 6(A)(iii), following the giving of notice by the Trustee pursuant to Condition 10.

The price at which Shares will be issued upon exercise of a Conversion Right (the “**Conversion Price**”) will initially be HK\$1.632 per Share, but will be subject to adjustment in the manner described in Condition 6(C) and/or Condition 6(D), as applicable.

The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the Bonds to be converted (translated into Hong Kong dollars at the fixed rate of HK\$7.8498 = U.S.\$1.00 (the “**Fixed Exchange Rate**”)) by the Conversion Price in effect on the relevant Conversion Date (as defined in Condition 6(B)(i) below). A Conversion Right may only be exercised in respect of one or more Bonds and in respect of an Authorised Denomination. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

- (ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu 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 30 June 2025 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in U.S. dollar) 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), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds U.S.\$10. Any such sum shall be paid by the Issuer not later than five Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date by a U.S. dollar denominated cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank that processes payments in U.S. dollars, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.
- (iii) *Revival and/or survival after Default:* Notwithstanding the provisions of Condition 6(A)(i), 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; or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(A), then the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (being 3:00 p.m. (Hong Kong time)) 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 in immediately available and cleared funds and notice of such receipt has been duly given to the Bondholders in accordance with Condition 11. Notwithstanding the provisions of Condition 6(A)(i), any Bond in respect of which the Certificate and the Conversion Notice (as defined in Condition 6(B)(i)) are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6(B)(i)) 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.

- (iv) *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares 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 and Cash Election**

- (i) *Conversion Notice*: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during the Conversion Period at the specified office of any Conversion Agent during its normal business hours (being between 9:00 a.m. and 3:00 p.m. on a business day) a duly completed and signed notice of conversion (a “**Conversion Notice**”) in duplicate in the form as specified in the Agency Agreement, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(B)(ii) have been so paid. 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.

If such deposit is made after 3:00 p.m. on a business day or on a day which is not a business day in the place of the specified office of the relevant Conversion Agent, such deposit shall be deemed for all purposes of these Conditions to have been made on the next following such business day. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Conversion Agents and the relevant Bondholder.

Conversion Rights may not be exercised unless the principal amount of such Bond to be converted and (where not all of the Bonds held by a holder are being converted) the principal amount of the balance of such Bond not being converted are equal to an Authorised Denomination.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice to the Conversion Agent and, if applicable, any payment to be made or giving indemnity and/or security and/or pre-funding to be given under these Conditions in connection with the exercise of such Conversion Right.

“**Stock Exchange Business Day**” means any day (other than a Saturday, Sunday or public holiday) on which the Relevant Stock Exchange (as defined in Condition 6(G) below), as the case may be, is open for the business of dealing in securities.

- (ii) *Stamp Duty etc.*: A Bondholder exercising Conversion Rights in respect of a Bond for conversion must pay directly to the relevant authorities any and all taxes and/or capital, stamp, issue, documentary and registration and transfer taxes and duties (“**Duties**”) arising on such exercise (other than any Duties payable in Hong Kong and, if relevant, in the place of the Alternative Stock Exchange (as defined in Condition 6(G) below) by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Relevant Stock Exchange on conversion, being the “**Issuer Duties**”) (such Duties and such Issuer Duties are collectively referred to in this Condition 6(B)(ii) as “**Taxes**”). The Issuer will pay all other expenses arising on the issue of Shares on conversion of the Bonds and all charges of the Agents and the share transfer agent for the Shares. The Bondholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities in settlement of Duties payable by such Bondholder pursuant to this Condition 6(B)(ii) have been paid.

If the Issuer shall fail to pay any amount payable for which it is responsible as provided above in this Condition 6(B)(ii), the relevant Bondholder shall be entitled to tender and pay the same, and the Issuer, as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Conversion Rights by it.

Neither the Trustee nor any of the Agents shall be responsible or liable to Bondholders, the Issuer or any other person for paying any Taxes or any expenses or other amounts referred to in this Condition 6(B)(ii) or for determining whether such Taxes, expenses or other amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer or any Bondholder or any other person to pay such Taxes, expenses or other amounts. Neither the Trustee nor the Agents shall be under any obligation to calculate or verify the calculation of the amounts payable (if any) under or in connection with this Condition 6(B)(ii).

- (iii) *Registration:* Upon exercise by a Bondholder of its Conversion Right and compliance with Conditions 6(B)(i) and 6(B)(ii), the Issuer will, as soon as practicable, and in any event not later than seven Stock Exchange Business Days after the Conversion Date, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register in Hong Kong and will, if the 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 CCASS for so long as the Shares are listed on the HKSE (as defined in Condition 6(G) below); or will make such share certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (currently Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) notified to Bondholders in accordance with Condition 11 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 share 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 of the Bonds 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) will be deemed to satisfy the Issuer's obligation to pay the principal on such converted Bonds.

If the Conversion Date in relation to the conversion of any Bond shall be 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) and/or Condition 6(D), as applicable, 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 Bond(s), 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) 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). If the Issuer has elected to pay the converting Bondholder cash in lieu of Shares pursuant to the Cash Settlement Option (as

defined below) set forth in Condition 6(B)(iv), the number of Additional Shares shall be determined by assuming that the Issuer had not elected the Cash Settlement Option. In such case, the Issuer shall satisfy its obligations under this Condition 6(B)(iii) by paying, as soon as practicable and in any event not later than six Stock Exchange Business Days after the date of such adjustment of the Conversion Price, to the converting Bondholder the amount in U.S. dollars converted at the Prevailing Rate (as defined in Condition 6(G)) from Hong Kong dollars equal to the Volume Weighted Average Price of any such Additional Shares on the date the Issuer would be required to deliver such Shares if the Cash Settlement Option had not been exercised.

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 Issuer's register of members (the "**Registration Date**").

The Shares issued upon exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law and except that such Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to 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) 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 U.S. dollars converted at the Prevailing Rate (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 a U.S. dollar denominated cheque drawn on, or by transfer to a U.S. dollars account maintained by the payee with, a bank that processes payments in U.S. dollars, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

- (iv) *Cash Election*: Notwithstanding the Conversion Right of each Bondholder in respect of each Bond, at any time when the delivery of Shares deliverable upon conversion of the Bonds is required to satisfy the Conversion Right in respect of a Conversion Notice, the Issuer shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined below) in order to satisfy such Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares) (the "**Cash Settlement Option**"). In order to exercise the Cash Settlement Option, the Issuer shall provide notice of the exercise of the Cash Settlement Option (the "**Cash Settlement Notice**") to the relevant Bondholder, the Trustee and the Agents as soon as practicable but no later than the fifth Stock Exchange Business Day immediately following the date of delivery of the Conversion Notice (the "**Cash Settlement Notice Date**"). The Cash Settlement Notice must specify the number of Shares in respect of which the Issuer will make a cash payment in the manner described in this Condition. The Issuer shall pay the Cash Settlement Amount no later than the 25th Stock Exchange Business Day following the Cash Settlement Notice Date. If the Issuer exercises its Cash Settlement Option in respect of Bonds held by more than one Bondholder which are to be converted on the same Conversion Date, the Issuer shall make the same proportion of cash and Shares available to such converting Bondholders.

For the purposes of these Conditions:

"**Cash Settlement Amount**" means a sum in U.S. dollars equal to the product of (a) the number of Shares otherwise deliverable upon exercise of the Conversion Right in respect of the Bond(s) to which the Conversion Notice applies, and in respect of which the Issuer has exercised the Cash Settlement Option and (b) the Market Price of the Shares; and

“**Market Price**” means the arithmetic average of the Volume Weighted Average Price of the Shares (translated into U.S. dollars at the Prevailing Rate on such day) for each day during the 20 consecutive Stock Exchange Business Days immediately after the Cash Settlement Notice Date.

If the Issuer is at any time otherwise (for any reason whatsoever) unable to issue Shares in satisfaction of the Conversion Right of any converting Bondholder, the Issuer undertakes to exercise the Cash Settlement Option in full, or to the extent required, to satisfy the Conversion Right of the Bondholder.

(C) *Adjustments to Conversion Price*

The Conversion Price will be subject to adjustment as follows:

(1) *Consolidation, Reclassification or Subdivision:*

*Adjustment:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, reclassification or subdivision, 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 value of one Share immediately after such alteration; and
- B is the nominal value of one Share in issue immediately before such alteration.

*Effective Date of Adjustment:* Such adjustment shall become effective on the date the alteration takes effect.

(2) *Capitalisation of Profits or Reserves:*

- (i) *Adjustment:* 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, Shares paid up out of distributable profits or reserves and/or share premium account) (except any Scrip Dividend) and which would not have constituted a Distribution (as defined in Condition 6(G)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to 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.

*Effective Date of Adjustment:* 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) *Adjustment:* In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in Condition 6(G)) on the date of announcement of the terms of the issue of such Shares multiplied by the number of such Shares issued exceeds 105 per

cent. of the amount of the Relevant Cash Dividend (as defined in Condition 6(G)) or the relevant part thereof and which would not have constituted a 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 number of Shares in issue immediately before such Scrip Dividend;
- B is the aggregate number of Shares which the Relevant Cash Dividend would purchase at such Current Market Price; and
- C is the aggregate number of Shares issued pursuant to such Scrip Dividend;

or by making such other adjustment to the Conversion Price to give effect to the foregoing as an Independent Investment Bank shall certify to the Bondholders is fair and reasonable.

*Effective Date of Adjustment:* 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.

(3) *Distributions:*

*Adjustment:* If and whenever the Issuer shall pay or make any Distribution to Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such Distribution by the following fraction:

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

where:

- A is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Distribution in Hong Kong dollars attributable to one Share.

*Effective Date of Adjustment:* Such adjustment shall become effective on the date that such Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

(4) *Rights Issues of Shares or Options over Shares:*

*Adjustment:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares or any securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Shares (or shall grant any such rights in respect of existing securities so issued), 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 of such Shares, options, warrants or other rights (and notwithstanding that the relevant issue may be or be expressed to be subject to Shareholder or other approvals or consents or other contingency or event occurring or not occurring), the Conversion Price shall be adjusted

by multiplying the Conversion Price in force immediately prior to 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 (if any) receivable for the Shares issued by way of rights, or for the securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares to be issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate.

*Effective Date of Adjustment:* 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, on the Relevant Stock Exchange.

(5) *Rights Issues of Other Securities:*

*Adjustment:* If and whenever the Issuer shall issue 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 shall 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 of one Share on the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

*Effective Date of Adjustment:* Such adjustment shall become effective on the date of issue of the securities, or issue 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 on the Relevant Stock Exchange.

(6) *Issues at Less than Current Market Price:*

*Adjustment:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(4)) 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, or purchase of Shares) or issue or grant



(otherwise than as mentioned in Condition 6(C)(4)) any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares (other than the Bonds), in each case at less than 95 per cent. of the Current Market Price on the date of the first public announcement of the terms of such issue or grant, 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 or grant of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue or grant 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 or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

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

(7) *Other Issues at Less than Current Market Price:*

*Adjustment:* If and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), 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 term shall for this purpose exclude any further bonds issued pursuant to Condition 17) which by their terms of issue carry (directly or indirectly) 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 or grant 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.

*Effective Date of Adjustment:* Such adjustment shall become effective on the date of issue of such securities or, as the case may be, the grant of such rights.

(8) *Modification of Rights of Conversion etc.:*

*Adjustment:* If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities (other than the Bonds) as are mentioned in Condition 6(C)(7) (other than in accordance with the terms (including terms as to adjustment) applicable to such securities upon issue) so that following such modification the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) 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 prior to 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 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 Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

*Effective Date of Adjustment:* Such adjustment shall become effective on the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such securities.

(9) *Other Offers to Shareholders:*

*Adjustment:* 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 shall offer any securities in connection with which Shareholders as a class 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)(2), 6(C)(3), 6(C)(4), 6(C)(5), 6(C)(6) or 6(C)(7)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

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

where:

- A is the Current Market Price of one Share on the date on which such issue is first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

*Effective Date of Adjustment:* Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

(10) *Other Events:*

*Adjustment:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to in this Condition 6(C) (even if the relevant circumstance is specifically excluded from the operation of Conditions 6(C)(1) to 6(C)(9) (both inclusive)), the Issuer shall, at its own expense, request an Independent Investment Bank 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 (if any) should take effect and upon such determination by the Independent Investment Bank, such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6(C)(10) if such Independent Investment Bank is so requested to make and does make such a determination.

(D) *Adjustment upon Change of Control*

If a Change of Control (as defined in Condition 8(D)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 11 within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice (with a copy to the Trustee and the Principal Agent), 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 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:

$$NCP = OCP / (1 + (CP \times (c / t)))$$

where:

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this Condition 6(D) shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion to which this Condition 6(D) is applicable;

CP (or Conversion Premium) = 2.0 per cent. expressed as a fraction;

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

t = the number of days from and including the Issue Date to but excluding the Maturity Date.

If the last day of a Change of Control Conversion Period shall fall during a Restricted Transfer Period, the Change of Control Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of the Restricted Transfer Period.

Neither the Trustee nor any of the Agents shall be under any duty to monitor whether any Change of Control or other circumstance has happened or exists which may require an adjustment to be made to the Conversion Price under this Condition 6(D) or to make any calculation or determination (or any verification thereof) in connection with the new Conversion Price as adjusted, and none of them will be responsible or

liable to the Bondholders or any other person for any loss arising from any failure by it to do so or for any delay by the Issuer or any independent financial advisor (as selected by the Issuer) in making any calculation or determination or any erroneous calculation or determination in connection with the Conversion Price, and each of them shall be entitled to rely conclusively (without investigation or inquiry) and without liability to any Bondholder or any other person on any report or certificate of or from an Authorised Signatory of the Issuer or, as the case may be, by any person on behalf of such independent financial advisor in connection therewith. The adjustment to the Conversion Price under this Condition 6(D) shall be determined by the Issuer, and neither the Trustee nor the Agents shall be responsible for calculating or verifying such determination.

**(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 all reasonable endeavours (a) to maintain a listing for all the issued Shares on the HKSE, 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 HKSE;
- (ii) it will use all reasonable endeavours to maintain the listing of the Bonds on the HKSE and if the Issuer is unable to maintain such listing or such listing is unduly onerous, to use all reasonable endeavours to obtain and maintain a listing on another internationally recognised stock exchange as the Issuer may from time to time determine and will forthwith give notice to the Bondholders in accordance with Condition 11 (which notice shall be copied to the Trustee and the Principal Agent) of the listing or delisting of the Bonds by any such stock exchange;
- (iii) it will pay the expenses of the issue and delivery of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds (save for any Duties payable by the relevant Bondholder as specified in Condition 6(B)(ii)); and
- (iv) 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, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

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, grant or distribute or take any action the effect of which would be to reduce the Conversion Price below the nominal value of the Shares, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

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

**(F) Provisions Relating to Changes in Conversion Price**

- (i) *Minor Adjustments:* On any adjustment, the resultant 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 if 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/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to Bondholders in accordance with Condition 11 and to the Trustee and the Principal Agent in writing promptly after the determination thereof.
- (ii) *Decision of an Independent Investment Bank:* If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Investment Bank, a written opinion of such Independent Investment Bank in respect thereof shall be conclusive and binding on the Issuer, the Bondholders and the Trustee, save in the case of manifest error. Notwithstanding the foregoing, the per Share value of any such adjustment 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.
- (iii) *Minimum Conversion Price:* Notwithstanding the provisions of this Condition 6, the Issuer undertakes that: (a) the Conversion Price shall not in any event be reduced to below the nominal value of the Shares as a result of any adjustment hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares; and (b) it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by applicable laws and regulations.
- (iv) *Reference to "Fixed":* Any references herein to the date on which a consideration is "fixed" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.
- (v) *Multiple Events:* 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 Investment Bank, 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 Investment Bank to be in its opinion appropriate in order to give such intended result.
- (vi) *Share Schemes:* Notwithstanding any provision in this Condition 6, no adjustment will be made to the Conversion Price when Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, among others, employees and/or former employees (including directors and/or former directors) of the Issuer or any of its Subsidiaries pursuant to any share option, share award, restricted share or employee incentive scheme or plan (and which such scheme or plan is in compliance with the listing rules of the Relevant Stock Exchange) ("**Share Scheme Shares/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) 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 3.0 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 3.0 per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining adjustment of the Conversion Price pursuant to this Condition 6.

- (vii) *Upward/downward Adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or re-classification of the Shares as referred to in Condition 6(C)(1) above. The Issuer may at any time and for a specified period of time only, following notice being given to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11, reduce the Conversion Price, subject to Condition 6(F)(iii).
- (viii) *Trustee and Agents Not Obligated to Monitor or Make Calculation*: Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance (including Change of Control) has happened or exists or may happen or come into existence which may require an adjustment to be made to the Conversion Price or to make any determination or calculation (or to verify any determination or calculation) in connection with the Conversion Price and none of them will be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so or for any delay by the Issuer or any Independent Investment Bank in making any determination or calculation or any erroneous determination or calculation in connection with the Conversion Price. The Trustee and each of the Agents shall be entitled to rely conclusively (without investigation or inquiry) and without liability to any Bondholder or any other person on any report or certificate of or from an Authorised Signatory of the Issuer or, as the case may be, by any person on behalf of any Independent Investment Bank in connection therewith. All adjustments to the Conversion Price shall be determined by the Issuer, and neither the Trustee nor the Agents shall be responsible for calculating or verifying such determinations.
- (ix) *Notice of Change in Conversion Price*: The Issuer shall give notice to the Bondholders in accordance with Condition 11 (with a copy to the Trustee and the Principal Agent) and, for so long as the Bonds are listed on the HKSE and the rules of the HKSE so require, the Issuer shall also give notice to the HKSE 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.

**(G) Definitions**

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 HKSE, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;

“**Closing Price**” for the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by the HKSE 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 of one Share for the 20 consecutive Trading Days ending on and including (i) the Trading Day immediately preceding such date or (ii) if the relevant announcement was made after the close of trading on such date (being a Trading Day), such date of announcement; provided that if at any time during such 20 Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:

- (i) if the Shares to be issued or transferred and delivered do not rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Shares shall have been based on a price cum-dividend (or cum-any other entitlement) 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 any such dividend or entitlement per Share; or
- (ii) if the Shares to be issued or transferred and delivered rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Shares shall have been based on a price ex-

dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Share;

and provided that:

- (I) if on each of the said 20 Trading Days the Shares have been quoted a price cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued or transferred and delivered do not rank for that dividend (or other entitlement), the Closing Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share in any such case determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;
- (II) if the Closing Price of a Share is not available on one or more of the said 20 Trading Days (disregarding for this purpose the proviso to the definition of Closing Price), then the average of such Closing Prices which are available in that 20 Trading Day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Closing Price is available in the relevant period the Current Market Price shall be determined by an Independent Investment Bank; and
- (III) in making any calculation or determination of Current Market Price in relation to an issue of Shares, other securities or options, rights or warrants for shares or other securities which are issued offered, allotted, appropriated, modified or granted in connection (partly or fully) with any merger or acquisition, each reference above to 20 consecutive Trading Days shall be to 30 consecutive Trading Days.

In making any calculation or determination of Current Market Price, such adjustments (if any) shall be made as an Independent Investment Bank considers appropriate to reflect any consolidation or subdivision of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event;

“**Distribution**” means (i) any 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 (other than Shares credited as fully paid) by way of capitalisation of reserves, but excludes a Scrip Dividend adjusted for under Condition 6(C)(2)(ii)); and (ii) any cash dividend or distribution (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) translated into Hong Kong dollars at the Prevailing Rate as at the date such distribution under (i) and/or (ii) of this definition is announced. In making any such calculation, such adjustments (if any) shall be made as an Independent Investment Bank 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 or (c) the modification of any rights to dividends of Shares;

“**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 Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend determined as at the date of announcement of such dividend (in which case no determination by an Independent Investment Bank would be required); (ii) the fair market value of any other cash amount shall be equal to such cash amount (in which case no determination by an Independent Investment Bank would be required); and (iii) where Securities are or will be publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such Securities shall equal the arithmetic mean of the daily closing prices of such Securities during the period of five Trading Days commencing on the first such Trading Day (or, if later, the first such Trading Day such Securities are publicly traded) or such shorter period as such Securities are publicly traded;

“**HKSE**” means The Stock Exchange of Hong Kong Limited or any successor thereto;

“**Independent Investment Bank**” means an independent investment bank of international repute selected and appointed by the Issuer (at the cost of the Issuer) and notified in writing to the Trustee and the Principal Agent in writing;

“**PRC Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Beijing and Shanghai;

“**Prevailing Rate**” means, in respect of any currency on any day, the spot rate of exchange 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 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 the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend);

“**Relevant Page**” means the relevant Bloomberg BFIX page (or its successor page) or, if there is no such page, on the relevant Reuters page or such other information service provider that displays the relevant information;

“**Relevant Stock Exchange**” means at any time, in respect of the Shares, the HKSE or the Alternative Stock Exchange;

“**Securities**” means any securities including, without limitation, shares, options, warrants or other rights to subscribe for or purchase or acquire securities;

“**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 for the avoidance of doubt, to the extent that an adjustment is made under Condition 6(C)(3) in respect of the Relevant Cash Dividend, no adjustment is to be made for the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof for which an adjustment is already made under Condition (6)(C)(ii));

“**Trading Day**” means a day on which the Relevant Stock Exchange (or in respect of any other security, relevant securities market) is open for business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time) provided that, 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 been dealing days when ascertaining any period of dealing days; and

“**Volume Weighted Average Price**” means, in respect of a Share or Security on any Trading Day, the order book volume-weighted average price of a Share or Security published by or derived (in the case of a Share) from Bloomberg (or any successor service) page “VAP” or (in the case of a Security (other than Shares)) from the principal stock exchange or securities market on which such Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Investment Bank on such Trading Day, *provided that* on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share or Security in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

References to any issue or offer or grant to Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than



Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

## 7 **Payments**

### **(A) Method of Payment**

Payment of principal, premium (if any), interest due other than on an Interest Payment Date or sums payable following the exercise of a Cash Settlement Option 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 the Paying Agent.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

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.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV and/or Clearstream Banking S.A. and/or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

### **(B) Registered Accounts**

For the purposes of this Condition 7, a Bondholder’s registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the Interest Record Date, and a Bondholder’s registered address means its address appearing on the Register at that time.

### **(C) Fiscal Laws**

All payments 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 and (ii) 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) any law implementing an intergovernmental approach thereto (any such withholding or deduction, 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**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day (as defined below in Condition 7(F)), for value on the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following 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 the Paying 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, if the Bondholder is late in surrendering its Certificate (if required to do so).

**(F) *Business Day***

In this Condition 7, “**Business Day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks generally are open for business in New York City, Hong Kong and the city in which the specified office of the Registrar or the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

**(G) *Agents***

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that it will maintain (i) a Principal Agent, (ii) a Registrar with a specified office outside both Hong Kong and the United Kingdom. Notice of any changes in any Agent or their specified offices will promptly be given by the Issuer to the Bondholders.

**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 its principal amount on 7 July 2026 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Conditions 8(B) or 8(C) (but without prejudice to Condition 10).

**(B) *Redemption for Taxation Reasons***

- (i) The Issuer may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption (the “**Tax Redemption Date**”) at its principal amount, together with interest accrued (if any) to (but excluding) the Tax Redemption Date, 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 as a result of any change in, or amendment to, the laws or regulations of the People’s Republic of China (the “**PRC**”) or Hong Kong 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 30 June 2025, 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. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(B)(i), the Issuer shall deliver to the Trustee (I) a certificate in English signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking reasonable measures available to it and (II) an opinion of independent legal or tax advisers 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). The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (a) and (b) above of this Condition 8(B)(i), in which event the same shall be conclusive and binding on the Bondholders and the Trustee shall

be protected and incur no liability to any Bondholder or any other person for or in respect of any action taken, omitted or suffered in reliance upon such certificate and opinion.

On the Tax Redemption Date, the Issuer (subject to Condition 8(B)(ii)) shall redeem the Bonds at their principal amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(B)(i), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment 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 and payment of all amounts by the Issuer to such holder in respect of such Bond(s) 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), the holder of the relevant Bond must complete, sign and deposit during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) on a business day) 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 during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) on a business day) from the specified office of any Paying Agent together with the Certificate evidencing the relevant Bond(s) on or before the day falling 10 days prior to the Tax Redemption Date. Such notice of exercise from the Bondholder, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's written consent.

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

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), the Issuer may redeem all and not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with interest accrued (if any) to (but excluding) the Optional Redemption Date, at any time if, prior to the date on which the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to Condition 17).

**(D) *Redemption for Delisting, Suspension of Trading or Change of Control***

Following the occurrence of a Relevant Event (as defined below), 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 Put Date at their principal amount, together with interest accrued (if any) to (but excluding) the Relevant Event Put Date. A Bond may not be redeemed unless the principal amount of such Bond to be redeemed and (where not all of the Bonds held by a holder are being redeemed) the principal amount of the balance of such Bond not being redeemed are equal to an Authorised Denomination.

To exercise such right, the holder of the relevant Bond must deposit during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) on a business day), at his own expense, 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 during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) on a business day) from the specified office of any Paying Agent (a "**Relevant Event Put Exercise 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 11. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above in this Condition 8(D).

A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. The Issuer shall redeem the Bonds which are the subject of the

Relevant Event Put Exercise Notice (subject to delivery of the relevant Certificate as aforesaid) on the Relevant Event Put Date.

Within 14 days after it becomes aware of the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11. Such notice regarding the Relevant Event shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to this Condition. Such notice shall also specify: (i) the date of such Relevant Event and, all information material to Bondholders concerning the Relevant Event; (ii) the Relevant Event Put Date; (iii) the last date by which a Relevant Event Put Exercise Notice must be given; (iv) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and (v) the information required by Condition 8(H).

Neither the Agents nor the Trustee shall be required to monitor or to 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, and none of them shall be liable to the Bondholders or any other person for any loss arising from any failure by it to do so.

For the purposes of this Condition 8(D):

“**Control**” means (a) 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 (b) the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the relevant entity.

a “**Change of Control**” occurs when:

- (a) any Person or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;
- (b) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (c) Shougang Group and/or the Permitted Holders together cease (directly or indirectly) to be the largest holders of Voting Rights of the Issuer;

*provided that* the events described in items (a) and (b) above would not constitute a Change of Control if Shougang Group and/or the Permitted Holders are such Person or Persons referred to therein;

“**Shougang Group**” means Shougang Group Co., Ltd., being the single largest shareholder of the Issuer;

“**Permitted Holders**” means any Person directly or indirectly Controlled by or under direct or indirect common Control with, Shougang Group;

“**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 the Board of Directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries;

“**Relevant Event**” occurs:

- (a) when the Shares cease to be listed or admitted to trading or are suspended from trading on the Main Board of the HKSE for a period equal to or exceeding 30 consecutive Trading Days; or
- (b) 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 (including, at the time, stock of any other class or classes which shall have, or might have, voting power by reason of the happening of any contingency).

**(E) [Reserved]**

**(F) Purchase**

The Issuer or any of its Subsidiaries may, subject to applicable laws and regulations, 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 or any such Subsidiary, shall not entitle the holder to vote at any meetings of the holders of the Bonds and shall be deemed not to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 10, Condition 14(a) and Condition 15.

**(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 will be irrevocable and will be given in accordance with Condition 11 specifying: (i) the Conversion Price as at the date of the relevant notice; (ii) the last day on which Conversion Rights may be exercised; (iii) the Closing Price of the Shares on the latest practicable date prior to the publication of the notice; (iv) the applicable redemption amount; (v) the date for redemption; (vi) the manner in which redemption will be effected; (vii) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice; and (viii) such other information as the Trustee may require.

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), 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.

## **9 Taxation**

All payments made by or on behalf of the Issuer in respect of the Bonds shall be made free from any set-off, counterclaim, 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, levied, collected, withheld or assessed by or on behalf of the PRC, Hong Kong or 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 30 June 2025 (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 Hong Kong, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of such amounts as would have been received 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 liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC or Hong Kong, other than the mere holding of 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 of it would have been entitled to such additional amounts on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

“**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 or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 9 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).

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, assessments, government charges, withholding, deduction or other payment referred to in this Condition 9 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Bondholder or any third party to pay such tax, duty, charges, assessments, government charges, withholding, deduction or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent or any other person that would permit, enable or facilitate the payment of any principal, interest and premium (if any) or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

## 10 **Events of Default**

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its 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 either case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that the Bonds are, and they shall immediately become due and repayable at their principal amount together with accrued interest (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) if:

- (A) *Non-Payment:* the Issuer fails to pay the principal, premium (if any) or interest on any of the Bonds when due and, with respect to interest, such failure continues for a period of seven Stock Exchange Business Days; or
- (B) *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is 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; or

- (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 five Stock Exchange Business Days, or pay any Cash Settlement Amount in U.S. dollars as and when is required to be paid, as the case may be, following Conversion of the Bonds; or
- (D) *Cross-Acceleration:* (i) any other present or future indebtedness 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 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, and in each case such default continues for more than seven Stock Exchange Business Days after the expiration of any grace period or extension of time for payment applicable thereto, 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(D) have occurred equals or exceeds U.S.\$20,000,000 or its equivalent (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); or
- (E) *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 30 days; or
- (F) *Security Enforced:* any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged within 30 days; or
- (G) *Winding-up:* an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Material Subsidiaries (except for a members' voluntary solvent winding up of a Subsidiary of the Issuer) and such order is not discharged within 30 days, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except 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 Subsidiary of the Issuer, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer, whether due to a disposal of such Subsidiary on arm's length basis or otherwise; or
- (H) *Insolvency:* the Issuer or any of its Material 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, 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 any part of the debts of the Issuer or any of its

Material Subsidiaries; an administrator or liquidator of the Issuer or any of its Material Subsidiaries of the whole or substantially all of the assets and revenue of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made) and such appointment is not discharged within 30 days; or

- (I) *Nationalisation*: any step is lawfully taken by a competent governmental authority 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 Material Subsidiaries; or
- (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 their respective rights and perform and comply with their respective 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 Hong Kong is not taken, fulfilled or done; or
- (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(A) to 10(K).

## 11 Notices

All notices to Bondholders shall be validly given if mailed (at the cost of the Issuer) to them at their respective addresses registered in the Register or published in a leading English language newspaper having general circulation in Hong Kong (which is expected to be South China Morning Post) or, if such publication is not practicable, in an English language newspaper having general circulation in Asia (which is expected to be the *Wall Street Journal*). Any such notice shall be deemed to have been given on the later of the date of such publication 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 the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Bondholders shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to Euroclear or Clearstream or the Alternative Clearing System.*

## 12 Prescription

Claims in respect of amounts due in respect of the Bonds shall be prescribed and become void unless made as required by Condition 7 within five years (in the case of interest) and 10 years (in the case of principal) from the appropriate Relevant Date.

## 13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity and/or security as the Issuer and the Registrar or such Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.



## 14 Meetings of Bondholders, Modification, Waiver and Substitution

### (A) *Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent in aggregate principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider 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 aggregate principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the Optional Redemption Date, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Conditions 8(B), 8(C) or 8(D), (iii) to reduce or cancel the principal amount or Equivalent Amount payable in respect of the Bonds, (iv) to change the currency of denomination or payment of the Bonds, (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 will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on the Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that (a) a written resolution signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of Bonds for the time being outstanding or (b) a resolution passed by Electronic Consent (as defined in the Trust Deed) shall 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, without the consent of the Bondholders, to (a) any modification of any of the provisions of the Trust Deed, any deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (together the “**Documentation**”) which in the Trustee’s opinion is of a formal, minor or technical nature, or is made to correct a manifest error, or to comply with mandatory provisions of law, and (b) any other modification to the Documentation (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Documentation which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. 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 (as defined in the Trust Deed) 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 11. The Trustee may request, and may rely conclusively on, any legal opinion and/or certificate signed by an Authorised Signatory of the Issuer concerning compliance with the above conditions in respect of any such modification, authorisation, waiver, amendment, supplement or replacement.

### (C) *Substitution*

The Trustee may (but shall not be obliged to), without the consent of the Bondholders, agree to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition 14(C)) as the

principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer subject to (i) the Bonds being unconditionally and irrevocably guaranteed by the Issuer, and (ii) the Bonds continuing to be convertible or exchangeable into Shares *mutatis mutandis* as provided in these Conditions, subject in any such case to certain other conditions set out in the Trust Deed being complied with. Any such substitution shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 11.

**(D) Entitlement of the Trustee**

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

*In the event of the passing of an Extraordinary Resolution in accordance with Condition 14(A), a modification, waiver or authorisation in accordance with Condition 14(B) or a substitution in accordance with Condition 14(C), the Issuer will procure that the Bondholders be notified in accordance with Condition 11.*

**15 Enforcement**

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

**16 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including without limitation, provisions relieving it from taking any steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Bonds and payment or taking other actions and/or steps and/or instituting proceedings unless first indemnified and/or secured and/or pre-funded of its satisfaction and entitling it to be paid or reimbursed for any fees, costs, expenses (including legal fees and expenses) and indemnity payments and for liabilities incurred by it in priority to the claims of Bondholders.

The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer (including any of its Subsidiaries and other affiliates) without accounting for any profit. Further, the Trustee is entitled to (i) act as trustee for the holders of any other securities issued by or relating to the Issuer or any entity related thereto, (ii) 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 (iii) 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 and the Agents may rely conclusively, and may act or refrain from acting, in each case, without liability to Bondholders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any accountants, lawyers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee

or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept and shall be entitled to rely conclusively on any such report, confirmation, certificate, information, opinion or advice, in which case such report, confirmation, certificate, information, opinion or advice shall be binding on the Issuer and the Bondholders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, certificate, information, advice or opinion.

None of the Trustee or any of the Agents shall be responsible or liable for the performance (financial or otherwise) by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on its part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or whether an Event of Default or a Potential Event of Default has occurred, or a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, 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, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction or certification, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Bondholders by way of an Extraordinary Resolution or clarification of any directions, shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification of any directions or in the event that no such directions are received.

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/or any of its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **17 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 first payment of interest, the issue date and the timing for complying with the requirements set out in these Conditions in relation to the Initial CSRC Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any such further bonds issued pursuant to this Condition and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single series with the Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed. For the avoidance of doubt, no consent of the Bondholders shall be required for any issuance of Securities by the Issuer from time to time.

**18 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 except to the extent contemplated in Conditions 10 and 15 or as otherwise expressly provided for in these Conditions and/or in the Trust Deed.

**19 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, English law.

**(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/or 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/or 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) *Waiver of Immunity***

The Issuer irrevocably agrees that, should any Proceedings be taken anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed or the Bonds.

## DESCRIPTION OF THE GLOBAL CERTIFICATE

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

### 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 (an “**Alternative Clearing System**”) as shall have been selected by the Issuer and approved by the Trustee, the Principal Agent and the Registrar on behalf of which the Bonds evidenced by the Global Certificate may be held) 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 at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch 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 with 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.

### MEETINGS

The registered holder of the Global Certificate (the “**Registered Holder**”) (and any proxy or representative appointed by it) will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.\$1,000 in principal amount of Bonds for which the Global Certificate is issued.

### CANCELLATION

Cancellation of any Bond by the Issuer following its redemption, conversion or purchase by the Issuer 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), the Conversion Right attaching to the Bonds in respect of which the Global Certificate is issued may be exercised by the presentation thereof to or to the order of the Principal Agent of one or more Conversion Notices (as defined in the Terms and Conditions) 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 together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

### PAYMENT

The Issuer, for value received, will pay to the Registered Holder of the Bonds in respect of which the Global Certificate is issued (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 Terms and Conditions may become repayable in accordance with the Terms and Conditions) the amount payable upon

redemption under the Conditions in respect of the Bonds represented by the Global Certificate and to pay interest in respect of such Bonds from the Issue Date in arrear in accordance with the Terms and Conditions, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Terms and Conditions.

Payment of principal in respect of Bonds represented by the Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. Such payment will be made to, or to the order of, the person whose name is entered in 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 Monday to Friday inclusive except December 25 and January 1.

## **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 may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

## **BONDHOLDER’S REDEMPTION**

The Bondholder’s redemption options in Condition 8(D) (*Redemption for Delisting or Change of Control*) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise (if required) 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) (*Redemption for Taxation Reasons*) and Condition 8(C) (*Redemption at the Option of the Issuer*) of the Terms and 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 and Condition 8(H) (*Redemption Notices*) of the Terms and Conditions.

## **BONDHOLDER’S TAX OPTION**

The option of Bondholders not to have the Bonds redeemed as provided in Condition 8(B) (*Redemption for Taxation Reasons*) of the Terms and Conditions shall be exercised by the presentation to any Paying Agent, or to the order of such Paying Agent, of a duly completed Tax Redemption Notice within the time limits set out in and containing the information required by Condition 8(B) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

## **E REGISTRATION OF TITLE**

Certificates in definitive form for individual holdings of Bonds will not be issued in exchange for interests in Bonds in respect of which the Global Certificate is issued, except if either Euroclear or Clearstream (or any 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.

## **TRANSFERS**

Transfers of interests in the Bonds 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.

## TAXATION

*The following summary of certain PRC and Hong Kong S.A.R tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary 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 and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or any person acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Bonds.*

### PRC

*The following summary describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes (the “non-PRC Holders”). In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.*

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Taxation Administration issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Taxation Administration’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of Shoucheng Holdings Limited and its subsidiaries outside of China is a PRC resident enterprise for PRC tax purposes. Shoucheng Holdings Limited is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Shoucheng Holdings Limited meets all of the conditions above. Shoucheng Holdings Limited is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For the same reasons, we believe our other subsidiaries outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and we cannot predict how the PRC tax authorities would interpret the term “de facto management body.”

If the PRC tax authorities determine that Shoucheng Holdings Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to a 10% PRC withholding tax on gains realized on the sale or other disposition of ordinary shares, if such income is treated as sourced from within the PRC. In addition, gains derived by our non-PRC individual shareholders from the sale of our shares may be subject to a 20% PRC withholding tax. It is unclear whether our non-PRC individual shareholders would be subject to any PRC tax on dividends obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to dividends realized by non-

PRC individuals, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, there can be no assurance that non-PRC shareholders of Shoucheng Holdings Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event Shoucheng Holdings Limited is treated as a PRC resident enterprise.

Provided that Shoucheng Holdings Limited is not deemed to be a PRC resident enterprise, holders of our Shares and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares. STA Circular 7 further clarifies that, if a non-resident enterprise derives income by acquiring and selling shares in an offshore listed enterprise in the public market, such income will not be subject to PRC tax. In addition, STA Public Notice 37 provided certain key changes to the previous withholding regime, such as (i) the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends, (ii) non-resident enterprises are not obligated to report tax to the authorities if their withholding agents fail to perform the withholding obligation is removed. However, there is uncertainty as to the application of STA Public Notice 37 and STA Circular 7, we and our non-PRC resident investors may be at risk of being required to file a return and being taxed under STA Public Notice 37 and STA Circular 7 and we may be required to expend valuable resources to comply with STA Public Notice 37 and STA Circular 7 or to establish that we should not be taxed under STA Public Notice 37 and STA Circular 7.

## **HONG KONG**

### **Withholding tax**

No withholding tax is payable in Hong Kong in respect of payments of principal (including any premium payable on redemption of the Bonds) or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

### **Profits tax**

Hong Kong profits tax is chargeable 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 (excluding profits arising from the sale of capital assets in Hong Kong).

Under the Inland Revenue Ordinance (Chapter. 112 of the Laws of Hong Kong) (the “Inland Revenue Ordinance”) as it is currently applied by the Inland Revenue Department, interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business;
- (c) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) by way of interest which arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax.



Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, from the carrying on of a trade, profession or business in Hong Kong and the sums are revenue in nature and have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of the Bonds will be subject to profits tax. In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available to certain qualifying investors. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual positions.

Notwithstanding the above, interest income or gains from the sale or disposal of Bonds derived from outside Hong Kong may be deemed to have a Hong Kong source if it is received (or deemed to be received) in Hong Kong by a member of a MNE Group (as defined under the Inland Revenue Ordinance) carrying on a trade, profession or business in Hong Kong and which does not carry on specified economic activities (as defined under the Inland Revenue Ordinance) in Hong Kong.

Hong Kong has also enacted the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 to implement a domestic minimum top-up tax. For all fiscal years commencing on or after January 1, 2025, income of a constituent entity of an in-scope MNE group that is located in Hong Kong may also be subject to top-up tax.

### **Stamp duty**

No stamp duty is payable on the issue of the Bonds. Stamp duty may be payable on any transfer of the Bonds if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of the Bonds provided that either:

- (a) such Registered Bonds are denominated in a currency other than the currency of Hong Kong and are not redeemable in any circumstances in the currency of Hong Kong; or
- (b) such Registered Bonds constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable in respect of the sale and purchase of the Registered Bonds, it will be payable at the rate of 0.1 per cent. by the seller and 0.1 per cent. by the buyer, normally by reference to the consideration or its market value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Bonds if the relevant transfer is required to be registered in Hong Kong.

### **Estate duty**

No estate duty will be payable in respect of Bonds in Hong Kong.

## SUBSCRIPTION AND SALE

The Company has entered into a subscription agreement with the Joint Lead Managers dated June 30, 2025 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Company has conditionally agreed to issue to the Joint Lead Managers or as it may direct, and the Joint Lead Managers have conditionally agreed with the Company to subscribe and pay for, or procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers and their respective ultimate beneficial owners is a third party independent of the Company and is not a connected person (as defined in the Listing Rules) of the Company.

To the best of the Directors’ knowledge, information and belief, none of the initial placees (and their respective ultimate beneficial owners) is a connected person (as defined in the Listing Rules) of the Company.

The Company has undertaken with the Joint Lead Managers in the Subscription Agreement that neither the Company 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 Joint Lead Managers between the date of the Subscription Agreement and the date which is 60 days after the Closing Date (both dates inclusive), except for the Bonds and the Shares to be issued on conversion of the Bonds and (ii) any issue of Shares under the share incentive plan and the bonus award scheme as disclosed in the annual report of the Issuer dated April 3, 2025.

The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate the Subscription Agreement in certain circumstances at any time prior to payment of the net subscription monies for the Bonds to the Company. The Company has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Company for which they have received, or will receive, fees and expenses.

The Joint Lead Managers and their respective affiliates may purchase Bonds for their own account (without a view to distributing such Bonds) and enter into transactions, including (i) credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Bonds and/or the Company’s securities or (ii) equity derivatives and stock loan transactions relating to the Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any of the Company’s other securities, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering. Accordingly, references herein to the Bonds being “offered” should be read as including any offering of the Bonds to the Joint Lead Managers and their respective affiliates. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant portion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained. The Company and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve the Company's securities and instruments, including the Bonds. Typically, the Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's securities, including potentially the Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Bonds offered hereby. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or the Company's other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments.

***Important Notice to CMIs (including private banks)***

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Paragraph 21.3.3(c) of the SFC Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the issuer, the CMI or a company in the same group of companies as the CMI and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the issuer, a CMI or its group companies would be considered under the SFC Code as having an "Association" (as used in the SFC Code) with the issuer, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages. CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private

banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Private banks who disclose that they are placing their order other than on a “principal” basis (i.e. they are acting as an agent) should note that, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that if any of their group companies is a CMI of this offering, placing an order on a “principal” basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order;

Underlying investor information in relation to omnibus order should be sent to: [project.lighting.2025@htisec.com](mailto:project.lighting.2025@htisec.com), [project\\_jingxi@htsc.com](mailto:project_jingxi@htsc.com), [DCMOmnibus@db.com](mailto:DCMOmnibus@db.com), [ecm.lighting@gtjas.com.hk](mailto:ecm.lighting@gtjas.com.hk), [dcm.lighting@gtjas.com.hk](mailto:dcm.lighting@gtjas.com.hk), and [projectlighting@hsbc.com.hk](mailto:projectlighting@hsbc.com.hk).

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this Offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the Joint Lead Managers with such evidence within the timeline requested.

## **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 authorized.

No action has been or will be taken in any jurisdiction by the Company or the Joint Lead Managers 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 Company or the Joint Lead Managers, 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 Company or the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any respective affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such respective affiliate on behalf of the Company 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 within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

Each of the Joint Lead Managers 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 which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), 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**

Each Joint Lead 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 which are the subject of the offering contemplated by this Offering Circular in relation thereto 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:

- (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 by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
- (ii) 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 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 by virtue of the EUWA.

## **UNITED KINGDOM**

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of 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 Company; and
- (ii) 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.

## HONG KONG

Each of the Joint Lead Managers has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) 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;
- (ii) 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.

## SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted 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 the 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 any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## 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, each of the Joint Lead Managers has represented, warranted and agreed that it 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.

## PRC

The Joint Lead Managers have represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

## GENERAL INFORMATION

### CONSENTS

We have obtained all necessary consents, approvals and authorisations in the PRC and Hong Kong in connection with the issue and performance of the Bonds. The entering into of the Trust Deed and the issue of the Bonds have been authorised by a resolution of our board of directors dated June 30, 2025.

### LITIGATION

From time to time, the Company may be involved in litigation or other disputes that arise in the ordinary course of business. However, the Company is not currently involved in any litigation, disputes or arbitration proceedings which it believes are material in the context of the Bonds, and the Company is not aware of any material litigation, disputes or arbitration proceedings that are currently pending or threatened.

### NO MATERIAL ADVERSE CHANGE

Except as otherwise disclosed in this offering circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since December 31, 2024 that is material in the context of the issue of the Bonds.

### AUDITED FINANCIAL STATEMENTS

The consolidated financial information of the Group as of and for the years ended December 31, 2023 and 2024 included in this Offering Circular has been extracted from the consolidated financial statements of the Group for the year ended December 31, 2024 (as disclosed on pages 152 to 304 of the Company's 2024 annual report), which have been audited by PricewaterhouseCoopers, the independent auditors of the Company.

The consolidated financial information of the Group as of and for the year ended December 31, 2022 included in this Offering Circular has been extracted from the comparative information of the consolidated financial statements of the Group for the year ended December 31, 2023 (as disclosed on page 152 to 312 of the Company's 2023 annual report), which have been audited by PricewaterhouseCoopers, the independent auditors of the Company.

The consolidated financial statements of the Group as of and for the years ended December 31, 2022, 2023 and 2024 and the audit reports included in the Company's annual reports for the years of 2023 and 2024 are incorporated by reference into this Offering Circular.

### DOCUMENTS AVAILABLE

Copies of the published annual reports and audited consolidated financial statements of the Company for the years ended December 31, 2022, 2023 and 2024, as well as the Company's Memorandum and Articles of Association and copies of the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date, at the specified office of the Company at 7th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

Copies of the Trust Deed and the Agency Agreement will be available for inspection by any Bondholder from the Issue Date following prior written request and proof of holding and identity to the satisfaction of the Trustee at the principal office of the Trustee (being at the date of this Offering Circular at 3rd Floor, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday, public holidays excepted), so long as any of the Bonds is outstanding.

### CLEARING SYSTEMS

The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code Number 310859516, and the International Securities Identification Number for the Bonds is XS3108595169.

## **LISTING OF BONDS**

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. There is no assurance that the application to the Hong Kong Stock Exchange will be approved. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, 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 Offering Circular.

## **LISTING OF SHARES**

Application will be 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 permission to deal in, and listing of, such Shares on the Hong Kong Stock Exchange will commence when they are issued.



**THE COMPANY**

**Shoucheng Holdings Limited**

*Registered office*

7th Floor, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai, Hong Kong

*Place of Business in Hong Kong*

7th Floor, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai, Hong Kong

**TRUSTEE**

**China Construction Bank (Asia) Corporation Limited**

(中國建設銀行(亞洲)股份有限公司)

28<sup>th</sup> Floor, CCB Tower  
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Central, Hong Kong

**PRINCIPAL AGENT AND CONVERSION AGENT**

**China Construction Bank (Asia) Corporation Limited**

(中國建設銀行(亞洲)股份有限公司)

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3 Connaught Road Central  
Central, Hong Kong

**REGISTRAR AND TRANSFER AGENT**

**China Construction Bank (Asia) Corporation Limited**

(中國建設銀行(亞洲)股份有限公司)

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**PricewaterhouseCoopers**

Certified Public Accountants  
Registered Public Interest Entity Auditor  
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Central, Hong Kong SAR, China