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This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Rules**”) for the purpose of giving information with regard to us. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire the Inline Warrants.

The Inline Warrants are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Inline Warrants may fall in value as rapidly as it may rise and holders may sustain a loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Inline Warrants and carefully study the risk factors set out in the Base Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the Inline Warrants.

The Inline Warrants constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Inline Warrants, you are relying upon the creditworthiness of us, and have no rights under the Inline Warrants against the Company which has issued the underlying Shares or any other person. If we become insolvent or default on our obligations under the Inline Warrants, you may not be able to recover all or even part of the amount due under the Inline Warrants (if any).

**Non-collateralised Structured Products
Launch Announcement and Supplemental Listing Document for Inline Warrants
over Single Equities**



Issuer: Haitong International Securities Company Limited

海通國際證券有限公司

(incorporated with limited liability in Hong Kong)

Key Terms

Inline Warrants Stock code(s)	47702	47703	47704
Liquidity Provider broker ID	9732	9732	9732
Issue size	25,000,000 Inline Warrants	25,000,000 Inline Warrants	20,000,000 Inline Warrants
Style	European style cash settled	European style cash settled	European style cash settled
Type ¹	Inline Warrants	Inline Warrants	Inline Warrants
Company	Ping An Insurance (Group) Company of China, Ltd.	Hong Kong Exchanges and Clearing Limited	Hong Kong Exchanges and Clearing Limited
Shares	Existing issued ordinary H shares of the Company	Existing issued ordinary shares of the Company	Existing issued ordinary shares of the Company
Board Lot	1,000 Inline Warrant(s)	1,000 Inline Warrant(s)	1,000 Inline Warrant(s)
Issue Price per Inline Warrant	HK\$0.467	HK\$0.435	HK\$0.557
Cash Settlement Amount per Board Lot payable at expiry ²	(i) If the Average Price is at or below the Upper Strike Price and at or above the Lower Strike Price, an amount equal to: Maximum Payoff Amount per Inline Warrant x one Board Lot OR (ii) If the Average Price is above the Upper Strike Price or below the Lower Strike Price, an amount equal to: Minimum Payoff Amount per Inline Warrant x one Board Lot		
Maximum Payoff Amount per Inline Warrant	HK\$1	HK\$1	HK\$1
Minimum Payoff Amount per Inline Warrant	HK\$0.25	HK\$0.25	HK\$0.25
Upper Strike Price	HK\$85.00	HK\$225.00	HK\$280.00
Lower Strike Price	HK\$70.00	HK\$185.00	HK\$225.00
Average Price ³ (for all series)	The arithmetic mean of the closing prices of one Share in respect of each of the five Business Days immediately preceding the Expiry Date		
Launch Date (for all series)	21 November 2019		
Issue Date (for all series)	27 November 2019		
Listing Date (for all series)	28 November 2019		
Valuation Date ⁴ (for all series)	Each of the five Business Days immediately preceding the Expiry Date		
Expiry Date ⁵	2 July 2020	30 June 2020	2 July 2020
Settlement Date (for all series)	The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions		
Settlement Currency	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars
Implied Volatility ^{6,7}	26.00%	25.00%	25.00%
Effective Gearing ⁷	-1.53x	-1.93x	0.25x
Gearing ⁷	2.14x	2.30x	1.80x
Premium ⁷	6.70%	8.61%	0.00%

You must read the key terms together with our Base Listing Document (in particular the section headed “General Conditions of Structured Products” (the “**General Conditions**”)), each addendum referred to in the section headed “Product Summary Statement” and the “Product Conditions of Cash Settled Inline Warrants over Single Equities” (the “**Product Conditions**” and together with the General Conditions, the “**Conditions**”) of this document. The Conditions will apply and be endorsed on the reverse of the global certificate representing each series of the Inline Warrants.

¹ **Inline warrants have been newly introduced to the market since July 2019 and no similar products are listed on the Stock Exchange for comparison.**

² Unlike standard derivative warrants, the terms “entitlement” and “number of Inline Warrants per entitlement” are not specified in the payout formula because they are always 1.

³ As derived from the daily quotation sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any event as contemplated in Product Condition 3 such as capitalisation, rights issue, distribution or the like in respect of each Valuation Date.

⁴ Subject to any potential postponement upon the occurrence of a Market Disruption Event, provided that no Valuation Date shall fall on or after the Expiry Date. Please see Product Condition 1 for details.

⁵ If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

⁶ Unlike standard derivative warrants, this data is derived from the implied volatilities based on the Upper Strike Price and Lower Strike Price.

⁷ This data may fluctuate during the life of the Inline Warrants and may not be comparable to similar information for standard derivative warrants or similar information for inline warrants provided by other issuers. Each issuer may use different pricing models.

IMPORTANT INFORMATION

The Inline Warrants are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What documents should you read before investing in the Inline Warrants?

You must read this document together with our base listing document dated 26 April 2019 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”). This document (as read in conjunction with our Base Listing Document and each addendum referred to in the section headed “Product Summary Statement”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the Inline Warrants. We cannot give you investment advice. You must decide whether the Inline Warrants meet your investment needs before investing in the Inline Warrants.

You must read the key terms set out in the previous page together with our Base Listing Document, in particular the section headed “General Conditions of Structured Products”, and the “Product Conditions of Cash Settled Inline Warrants over Single Equities” of this document.

Is there any guarantee or collateral for the Inline Warrants?

No. Our obligations under the Inline Warrants are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our Inline Warrants, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the Inline Warrants, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the Inline Warrants (if any).

Is the Issuer rated by any credit rating agencies?

We have not been assigned any ratings by any credit rating agencies.

The Inline Warrants are not rated.

Is the Issuer regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

The Issuer is licensed for types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities by the Securities and Futures Commission. The Issuer is not regulated by any of the bodies referred to in Rule 15A.13(2) of the Rules.

Is the Issuer subject to any litigation?

Save as disclosed in the Listing Documents, the Issuer and its subsidiaries have no litigation or claims of material importance pending or threatened against it or them.

Has our financial position changed since last financial year-end?

Save as disclosed in the Listing Documents, there has been no material adverse change in the financial or trading position of the Issuer since 31 December 2018.

PRODUCT SUMMARY STATEMENT

The Inline Warrants are listed structured products which involve derivatives. This statement provides you with key information about the Inline Warrants. You should not invest in the Inline Warrants based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.

Overview of the Inline Warrants

- **What is a derivative warrant?**

Inline warrant is a type of derivative warrant. A derivative warrant linked to an underlying asset is an instrument which derives its value from the underlying asset. Investing in a derivative warrant does not give you any right in the underlying asset. Derivative warrants usually cost a fraction of the price of the underlying asset and may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

- **How and when can you get back your investment?**

The Inline Warrants are European style cash settled derivative warrants linked to the underlying Share. European style warrants can only be exercised on the expiry date. When the Inline Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” which is equal to either the Maximum Payoff Amount per Inline Warrant or the Minimum Payoff Amount per Inline Warrant depending on the level of the Average Price at expiry, net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the Conditions. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Inline Warrants).

- **How do the Inline Warrants work?**

The Inline Warrants carry exotic features and their terms and pricing may be more complicated than standard derivative warrants. The Inline Warrants provide a pre-fixed potential payoff at **either a capped amount or a floor amount** at expiry. You will either:

- (i) receive a fixed and capped amount equal to the Maximum Payoff Amount per Inline Warrant at expiry if the Average Price is at or below the Upper Strike Price and at or above the Lower Strike Price; or
- (ii) receive a fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant (which may be substantially less than your initial investment) at expiry and may suffer loss in your investment if the Average Price is above the Upper Strike Price or below the Lower Strike Price. You will still receive the Minimum Payoff Amount per Inline Warrant in this scenario because such amount is included in the price you pay for buying the Inline Warrants.

- **Can the Inline Warrants be traded above HK\$1?**

No. Any trades of Inline Warrants which are executed at the price above HK\$1 will be cancelled and will not be recognised by us or the Stock Exchange.

- **Can you sell the Inline Warrants before the Expiry Date?**

Yes. We have made an application for listing of, and permission to deal in, the Inline Warrants on the Stock Exchange. All necessary arrangements have been made to enable the Inline Warrants to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the Inline Warrants is conditional upon listing approval being granted. From the Listing Date up to the last trading day of the Inline Warrants (both dates inclusive), you may sell or buy the Inline Warrants on the Stock Exchange. There shall be three CCASS Settlement Days between the last trading day of the Inline Warrants and the Expiry Date. No application has been made to list the Inline Warrants on any other stock exchange.

The Inline Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Inline Warrants takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the Inline Warrants by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

If we become insolvent or default on our obligations under the Inline Warrants, the maximum loss in the Inline Warrants will be your entire investment amount plus any transaction costs.

Otherwise, if the Average Price is above the Upper Strike Price or below the Lower Strike Price at expiry, the maximum loss in the Inline Warrants will be your entire investment amount less the Minimum Payoff Amount per Inline Warrant multiplied by the number of Inline Warrants purchased plus any transaction costs.

- **What is your maximum profit?**

The potential maximum profit in the Inline Warrants will be capped at the Maximum Payoff Amount per Inline Warrant multiplied by the number of Inline Warrants purchased less your entire investment amount and transaction costs.

You should note that your profit or loss in the Inline Warrants will be affected by the amount invested by you and transaction costs.

- **What are the factors determining the price of an Inline Warrant?**

The price of an Inline Warrant generally depends on the price of the underlying asset (being the underlying Share for the Inline

Warrants). However, throughout the term of an Inline Warrant, its price will be influenced by a number of factors, including:

- the range between the Upper Strike Price and Lower Strike Price (both inclusive) of the Inline Warrants: generally, the wider the range between the Upper Strike Price and Lower Strike Price (both inclusive) of the Inline Warrants, the greater its value;
- the value of the underlying asset: generally, the closer the price of the underlying asset towards the mid-way of the Upper Strike Price and the Lower Strike Price, ignoring interim interest rates and expected dividend payments and assuming all other factors remain constant, the greater the value of the Inline Warrants; conversely, the farther away the price of the underlying asset from the mid-way of the Upper Strike Price and the Lower Strike Price, ignoring interim interest rates and expected dividend payments and assuming all other factors remain constant, the lower the value of the Inline Warrants;
- the volatility of the price of the underlying asset (being a measure of the fluctuation in the price of the underlying asset over time): generally, if an Inline Warrant is “out-of-the-range” (ie. the price of the underlying asset falls outside the range between the Upper Strike Price and the Lower Strike Price (both inclusive)), the higher the volatility, the greater the value of the Inline Warrants; conversely, if an Inline Warrant is “in-the-range” (ie. the price of the underlying asset falls within the range between the Upper Strike Price and the Lower Strike Price (both inclusive)), the higher the volatility, the lower the value of the Inline Warrants;
- the expected probability of the Average Price falling within the range between the Upper Strike Price and the Lower Strike Price (both inclusive) at expiry;
- the time remaining to expiry: generally, if an Inline Warrant is out-of-the-range, the longer the remaining life of the Inline Warrant, the greater its value; conversely, if an Inline Warrant is in-the-range, the shorter the remaining life of the Inline Warrant, the greater its value;
- the interim interest rates and expected dividend payments or other distributions on the underlying asset;
- the liquidity of the underlying asset;
- the supply and demand for the Inline Warrant;
- our related transaction cost; and
- the creditworthiness of the issuer of the Inline Warrant.

Ignoring interim interest rates and expected dividend payments and assuming all other factors remain constant, the theoretical impact of changes in each of the following factors on an Inline Warrant is illustrated below for reference only*:

Factor	Inline Warrant price
Underlying asset price moving towards the mid-way of the Upper Strike Price and the Lower Strike Price	↑
Underlying asset price moving away from mid-way of the Upper Strike Price and the Lower Strike Price	↓
Time to maturity ↓	In-the-range Inline Warrant ↑
	Out-of-the-range Inline Warrant ↓
Underlying volatility ↓	In-the-range Inline Warrant ↑
	Out-of-the-range Inline Warrant ↓
Underlying volatility ↑	In-the-range Inline Warrant ↓
	Out-of-the-range Inline Warrant ↑

* In reality, there may be other factors affecting the price of an Inline Warrant and such theoretical impact may not be applicable in extreme cases.

As the price of an Inline Warrant is not only affected by the price of the underlying asset, movements in the price of an Inline Warrant may not be proportionate or may even be opposite to the price movement of the underlying asset. For example:

- if an Inline Warrant is out-of-the-range, the decrease in volatility of the price of the underlying asset may offset any increase in the price of the underlying asset towards the Lower Strike Price or any decrease in the price of the underlying asset towards the Upper Strike Price;
- if an Inline Warrant is “deep-out-of-the-range” (ie. the price of the underlying asset is significantly above the Upper Strike Price or below the Lower Strike Price), the price of the Inline Warrant may be insensitive to any increase in the price of the underlying asset towards the Lower Strike Price or any decrease in the price of the underlying asset towards the Upper Strike Price;
- if the outstanding volume of a series of Inline Warrants in the market is high, the supply and demand of the Inline Warrant may have a greater impact on the Inline Warrant price than the price of the underlying asset; and/or
- if an Inline Warrant is out-of-the-range, the decrease in time value may offset any increase in the price of the underlying asset towards the Lower Strike Price or any decrease in the price of the underlying asset towards the Upper Strike Price, especially when the Inline Warrant is close to its expiry where the time value decreases at a faster pace.

Risks of investing in the Inline Warrants

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document. You should consider all these factors collectively when making your investment decision.

Liquidity

How to contact the Liquidity Provider for quotes?

Liquidity Provider: Haitong International Securities Company Limited
Address: 28/F, One IFC, 1 Harbour View Street, Central Hong Kong
Telephone Number: +852 2213 8088

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. You can request a quote by calling the Liquidity Provider at the telephone number above.

- **What is the Liquidity Provider's maximum response time for a quote?** The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange's designated stock page for the Inline Warrants.
- **Maximum spread between bid and ask prices:** HK\$0.08
- **Minimum quantity for which liquidity will be provided:** 20 Board Lots
- **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**

There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:

- during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day;
- during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- when the Inline Warrants or the underlying Share are suspended from trading for any reason;
- when there are no Inline Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Inline Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Inline Warrants available for market making activities;
- when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- if the underlying Share or the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider's ability to source a hedge or unwind an existing hedge;
- if the theoretical value of the Inline Warrants is less than HK\$0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available; or
- if the theoretical value of the Inline Warrants is at HK\$1.00. In such event, the Liquidity Provider shall continue to provide bid prices.

You should read the sub-section entitled "Possible limited secondary market" under the "Key Risk Factors" section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

How can you obtain further information?

- **Information about the underlying Company and the underlying Shares**

You may obtain information on the underlying Share (including the underlying Company's financial statements) by visiting the Stock Exchange's website at www.hkex.com.hk or (if applicable) the underlying Company's website(s) as follows:

<i>Underlying Company</i>	<i>Website</i>
Ping An Insurance (Group) Company of China, Ltd.	http://www.pingan.com
Hong Kong Exchanges and Clearing Limited	http://www.hkexgroup.com/eng/invest/ir.htm

- **Information about the Inline Warrants after issue**
You may visit the Stock Exchange's website at https://www.hkex.com.hk/Products/Securities/Inline-Warrants?sc_lang=en or our website at www.htiwarrants.com to obtain information or educational materials on the Inline Warrants or any notice given by us or the Stock Exchange in relation to the Inline Warrants.
- **Information about us**
You should read the section "Updated Information about Us" in this document. You may visit www.htisec.com to obtain general corporate information about us.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. We accept no responsibility for the accuracy or completeness of the information appearing on those websites. You should conduct your own due diligence (including without limitation web searches) to ensure that you are viewing the most up-to-date information.

What are the fees and charges?

- **Trading Fees and Levies**

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.0027 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Inline Warrants. The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Inline Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Inline Warrants).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled warrants (including the Inline Warrants).

You should note that any transaction cost will reduce your gain or increase your loss under your investment in the Inline Warrants.

What is the legal form of the Inline Warrants?

Each series of the Inline Warrants will be represented by a global certificate in the name of HKSCC Nominees Limited who is the only legal owner of the Inline Warrants. We will not issue definitive certificates for the Inline Warrants. You may arrange for your broker to hold the Inline Warrants in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the Inline Warrants to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the Inline Warrants.

Can we adjust the terms or early terminate the Inline Warrants?

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share or a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the Inline Warrants. However, we are not obliged to adjust the terms and conditions of the Inline Warrants for every event that affects the underlying Shares.

We may early terminate the Inline Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Inline Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Inline Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Inline Warrants less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to General Condition 13 and Product Conditions 3 and 5 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

Mode of settlement for the Inline Warrants

The Inline Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot.

We will deliver a cash amount in the Settlement Currency equal to the Cash Settlement Amount net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the Inline Warrants), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Cash Settlement Amount is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Cash Settlement Amount may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Product Condition 2.5 for further information.

Where can you inspect the relevant documents of the Inline Warrants?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at our office at 28/F, One IFC, 1 Harbour View Street, Central Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - our Base Listing Document
 - the addendum dated 30 September 2019
- our latest audited group financial statements;
- our latest audited financial statements and any interim or quarterly financial statements;
- the consent letter of our auditor, Deloitte Touche Tohmatsu; and
- the instrument executed by us by way of deed poll dated 29 February 2016.

The Listing Documents are also available on the website of the HKEX at www.hkexnews.hk and our website at www.htiwarrants.com.

各上市文件亦可於香港交易所披露易網站(www.hkexnews.hk) 以及本公司網站 www.htiwarrants.com 瀏覽。

Are there any dealings in the Inline Warrants before the Listing Date?

It is possible that there may have been dealings in the Inline Warrants before the Listing Date. If there are any dealings in the Inline Warrants by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

Have the auditors consented to the inclusion of their report to the Listing Documents?

Our auditor (“**Auditor**”) has given and has not since withdrawn its written consent to the inclusion of its report dated 25 April 2019 and/or the references to its name in our Base Listing Document, in the form and context in which they are included. Its report was not prepared exclusively for incorporation into our Base Listing Document. The Auditor does not own any of our shares or shares in any member of our group, nor does it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Authorisation of the Inline Warrants

The issue of structured products was authorised by our board of directors on 20 November 2015.

Selling restrictions

The Inline Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the Inline Warrants is also subject to the selling restrictions specified in our Base Listing Document.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the Inline Warrants. If you have any concerns or doubts about the Inline Warrants, you should obtain independent professional advice.

Non-collateralised structured products

The Inline Warrants are not secured on any of our assets or any collateral.

Credit risk

If you invest in the Inline Warrants, you are relying on our creditworthiness and of no other person. If we become insolvent or default on our obligations under the Inline Warrants, you can only claim as our unsecured creditor regardless of the performance of the underlying Share and you may not be able to recover all or even part of the amount due under the Inline Warrants (if any). You have no rights under the terms of the Inline Warrants against the Company.

Inline Warrants are not principal protected and may expire with loss of investment

Although the cost of an Inline Warrant may cost a fraction of the value of the underlying Share, the Inline Warrant's price may change more rapidly than the price of the underlying Share. Given the gearing feature inherent in the Inline Warrants, a small change in the price of the underlying Share may lead to a substantial price movement in the Inline Warrants.

Unlike stocks, the Inline Warrants have a limited life and will expire on the Expiry Date. If the Average Price falls outside the range between the Lower Strike Price and the Upper Strike Price (both inclusive), you will receive a fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant at expiry (which may be substantially less than your initial investment) and may suffer a substantial loss in your investment. The Inline Warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose part or a substantial part of their investment.

The Inline Warrants are exotic warrants and are not comparable to standard derivative warrants

The Inline Warrants are exotic warrants with different terms and risk and return profile compared to standard call or put derivative warrants listed on the Stock Exchange and are not comparable to standard derivative warrants. The Inline Warrants carry exotic features and their terms and pricing may be more complicated than standard derivative warrants. The Inline Warrants may behave quite differently from standard derivative warrants and other exotic warrants in its response to the price levels or price movements of the underlying Share. The pricing structure of the Inline Warrants requires investors to assess accurately the value of the Inline Warrants in relation to the expected probability of the Average Price falling within the range between the Upper Strike Price and the Lower Strike Price (both inclusive). The Inline Warrants are highly complicated and risky financial instruments and may be difficult for investors to properly value and/or to use as a hedging tool. You should carefully review and understand the Conditions, including the exotic features, before deciding to invest in the Inline Warrants. In particular, you should note that the Inline Warrants provide a pre-fixed potential payoff at either a **capped amount or a floor amount** at expiry. If the Average Price falls outside the range between the Lower Strike Price and the Upper Strike Price (both inclusive), you will receive a lower fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant (which may be substantially less than your initial investment) at expiry and may suffer loss in your investment. You will still receive the Minimum Payoff Amount per Inline Warrant in this scenario because such amount is

included in the price you pay for buying the Inline Warrants. Do not invest in the Inline Warrants unless you fully understand them and are willing to assume the risks associated with them.

Maximum potential payoff is fixed and capped

If the Average Price stays within the price range between the Lower Strike Price and the Upper Strike Price (both inclusive), we will only pay you a fixed and capped amount equal to the Maximum Payoff Amount per Inline Warrant at expiry. This is the maximum potential payoff under the Inline Warrants.

The Inline Warrants can be volatile

Prices of the Inline Warrants may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the Inline Warrants:

- (i) the prevailing trading price of the Inline Warrants;
- (ii) the range between the Upper Strike Price and Lower Strike Price (both inclusive) of the Inline Warrants;
- (iii) the value and volatility of the price of the underlying Share;
- (iv) the expected probability of the Average Price falling within the range between the Upper Strike Price and the Lower Strike Price (both inclusive) at expiry;
- (v) the time remaining to expiry;
- (vi) the interim interest rates and expected dividend payments or other distributions on the underlying Share;
- (vii) the liquidity of the underlying Share;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Inline Warrants; and
- (x) the creditworthiness of the Issuer.

The price of an Inline Warrant may be affected by all these factors in addition to the trading price of the underlying Share. Therefore, movements in the price of the Inline Warrants may not be proportionate or may even be opposite to the price movement of the underlying Share. You should consider all these factors collectively when making your investment decision.

You should note that when the spot price of the underlying Share is close to the Upper Strike Price or the Lower Strike Price, the trading price of the Inline Warrants may be more volatile, especially when the Inline Warrants are close to their expiry.

Price movement of Inline Warrants may be disproportionate or opposite to the price movement of underlying Share

Depending on the spot price of the underlying Share in comparison to the range of the Upper Strike Price and the Lower Strike Price, movements in the price of the Inline Warrants may be in the same or opposite direction of the price movement of the underlying Share. Generally, ignoring interim interest rates and expected dividend payments and assuming all other factors remain constant, the closer the price of the Share towards the mid-way of the Upper Strike Price and the Lower Strike Price, the greater the value of the Inline Warrants; conversely, the farther the price of the Share from the mid-way of the Upper Strike Price and the Lower Strike Price, the lower the value of the Inline Warrants.

The change in the trading price of the Inline Warrants may not be comparable and may be disproportionate with the change in the spot price of the underlying Share. In such case, a small change in the spot price of the underlying Share may lead to a substantial price movement in the Inline Warrants.

Time decay

Ignoring interim interest rates and expected dividend payments and assuming all other factors remain constant, the value of an Inline Warrant is likely to decrease over time when the price of the underlying Share falls outside the range between the Upper Strike Price and the Lower Strike Price (both inclusive).

Not the same as investing in the underlying Shares

Investing in the Inline Warrants is not the same as investing in the underlying Share. You have no rights in the underlying Share throughout the term of the Inline Warrants. Changes in the market value of the Inline Warrants may not correspond with the movements in the price of the underlying Share, especially when the Inline Warrant is deep-out-of-the-range. If you buy the Inline Warrants with a view to hedge against your exposure to the underlying Share, it is possible that you could suffer loss in your investment in the underlying Share and the Inline Warrants.

Suspension of trading

If trading in the underlying Share is suspended on the Stock Exchange, trading in the Inline Warrants will be suspended for the same period. In the case of a prolonged suspension period, the price of the Inline Warrants may be subject to a significant impact of time decay (especially when the last trading price of the underlying Share falls outside the range between the Upper Strike Price and the Lower Strike Price (both inclusive)) due to such prolonged suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

Non-recognition of trades executed at the price above HK\$1

You should note that any trades of Inline Warrants which are executed at the price above HK\$1 will be cancelled and will not be recognised by the Stock Exchange. The Stock Exchange and its recognised exchange controller, HKEX, will not incur any liability (whether based on contract, tort (including, without limitation, negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilful misconduct on the part of the Stock Exchange and/or HKEX) for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with such non-recognition of trades, including without limitation, any delay, failure, mistake or error in such non-recognition of trades.

We and our affiliates shall not have any responsibility for any losses suffered as a result of such non-recognition of trades in any circumstances.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the Inline Warrants and therefore the secondary market for the Inline Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Inline Warrants prior to expiry.

You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problems hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider's response time for a quote may be significantly longer than its normal standard.

Adjustment related risk

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share and a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the Inline Warrants. However, we are not obliged to adjust the terms and conditions of the Inline Warrants for every event that affects the underlying Share. Any adjustment or decision not to make any adjustment may adversely affect the value of the Inline Warrants. Please refer to Product Conditions 3 and 5 for details about adjustments.

Possible early termination

The Inline Warrants will lapse and cease to be valid in the event of liquidation of the Company. We may also early terminate the Inline Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Inline Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Inline Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Inline Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to General Condition 13 and Product Condition 4 for details about our early termination rights.

Time lag between exercise and settlement of the Inline Warrants

There is a time lag between exercise of the Inline Warrants and payment of the Cash Settlement Amount net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Company and/or the underlying Shares or issue or update research reports on the Company and/or the underlying Shares. Such activities, information and/or research reports may involve or affect the Company and/or the underlying Shares and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Inline Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Inline Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Company and/or the underlying Shares or related derivatives. This may indirectly affect your interests.

No direct contractual rights

The Inline Warrants are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the Inline Warrants. The evidence of your interest in the Inline Warrants, and the efficiency of the ultimate payment of the Cash Settlement Amount net of Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the Inline Warrants. You do not have any direct contractual rights against us. To assert your rights as an investor in the Inline Warrants, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the Inline Warrants first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

The Listing Documents should not be relied upon as the sole basis for your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Inline Warrants or the underlying Share.

Prohibition on the sale of certain binary options in European retail markets

There have been regulatory concerns over the sale of certain binary options to retail investors across the European Union in recent years. Such binary options are typically traded over-the-counter with bespoke structures and are very short-term, making them extremely speculative in nature. Until recently, the European Securities and Markets Authority (ESMA) implemented a temporary ban on the marketing, distribution or sale of binary options to retail customers in the European Union except for securitised binary options. The temporary ban expired and was lifted by ESMA on 1 July 2019 based on the fact that most national competent authorities within the European Union had taken permanent national product intervention measures relating to binary options that are at least as stringent as ESMA's measure. For example, the Financial Conduct Authority (FCA) in the United Kingdom imposed a permanent ban effective from 2 April 2019 on the marketing, distribution or sale of all binary options (including securitised binary options) to retail customers in the United Kingdom while the Federal Financial Supervisory Authority (BaFin) in Germany and the Autorite des Marches Financiers (AMF) of France had also permanently banned the marketing, distribution or sale of binary options (other than securitised binary options) to retail customers.

The Inline Warrants are a form of securitised binary options. Unlike the binary options in the European retail markets as described above, the Inline Warrants listed on the Stock Exchange have a more standardised structure and relatively longer period to expiry (with a minimum duration of 6 months before expiry).

Irrespective of the difference between the Inline Warrants listed on the Stock Exchange and the binary options in the Europe, you should nevertheless note the approach of European regulators taken over binary options. The Inline Warrants are complex products. You should fully understand the structure and terms and conditions of the Inline Warrants and are willing to assume the risks associated with them before investing in the Inline Warrants. For specific risks relating to the Inline Warrants, please refer to other risk factors in this "Key Risk Factors" section.

Not the ultimate holding company of the group

We are not the ultimate holding company of the group to which we belong. Our group holding company is Haitong International Securities Group Limited (stock code : 665) which wholly own us. Haitong International Securities Group Limited is majority owned by Haitong Securities Company Limited (stock code : 6837).

PRODUCT CONDITIONS OF CASH SETTLED INLINE WARRANTS OVER SINGLE EQUITIES

These Product Conditions will, together with the General Conditions and the supplemental terms and conditions contained in the relevant Launch Announcement and Supplemental Listing Document, and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Inline Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of Inline Warrants.

1. Definitions

For the purposes of these Product Conditions:

“**Average Price**” means the arithmetic mean of the closing prices of one Share (as derived from the daily quotation sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any event as contemplated in Product Condition 3 such as capitalisation, rights issue, distribution or the like) in respect of each Valuation Date;

“**Cash Settlement Amount**” means, in respect of every Board Lot, an amount payable in the Settlement Currency calculated by the Issuer in accordance with the following formula:

- (i) if the Average Price is at or below the Upper Strike Price and at or above the Lower Strike Price:

Cash Settlement Amount per Board Lot = Maximum Payoff Amount per Inline Warrant x one Board Lot

- (ii) if the Average Price is above the Upper Strike Price or below the Lower Strike Price:

Cash Settlement Amount per Board Lot = Minimum Payoff Amount per Inline Warrant x one Board Lot

“**Company**” means the company specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**General Conditions**” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“**Inline Warrants**” means the warrants specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**Lower Strike Price**” has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 3;

“**Market Disruption Event**” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in:

(i) the Shares; or

(ii) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

- (b) the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a “BLACK” rainstorm signal on any day which either:

(i) results in the Stock Exchange being closed for trading for the entire day; or

(ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session),

PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been issued; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

“**Maximum Payoff Amount per Inline Warrant**” has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

“**Minimum Payoff Amount per Inline Warrant**” has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

“**Product Conditions**” means these product terms and conditions. These Product Conditions apply to each series of cash settled Inline Warrants over single equities;

“**Settlement Date**” means the third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions;

“**Share**” means the share specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**Upper Strike Price**” has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 3; and

“**Valuation Date**” means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date.

For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Shares on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

- (i) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Trading in Inline Warrants on the Stock Exchange shall cease prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Exercise of Inline Warrants

2.1 Exercise of Inline Warrants in Board Lots

The Inline Warrants may only be exercised in Board Lots or integral multiples thereof.

2.2 Automatic exercise

The Inline Warrants will be deemed to be automatically exercised on the Expiry Date (without notice given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount.

2.3 Exercise Expenses

Any Exercise Expenses which are not determined by the Issuer on the Expiry Date and deducted from the Cash Settlement Amount prior to delivery to the Holders in accordance with this Product Condition 2, shall be notified by the Issuer to the Holders as soon as practicable after determination thereof and shall be paid by the Holders to the Issuer immediately upon demand.

2.4 Record in the Register

Upon automatic exercise of the Inline Warrants on the Expiry Date of the Inline Warrants in accordance with the Conditions, the Issuer will, with effect from the first Business Day following the Expiry Date, remove the names of each Holder from the Register in respect of the number of relevant Inline Warrants which are the subject of the automatic exercise, and thereby cancel the relevant Inline Warrants and the Global Certificate.

2.5 Cash Settlement

Upon the automatic exercise of Inline Warrants in accordance with the Conditions, the Issuer will pay the Cash Settlement Amount minus the determined Exercise Expenses to the relevant Holder. If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount minus the determined Exercise Expenses shall be despatched no later than the Settlement Date, by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

Upon the occurrence of a Settlement Disruption Event, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment in accordance with this Product Condition 2.5.

3. Adjustments

Adjustments may be made by the Issuer to the number of Shares to which the Inline Warrants relate on the basis of the following provisions:

3.1 Rights Issues

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Upper Strike Price and the Lower Strike Price (which shall be rounded to the nearest 0.001) shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement ("**Rights Issue Adjustment Date**") in accordance with the following formula:

Adjusted Upper Strike Price = Existing Upper Strike Price ÷ Adjustment Component

Adjusted Lower Strike Price = Existing Lower Strike Price ÷ Adjustment Component

Where:

$$\text{Adjustment Component} = \frac{1 + M}{1 + (R/S) \times M}$$

S: Cum-Rights Share price being the closing price of an existing Share as derived from the daily quotation sheet of the Stock Exchange on the last Business Day on which the Shares are traded on a Cum-Rights basis

R: Subscription price per new Share specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that no adjustment will be made if the Adjustment Component is equal to or less than 1.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.2 Bonus Issues

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Upper Strike Price and the Lower Strike Price (which shall be rounded to the nearest 0.001) shall be adjusted on the Business Day on which trading in the Shares becomes ex-entitlement (“**Bonus Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Upper Strike Price = Existing Upper Strike Price ÷ Adjustment Component

Adjusted Lower Strike Price = Existing Lower Strike Price ÷ Adjustment Component

Where:

Adjustment Component = 1 + N

N: Number of additional Shares (whether a whole or a fraction) received by a holder of Shares for each Share held prior to the Bonus Issue

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.3 Subdivisions and Consolidations

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “**Subdivision**”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “**Consolidation**”), then:

- (a) in the case of a Subdivision, the Upper Strike Price and the Lower Strike Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and
- (b) in the case of a Consolidation, the Upper Strike Price and the Lower Strike Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) takes effect.

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.4 Restructuring Events

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation)

(except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Inline Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion) so that the interests of the Holders generally are not materially prejudiced as a consequence of such Restructuring Event (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.5 Cash Distribution

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a scrip alternative) (“**Ordinary Dividend**”). For any other forms of cash distribution (“**Cash Distribution**”) announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share’s closing price as derived from the daily quotation sheet of the Stock Exchange on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Upper Strike Price and the Lower Strike Price (which shall be rounded to the nearest 0.001) shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution (“**Cash Distribution Adjustment Date**”) in accordance with the following formula:

Adjusted Upper Strike Price = Existing Upper Strike Price ÷ Adjustment Component

Adjusted Lower Strike Price = Existing Lower Strike Price ÷ Adjustment Component

Where:

$$\text{Adjustment Component} = \frac{S - OD}{S - OD - CD}$$

S: The closing price of the Share as derived from the daily quotation sheet of the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The amount of Cash Distribution per Share

OD: The amount of Ordinary Dividend per Share, provided that the Ordinary Dividend and the Cash Distribution shall have the same ex-entitlement date. For the avoidance of doubt, the OD shall be deemed to be zero if the ex-entitlement dates of the relevant Ordinary Dividend and Cash Distribution are different

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.6 Other Adjustments

Without prejudice to and notwithstanding any prior adjustment(s) made pursuant to the applicable Conditions, the Issuer may (but shall not be obliged to) make such other adjustments to the terms and conditions of the Inline Warrants as appropriate where any event (including the events as contemplated in the applicable Conditions) occurs and irrespective of, in substitution for, or in addition to the provisions contemplated in the applicable Conditions, provided that such adjustment is:

- (a) not materially prejudicial to the interests of the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or

(b) determined by the Issuer in good faith to be appropriate and commercially reasonable.

For the avoidance of doubt, the entitlement of the Inline Warrants is always 1 Share and no adjustment will be made to the entitlement.

3.7 Notice of Determinations

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

4. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Inline Warrants will lapse and shall cease to be valid for any purpose. In the case of voluntary liquidation, the unexercised Inline Warrants will lapse and shall cease to be valid on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

5. Delisting

5.1 Adjustments following delisting

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments and amendments to the rights attaching to the Inline Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the circumstances of any individual Holder or the tax or other consequences that may result in any particular jurisdiction).

5.2 Listing on another exchange

Without prejudice to the generality of Product Condition 5.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of the Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.

5.3 Adjustments binding

The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 7 as soon as practicable after they are determined.

Updated Information about Us

There is no updated information about us.

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