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*Notice to Hong Kong investors: The Issuer and the Guarantor (each as defined in the information memorandum appended herein) confirm 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 are listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

## **PUBLICATION OF INFORMATION MEMORANDUM**

**U.S.\$55,000,000 2.40 per cent. Credit Enhanced Guaranteed Bonds due 2024 (the “Bonds”)**

**(Stock Code: 40623)**

**By**

**DAFENG PORT HESHUN TECHNOLOGY COMPANY LIMITED**

**(大豐港和順科技股份有限公司)**

*(incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8310)**

**unconditionally and irrevocably guaranteed by**

**JIANGSU DAFENG HARBOR HOLDINGS LIMITED**

**(江蘇大豐海港控股集團有限公司)**

*(incorporated in the People’s Republic of China with limited liability)*

and an irrevocable Standby Letter of Credit provided by  
**Bank of Jiangsu Co., Ltd. Yancheng Branch**

*Joint Global Coordinators and Joint Lead Managers*

**Tensant Securities Limited**

**Haitong International**

**BOSC International**

*Joint Lead Managers*

**Shanghai Pudong Development**

**Bank Hong Kong Branch**

**CEB International**

**Everbright Securities**

**International**

**Huarong International Securities**

**China Industrial Securities International**

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

Reference is made to the notice of listing of the Bonds on The Stock Exchange of Hong Kong Limited dated 23 March 2021 published by the Issuer.

Please refer to the information memorandum relating to the Bonds dated 17 March 2021 (the “**Information Memorandum**”) appended herein. The Information Memorandum is published in English only. No Chinese version of the Information Memorandum has been published.

Hong Kong, 24 March 2021

*As at the date of this announcement, the directors of the Issuer are Mr. Tao Ying, Mr. Chen Wenxiang, Ms. Leng Panpan, Mr. Ji Longtao, Mr. Yang Yuexia, Mr. Miao Zhibin, Dr. Bian Zhaoxiang, Mr. Lau Hon Kee, Mr. Yu Xugang and Mr. Zhang Fangmao.*

*As at the date of this announcement, the directors of the Guarantor are Mr. Tao Ying, Mr. Pan Jian, Mr. Ge Shuguang, Mr. Xia Aigen, Mr. Shao Zhenglin, Mr. Chen Jinsong, Mr. Wang Yijun, Mr. Lu Feng, Mr. Shu Jiangfeng and Mr. Qu Zhongdong.*

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The attached document is being furnished in connection with an offering in offshore transactions in compliance with Regulation S solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. You are reminded that the information in the attached Information Memorandum is not complete and may be changed.

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them is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Placing Agents or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

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## DAFENG PORT HESHUN TECHNOLOGY COMPANY LIMITED

(大豐港和順科技股份有限公司)

*(incorporated in the Cayman Islands with limited liability)*

U.S.\$55,000,000 2.40 per cent. Credit Enhanced Guaranteed Bonds due 2024

unconditionally and irrevocably guaranteed by

JIANGSU DAFENG HARBOR HOLDINGS LIMITED

(江蘇大豐海港控股集團有限公司)

*(incorporated in the People's Republic of China with limited liability)*

with an irrevocable Standby Letter of Credit provided by

Bank of Jiangsu Co., Ltd. Yancheng Branch

Issue Price: 100 per cent.

The U.S.\$55,000,000 2.40 per cent. credit enhanced guaranteed bonds due 2024 (the “**Bonds**”) will be issued by Dafeng Port Heshun Technology Company Limited (大豐港和順科技股份有限公司) (the “**Issuer**”) and will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) by Jiangsu Dafeng Harbor Holdings Limited (江蘇大豐海港控股集團有限公司) (the “**Guarantor**” or “**Jiangsu Dafeng**”), a company incorporated under the laws of the People’s Republic of China (the “**PRC**”). The Issuer is an indirect subsidiary of the Guarantor.

Payments of principal, premium (if any) and interest in respect to the Bonds and the fees and expenses and other amounts payable in connection with the Bonds and the Trust Deed (each as defined herein) will have the benefit of an irrevocable standby letter of credit (the “**SBLC**”) denominated in U.S. dollars up to U.S.\$56,660,000 issued by Bank of Jiangsu Co., Ltd. Yancheng Branch (the “**SBLC Bank**” or “**Bank of Jiangsu**”). See “*Appendix A – Form of Standby Letter of Credit*” for the form of the SBLC.

The Bonds will bear interest on their outstanding principal amount from and including 23 March 2021 at the rate of 2.40 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$12.00 per Calculation Amount (as defined in the Terms and Conditions of the Bonds (the “**Conditions**”)) on 23 March and 23 September in each year (each an “**Interest Payment Date**”), commencing on 23 September 2021. All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without withholding or deduction 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 within the Cayman Islands or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations.

The Guarantor will enter into a deed of guarantee (the “**Deed of Guarantee**”) with The Bank of New York Mellon, London Branch (the “**Trustee**”) on or around 23 March 2021 (the “**Issue Date**”). The Guarantor will undertake to file or cause to be filed with the State Administration of Foreign Exchange of the PRC or its local branch (“**SAFE**”) the Deed of Guarantee within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Pursuant to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知 (發改外資 [2015]2044 號)) (the “**NDRC Circular**”) issued by the National Development and Reform Commission of the PRC or its local counterparts (“**NDRC**”) on 14 September 2015 which came into effect on the same day, the Guarantor has registered the issuance of the Bonds with NDRC and obtained a certificate from NDRC on 8 February 2021 evidencing such registration and intends to provide the requisite information on the issuance of the Bonds to NDRC within ten PRC Business Days (as defined in the Conditions) after the Closing Date (as defined below).

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 23 March 2024 (the “**Maturity Date**”). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 17 (*Notices*) (which such notice shall be irrevocable) and in writing to the Trustee (as defined in the Conditions) and the Principal Paying Agent (as defined in the Conditions), at their principal amount (together with interest accrued up to but excluding the date fixed for redemption), if the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor as the case may be) taking reasonable measures available to it. See “*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons*”. At any time following the occurrence of a Relevant Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder’s option, to require the Issuer to redeem all, but not some only, of such holder’s Bonds on the Put Settlement Date (as defined in the Conditions) at 100 per cent. of their principal amount, together with accrued interest up to but excluding such Put Settlement Date. See “*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Relevant Events*”.

If a Pre-funding Failure (as defined in the Conditions) occurs in respect of a scheduled payment of principal or interest payable under Condition 4(b), the Bonds shall be redeemed at their principal amount on the Interest Payment Date (as defined in the Conditions) immediately falling after the date a Pre-funding Failure Notice (as defined in the Conditions) is given to the Bondholders in accordance with Condition 4(b) (the “**Mandatory Redemption Date**”) (together with interest accrued to but excluding the Mandatory Redemption Date), provided that if the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bonds pursuant to Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, all the Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with Condition 7(d) on the Put Settlement Date, together with interest accrued to, but excluding, the Put Settlement Date. See “*Terms and Conditions of the Bonds – Redemption and Purchase – Mandatory Redemption upon Pre-funding Failure*”.

For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*”.

The Bonds will be issued in denominations of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.

**Investing in the Bonds involves risks. Investors should be aware that the Bonds involve complex credit support of the Guarantee and the SBLC and associated risks and that there are various other risks relating to the Bonds, the Guarantee and the SBLC, which investors should familiarise themselves with before making an investment in the Bonds. See “*Risk Factors*” beginning on page 18 for a discussion of certain factors to be considered in connection with an investment in the Bonds.**

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

**Notice to Hong Kong investors: The Issuer and the Guarantor confirm 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 and the Guarantor confirm 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 Guarantor or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.**

**The Bonds, the Guarantee and the SBLC have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the Securities laws of any other jurisdiction and the Bonds may not be offered or sold within the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the Guarantee are being offered and sold only outside the United States in offshore transactions 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, the Guarantee, the Standby Letter of Credit and the distribution of this Information Memorandum, see “*Placement and Sale*”.**

**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The 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 for, and shall be deposited on or about 23 March 2021 (the “**Closing Date**”), with a common depository for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

*Joint Global Coordinators and Joint Lead Managers*

**Tensant Securities Limited**

**Haitong International**

**BOSC International**

*Joint Lead Managers*

**Shanghai Pudong Development**

**Everbright Securities**

**Bank Hong Kong Branch**

**CEB International**

**International**

**Huarong International Securities**

**China Industrial Securities International**

Information Memorandum dated 17 March 2021

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## IMPORTANT NOTICE

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS INFORMATION MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, THE GUARANTOR OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR THAT THE INFORMATION SET OUT IN THIS INFORMATION MEMORANDUM IS CORRECT AS AT ANY DATE SUBSEQUENT TO THE DATE OF THIS INFORMATION MEMORANDUM.

The contents of this Information Memorandum 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 described herein. If investors are in any doubt about any of the contents of this Information Memorandum, they should obtain independent professional advice.

This Information Memorandum includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Information Memorandum and each 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.

Each of the Issuer and the Guarantor having made all reasonable enquiries confirms that (i) all statements of fact contained in this Information Memorandum relating to the Issuer, the Guarantor and their respective subsidiaries taken as a whole (the “**Group**”), the Deed of Guarantee and the Bonds are in every material respect true and accurate and not misleading; (ii) all statements of opinion, intention, belief or expectation contained in this Information Memorandum are truly and honestly held and were or have been made after due and careful consideration of all relevant circumstances and were based on reasonable assumptions; (iii) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such statements; (iv) the statistical, industry and market-related data and forward-looking statements, as well as statements relating to the SBLC Bank, each of which are included in this Information Memorandum, are based on or derived or extracted from, among other sources, publicly available information which each of the Issuer and the Guarantor believes to be reliable, and each of the Issuer and the Guarantor has taken reasonable care in reproducing or extracting such data into this Information Memorandum.

This Information Memorandum is highly confidential and has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Bonds described in this Information Memorandum. The distribution of this Information Memorandum is limited to (a) Professional Investors only; or (b) for a person outside Hong Kong, a person to whom securities may be sold in accordance with a relevant exemption from public offer regulations in that jurisdiction. This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, Tensant Securities Limited, Haitong International Securities Company Limited, BOSCO International Company Limited (the “**Joint Global Coordinators and the Joint Lead Managers**”), Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, CEB International Capital Corporation Limited, China Everbright Securities (HK) Limited, Huarong International Securities Limited and China Industrial Securities International Brokerage Limited (the “**Joint Lead Managers**”), and together with the Joint Global Coordinators and the Joint Lead Managers, the “**Placing Agents**”), the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them to subscribe for or purchase any of



the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Information Memorandum and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Placing Agents to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds, the giving of the Guarantee and the SBLC or the distribution of this Information Memorandum in any jurisdiction where action would be required for such purposes. There are restrictions on the placement and sale of the Bonds and the Guarantor giving the Guarantee and the circulation of documents relating thereto, in certain jurisdictions to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Information Memorandum, see "*Placement and Sale*".

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Bonds, the Deed of Guarantee or the SBLC other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Placing Agents, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent and registrar (the "**Agents**") or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them. Neither the delivery of this Information Memorandum nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group, the SBLC Bank or any of them since the date hereof or create any implication that the information contained herein is correct at any date subsequent to the date hereof.

The Issuer has submitted this Information Memorandum confidentially to a limited number of professional investors so that they can consider a purchase of the Bonds. The Issuer has not authorised its use for any other purpose. This Information Memorandum may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Information Memorandum, each investor agrees to these restrictions. Distribution of this Information Memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised, and any disclosure of any of its contents, without prior written consent of the Issuer is prohibited. By accepting delivery of this Information Memorandum, each offeree agrees to the foregoing and to make no photocopies or other reproduction of this Information Memorandum.

No representation or warranty, express or implied, is made or given by the Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Information Memorandum, and nothing contained in this Information Memorandum is, or shall be relied upon as, a promise, representation or warranty by the Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them. None of the Placing Agents, the Trustee and the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them has independently verified any of the information contained in this Information Memorandum (financial, legal or otherwise) and can give any assurance that this information is accurate, truthful or complete. This Information Memorandum is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them that any recipient of this Information Memorandum

should purchase the Bonds. Each potential investor of the Bonds should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

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

None of the Issuer, the Guarantor, the Placing Agents, the Trustee or the Agents nor any of their respective affiliates, officers, employees, directors, advisors, agents or representatives nor any person who controls any of them has authorised the provision of information different from that contained in this Information Memorandum, to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the offering of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them. The information contained in this Information Memorandum is accurate in all material respects only as at the date of this Information Memorandum, regardless of the time of delivery of this Information Memorandum or of any sale of the Bonds.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Placing Agents, the Trustee or the Agents or any person affiliated with Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them in connection with its investigation of the accuracy or completeness of such information or its investment decision. To the fullest extent permitted by law, none of the Placing Agents, the Trustee and the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them accepts any responsibility whatsoever for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Placing Agents, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them in connection with the Issuer, the Guarantor, the Group, the Deed of Guarantee, the SBLC, the issue and offering of the Bonds, or the giving of the Guarantee or the SBLC. Each of the Placing Agents, the Trustee and the Agents and each of their respective affiliates, officers, employees, directors, advisors, agents and representatives and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement. None of the Placing Agents, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer, the Guarantor, the Group or the SBLC Bank for so long as the Bonds remain outstanding nor to advise any investor or potential investor of the Bonds of any information coming to the attention of any of the Placing Agents, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, advisors, agents or representatives or any person who controls any of them.

## ACKNOWLEDGEMENTS BY POTENTIAL PURCHASERS

Each potential purchaser of the Bonds receiving this Information Memorandum represents, warrants, agrees, undertakes, confirms and/or acknowledges (as the case may be) to the Issuer, the Guarantor and the Placing Agents that:

1. The potential purchaser is aware that the Placing Agents may possess material non-public information, unknown to the potential purchaser, regarding the Issuer and the Guarantor, and that the potential purchaser acknowledges and agrees that the Placing Agents shall have no liability with respect to the non-disclosure of any material non-public information regarding the Issuer and the Guarantor.
2. The potential purchaser is acquiring the Bonds directly from the Issuer in a private placement. The potential purchaser understands that other than this Information Memorandum which the potential purchaser acknowledges does not contain all information that is typically in a Regulation S offering circulation, no disclosure or offering document has been prepared in connection with the purchase of the Bonds, and that the Placing Agents have not provided, and will not be providing, the potential purchaser with any other material regarding the Bonds, the Issuer or the Guarantor.
3. The potential purchaser understands that investing in the Bonds involves a high degree of risk and that the Bonds are a speculative investment. In particular, the potential purchaser acknowledges the principal risks inherent in investing in the Bonds as set out in the “*Risk Factors*” section of this Information Memorandum including, but not limited to, the risk factors headed “*Risk Factors – Risks relating to the Issuer Group – The Issuer Group incurred loss for the year ended 31 December 2019 and may incur further losses in the future*” and “*Risk Factors – Risks relating to the Issuer Group – The Issuer Group recorded net current liabilities and net liabilities, and it may be unable to realise its assets and discharge its liabilities in the normal course of business*”.
4. The potential purchaser (a) has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent the potential purchase has deemed necessary, (b) has had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Issuer and the Guarantor concerning their respective financial condition and results of operations and the purchase of the Bonds, and any such questions have been answered to our satisfaction, (c) has requested from the Issuer and the Guarantor and reviewed all information that the potential purchaser believes is necessary or appropriate in connection with our purchase of the Bonds, and (d) has made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as the potential purchaser has deemed necessary and not upon any view expressed by or on behalf of the Placing Agents.
5. The potential purchaser understands and agrees that it may not rely on any investigation that the Placing Agents or any of their associates or any person acting on behalf of the Placing Agents or their associates have conducted with respect to the Bonds, the Issuer, the Guarantor or any of their respective affiliates, and none of the Placing Agents, their associates, nor any of the employees, officers, directors or representatives of the Placing Agents or their associates have made any representation to the potential purchaser, express or implied, with respect to the Bonds, the Issuer or the Guarantor.
6. The potential purchaser acknowledges that the information provided to the potential purchaser with regard to the Issuer, the Guarantor and the Bonds has been prepared and/or supplied by the Issuer or the Guarantor (whether or not it was conveyed by the Placing Agents to the potential purchaser on the Issuer’s or the Guarantor’s behalf), and that none of (a) the Placing Agents or any of their associates or (b) the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents,

representatives or advisers or any person who controls any of them have verified such information or makes any representation or warranty as to its accuracy or completeness.

7. The potential purchaser has such knowledge and experience in financial, business and international investment matters, and in particular in investing in debt securities issued by Chinese companies, and the potential purchaser is capable of evaluating the merits and risks of purchasing the Bonds (particularly offered in a direct private placement). The potential purchaser has had the opportunity to ask questions of, and receive answers and request additional information from, the Issuer and the Guarantor and the potential purchaser is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Bonds (to the extent of sustaining a complete loss in connection with the purchase of the Bonds).
8. The potential purchaser acknowledges that certain of the information and materials with respect to the Issue and the Guarantor was provided in the Chinese language, and the potential purchaser represents that it is capable of understanding and evaluating all such information and materials.
9. The potential purchaser is looking to purchase the Bonds for its own account and not with a view to any distribution thereof.
10. The Placing Agents, the Trustee, the Agents and their respective affiliates, directors, officers, employees, agents, representatives and advisers and each person who controls any of them have not made, and the potential purchaser has not relied upon, any representation, warranty or condition (express or implied) about, and the Placing Agents, the Trustee, the Agents and any of their respective affiliates, directors, officers, employees, agents, representatives and advisers and each person who controls any of them shall have no liability or responsibility to the potential purchaser for, the effectiveness, validity or enforceability of any agreement or other document entered into by or provided to the potential purchaser in connection with the purchase of the Bonds or any non-performance by any party to any of them, or the financial condition of the Issuer or the Guarantor, and none of the Placing Agents, the Trustee, the Agents nor any of their respective affiliates, directors, officers, employees, agents, representatives or advisers nor any person who controls any of them owe and shall owe no duty whatsoever to the potential purchaser in connection with the purchase of the Bonds.
11. The Placing Agents are not acting as underwriters and shall have no obligation to purchase or acquire all or any part of the Bonds purchased by the potential purchaser or to support any losses directly or indirectly sustained or incurred by the potential purchaser for any reason whatsoever in connection with the purchase of the Bonds, including the non-performance by the Issuer or the Guarantor of any of their respective obligations, whether to the potential purchaser or otherwise.
12. The potential purchaser understands that the Bonds have not been, and will not be, registered under the Securities Act or with any state or other jurisdiction of the United States, and that the Bonds may not be reoffered, resold, pledged or otherwise transferred except in an “offshore transaction” (as defined in Regulation S) pursuant to Rule 903 or Rule 904 of Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act. The potential purchaser agrees to notify any transferee to whom it subsequently reoffer, resell, pledge or otherwise transfer the Bonds of the foregoing restrictions on transfer.
13. The potential purchaser represents, agrees and acknowledges that it was outside the United States during any offer or sale of the Bonds to it and:
  - a. understands that such Bonds are being offered and sold to it pursuant to Regulation S in a transaction not involving a public offering of securities in the United States; and

- b. acknowledges that any offer and sale of such Bonds to it has been made outside the United States in an offshore transaction.
- 14. The potential purchaser's purchase of the Bonds is lawful under the securities laws of the jurisdiction in which it accepts the offer to purchase the Bonds.
- 15. The potential purchaser understands that the foregoing representations, warranties, agreements, undertakings, confirmations and acknowledgements are required in connection with United States and other securities laws and that the Placing Agents, their associates, the Trustee, the Agents and their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings, confirmations and acknowledgements.
- 16. The potential purchaser is not a nominee company (unless the name of the ultimate beneficiary has been disclosed).

## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

The Issuer and the Guarantor have prepared this Information Memorandum using a number of conventions which you should consider when reading the information contained herein. In this Information Memorandum, references to:

- “**China**”, “**Chinese**”, “**Mainland**”, “**Mainland China**” or “**PRC**” are to the People’s Republic of China, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
- “**CSRC**” are to the China Securities Regulation Commission;
- “**Dafeng Port Overseas**” are to Dafeng Port Overseas Investment Holdings Limited (大豐港海外投資控股有限公司), a company incorporated in Hong Kong with limited liability;
- “**Guarantor**” and “**Jiangsu Dafeng**” are to Jiangsu Dafeng Harbor Holdings Limited (江蘇大豐海港控股集團有限公司), a limited liability company incorporated in the PRC;
- “**HK\$**” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region;
- “**Hong Kong**” are to the Hong Kong Special Administrative Region;
- “**Issuer**” are to Dafeng Port Heshun Technology Company Limited (大豐港和順科技股份有限公司), a limited liability company incorporated in the Cayman Islands, which is held as to approximately 57.46 per cent. by Dafeng Port Overseas, over which the Guarantor has a controlling interest of 40 per cent. as at the date of this Information Memorandum;
- “**NDRC**” are to the National Development and Reform Commission of the PRC;
- “**PBOC**” are to People’s Bank of China;
- “**RMB**”, “**CNY**” and “**Renminbi**” are to the Renminbi Yuan, the official currency of the PRC;
- “**SAFE**” are to the State Administration for Foreign Exchange of the PRC;
- “**Terms and Conditions of the Bonds**” and “**Conditions**” are to the terms and conditions governing the Bonds, as set out in “*Terms and Conditions of the Bonds*”; and
- “**U.S.\$**”, “**USD**” and “**U.S. dollars**” are to United States dollars, the official currency of the United States of America.

The English names of the 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 this Information Memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to such rounding. References to information in billions of units are to the equivalent of a thousand million units.

Market data and certain industry forecasts and statistics in this Information Memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Placing Agents, the Trustee, the Agents or any of their respective employees, affiliates, directors, advisors, agents or representatives and none of the Issuer, the Guarantor, the Placing Agents, the

Trustee, the Agents nor any of their respective employees, officers, affiliates, directors, advisors, agents or representatives nor any person who controls any of them makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified.

## FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, but not limited to, statements relating to:

- fluctuations in prices of and demand for steel;
- the supply and cost of raw materials;
- the continued availability of capital and financing;
- interest rates and foreign exchange rates, taxes and duties;
- ability of the Group to control its costs;
- changes in regulations relating to approval required for steel production, expansion of the Group's steel production facilities and its acquisition or investment plan;
- general economic and business conditions and competitive environment in the PRC and elsewhere;
- various business opportunities that the Group may pursue;
- interruptions in product production and delivery, natural disasters, industrial action, terrorist attacks and other events beyond the Group's control; and
- other factors, including those discussed in "*Risk Factors*".

Additional factors that could cause actual results, performance or achievements of the Issuer and the Guarantor to differ materially from those anticipated in these forward-looking statements include, but are not limited to, those discussed under "*Risk Factors*" and elsewhere in this Information Memorandum. In some cases, you can identify forward-looking statements by such terminology as "may", "will", "should", "could", "would", "expect", "intend", "plan", "anticipate", "going forward", "ought to", "seek", "project", "forecast", "believe", "estimate", "predict", "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views of the Issuer or the Guarantor with respect to future events, operations, results, liquidity and capital resources and are not guarantee of future performance, some of which may not materialise or may change. Although the Issuer and the Guarantor believe that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. The Issuer and the Guarantor undertake no 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 Information Memorandum might not occur and the Issuer's and the Guarantor's actual results could differ materially from those anticipated in these forward-looking statements.

All forward-looking statements contained in this Information Memorandum are qualified by reference to the cautionary statements set forth in this section.

These forward-looking statements speak only at the date of this Information Memorandum. The Issuer and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.



## THE OFFERING

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

<b>Issuer</b>	Dafeng Port Heshun Technology Company Limited (大豐港和順科技股份有限公司).
<b>Guarantor</b>	Jiangsu Dafeng Harbor Holdings Limited (江蘇大豐海港控股集團有限公司).
<b>LC Bank</b>	Bank of Jiangsu Co., Ltd. Yancheng Branch
<b>The Bonds</b>	U.S.\$55,000,000 aggregate principal amount of 2.40 per cent. credit enhanced guaranteed bonds due 2024.
<b>Guarantee</b>	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor's obligations in respect of the Bonds and the Trust Deed will be contained in the Deed of Guarantee.
<b>Issue Price</b>	100 per cent.
<b>Form and Denomination</b>	The Bonds will be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
<b>Issue Date</b>	23 March 2021.
<b>Interest</b>	The Bonds will bear interest on their outstanding principal amount from and including 23 March 2021 at the rate of 2.40 per cent. per annum, payable semi-annually in arrear in equal instalments on 23 March and 23 September in each year, commencing on 23 September 2021.
<b>Maturity Date</b>	23 March 2024.
<b>Standby Letter of Credit</b>	The Bonds will have the benefit of the SBLC issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the SBLC Bank. The SBLC shall be drawable by the Trustee as beneficiary under the SBLC on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or as otherwise permitted under the SBLC) sent by the Trustee or on behalf of the Trustee by the Delegate (as defined in Condition 4(b)(ii) ( <i>Pre-funding</i> )) to the SBLC Bank in accordance with the SBLC (a " <b>Demand</b> ") stating that (i) the Issuer has failed to comply with Condition 4(b) ( <i>Pre-funding</i> ) in relation to pre-funding the amount that is required to be pre-funded under the Conditions and/or has failed to provide the Required Confirmations (as defined in Condition 4(b)(ii) ( <i>Pre-</i>

*funding*) in accordance with Condition 4(b) (*Pre-funding*); or (ii) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10 (*Events of Default*)).

Only one drawing is permitted under the SBLC.

Such drawing on the SBLC will be payable in U.S. dollars to or to the order of the Trustee at the time and to the account specified in the Demand presented to the SBLC Bank. Payment received by the Trustee in respect of a Demand will be deposited into the LC Proceeds Account.

The payment made under the SBLC in respect of any amount payable under the Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the SBLC and/or any other transaction document relating to the Bonds shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer and the Guarantor in respect of such amount payable under the Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the SBLC and/or any other transaction document relating to the Bonds.

The SBLC Bank's aggregate liability under the SBLC shall be expressed and payable in U.S. dollars and shall not in any circumstances exceed U.S.\$56,660,000 (the "**Maximum Limit**"), an amount representing only (i) the aggregate principal amount of the Bonds plus interest payable for one Interest Period (being six months) in accordance with the Conditions and (ii) U.S.\$1,000,000 being the maximum amount payable under the SBLC for any fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer and the Guarantor under or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the SBLC and/or any other transaction document relating to the Bonds.

Unless otherwise specified in the SBLC, the SBLC takes effect from the Issue Date and expires at 6:00 p.m. (Hong Kong time) on 22 April 2024 (the "**Expiry Date**").

See "*Terms and Conditions of the Bonds – Status, SBLC and Pre-funding – SBLC*", "*Terms and Conditions of the Bonds – Status, SBLC and Pre-funding – Pre-funding*" and "*Appendix A – Form of Standby Letter of Credit*".

### **Pre-funding**

In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) (the "**Relevant Amount**")) as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m. (London time) on the Business Day falling ten

Business Days (the “**Pre-funding Date**”) prior to the due date for such payment under the Conditions:

- (i) unconditionally pay or procure to be paid the Relevant Amount into the Pre-funding Account; and
- (ii) deliver to the Trustee and the Principal Paying Agent by facsimile or by way of scanned copy in email (x) a Payment and Solvency Certificate signed by any Authorised Signatory (as defined in the Trust Deed) of the Issuer, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (London time) on the Business Day immediately preceding the due date for such payment (together, the “**Required Confirmations**”).

The Pre-funding Account Bank shall notify the Trustee as soon as reasonably practicable upon the failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with the Conditions. If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure, or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (London time) on the Business Day immediately following the Pre-funding Date (a “**Pre-funding Failure**”), the Trustee shall (i) give notice substantially in the form set out in the Trust Deed (the “**Pre-funding Failure Notice**”) to the Bondholders by the second Business Day immediately following the Pre-funding Date of (x) the Pre-funding Failure and (y) the redemption of the Bonds in accordance with Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) to occur as a result of the Pre-funding Failure; and (ii) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date, issue a Demand to the SBLC Bank (which will be presented by the Trustee or on behalf of the Trustee by the Delegate) for the principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*)) and all fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer and the Guarantor under or in connection with the Bonds, the Deed of Guarantee, the Agency Agreement, the Trust Deed and/or any other transaction document relating to the Bonds, provided that, subject to and in accordance with the SBLC, the Trustee or the Delegate need not physically present the Demand under the SBLC to the SBLC Bank and shall be entitled to submit the Demand by

authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee or the Delegate may instead present a Demand via facsimile transmission) to the SBLC Bank.

Following receipt by the SBLC Bank of such Demand by 6:00 p.m. (Hong Kong time) on a Business Day falling on or after the Issue Date and on or before the Expiry Date, the SBLC Bank shall by 10:00 a.m. (Hong Kong time) on the fourth Business Day immediately following such Business Day (or, if such Demand is received by the SBLC Bank after 6:00 p.m. (Hong Kong time) on a Business Day, then on the fifth Business Day after the Business Day on which the SBLC Bank receives such Demand), pay to the Trustee or to the order of the Trustee the amount in U.S. dollars specified in the Demand to the LC Proceeds Account. “**Business Day**” means a day (other than a Saturday or a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in Hong Kong, London, Beijing and New York City.

See “*Terms and Condition of the Bonds — Status, SBLC and Pre-funding — Pre-funding*” and “*Appendix A — Form of Standby Letter of Credit*”.

**Status**

The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

**Events of Default**

Upon the occurrence of certain events as described in Condition 10 (*Events of Default*), the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (provided that in any such case, the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer declaring that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest.

**Cross-Default**

The Bonds will contain a cross-default provision as further described in Condition 10(a)(iii) (*Events of Default — Cross Default*).

**Taxation**

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without withholding or deduction 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 within the Cayman Islands or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or within the PRC at the rate of up to and including the Applicable Rate (as defined in the Condition 9 (*Taxation*)), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

In the event that the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within the Cayman Islands, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required (except in certain circumstances set out in Condition 9 (*Taxation*)).

**Final Redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.

**Redemption for Relevant Events**

At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such Bondholder’s option, to require the Issuer to redeem all, but not some only, of that Bondholder’s Bonds on the Put Settlement Date at 100 per cent. of their principal amount, together with accrued interest to, but excluding such Put Settlement Date. See Condition 7(c) (*Redemption for Relevant Events*).

**Redemption for Taxation Reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 17 (*Notices*) (which such notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with interest accrued up to but excluding the date fixed for redemption), in the event that as a

<b>Mandatory Redemption upon Pre-funding Failure</b>	<p>result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, the Issuer (or, if the Guarantee was called, the Guarantor) would be required to pay Additional Tax Amounts and such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. See Condition 7(b) (<i>Redemption and Purchase — Redemption for Taxation Reasons</i>).</p> <p>The Bonds shall be redeemed at their principal amount on the Interest Payment Date immediately falling after the Mandatory Redemption Date (together with interest accrued to, but excluding, the Mandatory Redemption Date) as further described in Condition 7(d) (<i>Mandatory Redemption upon Pre-funding Failure</i>).</p>
<b>Further Issues</b>	<p>The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and first payment of interest on them and the timing for complying with the Registration Conditions, the making or submission of the NDRC Post-issue Filing (as defined in the Conditions) and the submission and completion of the Cross-Border Security Registration and the giving of consequent notices thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds.</p>
<b>Trustee</b>	The Bank of New York Mellon, London Branch.
<b>Principal Paying Agent</b>	The Bank of New York Mellon, London Branch.
<b>Transfer Agent and Registrar</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch.
<b>Pre-funding Account Bank and LC Proceeds Account Bank</b>	The Bank of New York Mellon, London Branch.
<b>Clearing Systems</b>	<p>The Bonds will be represented by beneficial interests in the Global Certificate in registered form, which will be registered in the name of a nominee for and shall be deposited on or about the Closing Date with a common depositary for, Euroclear and Clearstream, Luxembourg. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by, Euroclear and Clearstream, Luxembourg. Except as described in the Global Certificate, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.</p>
<b>Governing Law</b>	<p>The Trust Deed, Agency Agreement, the Deed of Guarantee, the SBLC and the Bonds and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law.</p>

**Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee or the SBLC.

**Selling Restrictions**

The Bonds have not been and will not be registered under the Securities Act or under any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold within the United States, the United Kingdom, the PRC, Hong Kong, Singapore, the Cayman Islands and Japan. The Bonds may be sold in other jurisdictions only in compliance with applicable laws and regulations. See “*Placement and Sale*”.

**ISIN**

XS2320461390.

**Common Code**

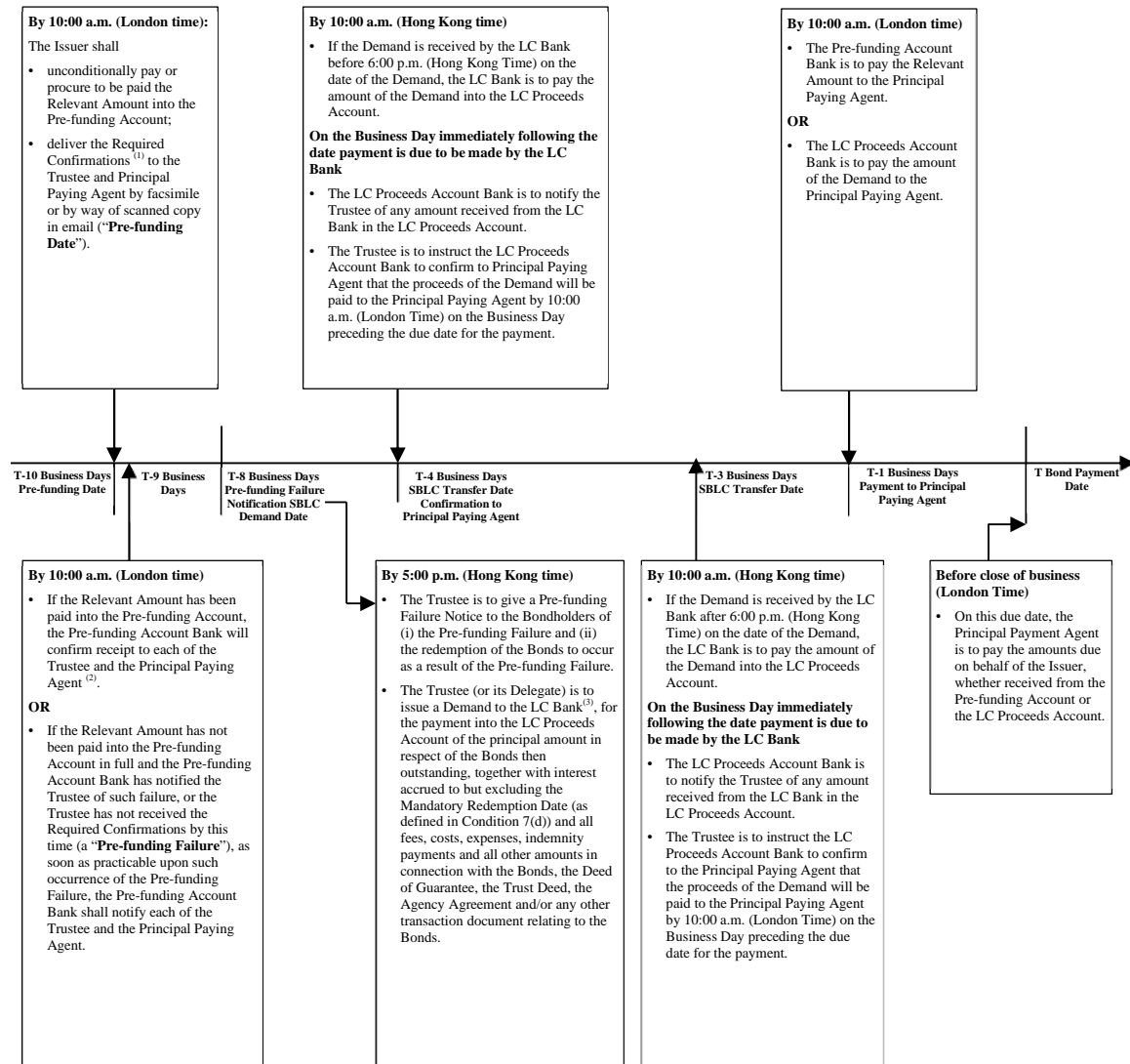
232046139.

**Legal Entity Identifier**

3003006H6Q2VEYXLJI03.

## SUMMARY OF PAYMENT ARRANGEMENTS ON EACH SCHEDULED DUE DATE UNDER THE BONDS

The following diagram sets forth a summary of the pre-funding arrangements under the Bonds and the drawing arrangements in respect of the SBLC on each scheduled due date under the Bonds. The following diagram is not intended to be comprehensive. This diagram should be read in conjunction with “Terms and Conditions of the Bonds”, the Trust Deed and the Agency Agreement referred therein and Appendix A — Form of Standby Letter of Credit. Words and expressions defined in the Terms and Conditions of the Bonds shall have the same meaning in this summary.



**Notes:**

- (1) The Required Confirmations consist of: (x) a Payment and Solvency Certificate signed by any Authorised Signatory (as defined in the Trust Deed) of the Issuer, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (London time) on the Business Day immediately preceding the due date for such payment.
- (2) The confirmation of receipt or notification of non-receipt, as the case may be, from the Pre-funding Account Bank to the Trustee and the Principal Paying Agent shall be by way of authenticated SWIFT or other means of communication as the Principal Paying Agent may agree with the Pre-funding Account Bank.
- (3) The Trustee or the Delegate need not physically present the Demand under the SBLC to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (or in the event that the SWIFT system is not available for any reason, via facsimile transmission as contemplated in the SBLC).



## RISK FACTORS

*Prior to making an investment decision, prospective investors should carefully consider the following risk factors, along with the other matters set out in this Information Memorandum. PRC laws and regulations may differ from the laws and regulations in other countries. Additional risks not described below or not currently known to the Issuer or the Guarantor or that it currently deems immaterial may also adversely affect the value of the Bonds. The Issuer and the Guarantor believe that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer and the Guarantor to pay interest, principal or other amounts on or in connection with any Bonds or the Guarantee may occur for reasons which may not be considered as significant risks by the Issuer or the Guarantor based on information currently available to it or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Neither the Issuer nor the Guarantor represents that the statements below regarding the risk factors of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

### **Risks Relating to the Issuer Group**

***The Issuer Group incurred loss for the year ended 31 December 2019 and may incur further losses in the future.***

The Issuer and its subsidiaries taken as a whole (the “**Issuer Group**”) incurred loss for the year of approximately HK\$945 million for the year ended 31 December 2019. For the year ended 31 December 2020, the Issuer Group recorded profit for the year of approximately HK\$568 million. The loss for the year ended 31 December 2019 was mainly due to the net impairment losses made on the carrying amounts of goodwill and other assets under the integrated logistics handling business operated through the Issuer’s then subsidiary, Jiangsu Hairong Dafeng Port Petrochemical Product Terminal Company Limited (江蘇海融大豐港油品化工碼頭有限公司) (“**Jiangsu Hairong**”). There was a major explosion accident in Jiangsu Xiangshui Chemical Industrial Park (江蘇響水化工園區) on 21 March 2019, which caused Jiangsu Hairong’s two customers located inside the Dafeng Port Chemical Park (大豐港化工園區) to suspend their operations. As a result, Jiangsu Hairong’s business was adversely affected and the business volume and profitability of Jiangsu Hairong was not able to reach its normal level as expected, which in turn had a significant and negative impact on the Issuer Group’s operating activities.

Although Jiangsu Hairong has ceased to be a subsidiary of the Issuer (see “*Description of the Issuer - Recent Development - Disposal of 60% Equity Interests in Jiangsu Hairong*”), there is no guarantee that the Issuer Group will not incur further loss again in the future, which could have a material and adverse effect on the Issuer Group’s business, results of operation, financial condition and prospects.

***The Issuer Group recorded net current liabilities and net liabilities, and it may be unable to realise its assets and discharge its liabilities in the normal course of business.***

As at 31 December 2019, the Issuer Group recorded net current liabilities and net liabilities of approximately HK\$789 million and HK\$951 million respectively. As at 31 December 2020, the Issuer Group had net current liabilities and net liabilities of approximately HK\$320 million and HK\$383 million respectively.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Issuer Group’s ability to continue as a going concern and, therefore, the Issuer Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the Issuer Group's cash flow projection covering a period of up to 30 June 2022, the directors of the Issuer consider that the Issuer Group can meet its financial obligations as and when they fall due within the twelve months from 31 December 2020, after taking into consideration the measures and arrangements made by the Issuer Group as detailed below: (i) the unutilised banking facilities readily available to the Issuer Group amounted to approximately HK\$12 million at 31 December 2020; (ii) the ongoing negotiation between the Issuer Group and financial institutions for the renewals of the Issuer Group's short term bank borrowings upon expiry, new borrowings and application for future credit facilities; (iii) the proposed issuance of the Bonds, the proceeds from which will be mainly for refinancing and replenishing working capital; (iv) the fact that the Group has obtained a facility of RMB1 billion (equivalent to HK\$1,188,500,000) from the Guarantor for operation use; and (v) the Issuer Group's expectation to generate adequate cash flows to maintain its operations.

The consolidated financial statements of the Issuer have been prepared on an ongoing basis on the assumption that the Issuer Group is able to operate as a going concern for the foreseeable future. Holders of the Bonds should refer to note 1 of the Issuer's consolidated financial statements as at and for the year ended 31 December 2020 for additional information. More generally, the net current liabilities position of the Issuer Group exposes the Issuer Group to liquidity risk which could restrict its ability to obtain financing, make necessary capital expenditure or develop business opportunities, and could materially and adversely affect its business, results of operation, financial condition and prospects. There can be no assurance that the Issuer Group will be able to generate sufficient cash flow from operations or maintain sufficient working capital, revenue or raise necessary funding to meet its capital commitments beyond 31 December 2021. If the Issuer Group is unable to generate sufficient cash flow for its operations or otherwise obtain sufficient funds to finance its operations or satisfy its current liabilities in a timely manner, or at all, the Issuer Group's business, results of operation, financial condition, prospects and liquidity may be materially and adversely affected.

#### **Risks Relating to the Bonds, the Guarantee and the SBLC**

##### ***The SBLC is subject to a maximum limit and may not be sufficient to satisfy all payments due under the SBLC.***

Payments of principal and interest in respect of the Bonds and the fees and expenses and other amounts in connection with the Bonds and the Trust Deed will have the benefit of the SBLC up to the Maximum Limit of U.S.\$56,660,000, an amount representing only (i) the aggregate principal amount of the Bonds plus interest payable for one Interest Period (being six months) in accordance with the Conditions and (ii) U.S.\$1,000,000 being the maximum amount payable under the SBLC for any fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the SBLC and/or any other transaction document relating to the Bonds. There can be no assurance that such maximum limit is sufficient to fully satisfy the aforementioned payments.

##### ***The SBLC expires one month after the Maturity Date***

The SBLC will expire one month after the Maturity Date or the date as extended in accordance with the SBLC. In the event that the Trustee does not enforce the SBLC by this expiration time, the Bondholders and the Trustee will not be able to benefit from the credit protection provided by the SBLC Bank. Furthermore, in the event that any payment from the Issuer to the Trustee is avoided by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and a written notice claiming such avoided payment under the SBLC was not given to the SBLC Bank on or before the expiry time of the SBLC, the Bondholders and the Trustee will not be able to recover such avoided payment from the SBLC Bank under the SBLC.

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

The Bonds are complex financial instruments and may be purchased 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 it 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 such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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

- (i) 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 or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) 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;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 liquidity and price of the Bonds following the offering may be volatile.***

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in each of the Group's revenue, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There is no assurance that these developments will not occur in the future.

***An active trading market for the Bonds may not develop.***

The Bonds are a new issue of securities for which there is currently no trading market. Although an application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange, no assurance can be given that such application will be approved, or even if the Bonds become so listed, an active trading market for the Bonds will develop or be sustained. No assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Bondholders should note that they may need to hold their Bonds until maturity as there may not be an active secondary market for the Bonds. None of the Placing Agents is obligated to make a market in the Bonds, and if the Placing Agents do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Bonds are being offered pursuant to exemptions from registrations that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act.

***The Bonds are redeemable in the event of certain withholding taxes being applicable.***

No assurances are made by the Issuer as to whether or not payments on the Bonds may be made without withholding taxes or deductions applying from the Issue Date on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the

Cayman Islands, the PRC or any subdivision or authority therein or thereof having power to tax. See “*Terms and Conditions of the Bonds — Redemption for Taxation Reasons*” for additional details.

***The Issuer may not be able to meet its outstanding obligations under the Bonds.***

The Issuer may (and at maturity, will) be required to redeem all of the Bonds. If such an event were to occur, the Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The 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 or on behalf of the Issuer may constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer’s other indebtedness.

***The Trustee may request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.***

In certain circumstances (including without limitation giving of notice to the Issuer pursuant to Condition 10 (*Events of Default*) and taking of steps and/or action and/or instituting proceedings pursuant to Condition 10 (*Events of Default*)), the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes such steps and/or actions and/or institutes such proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not indemnified and/or prefunded and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take such steps and/or actions and/or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed constituting the Bonds and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such steps and/or actions and/or institute such proceedings directly.

***Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Trust Deed, Agency Agreement and the SBLC and the Guarantee by the Trustee or less than all of the Bondholders.***

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including those Bondholders who do not attend and vote at the relevant meeting and those Bondholders who vote in a manner contrary to the majority. Furthermore, there is a risk that the decision of a majority of Bondholders may be adverse to the interests of individual Bondholders.

The Conditions also provide that the Trustee may (but shall not be obliged to), without the consent of Bondholders, agree to (i) any modification (except as mentioned in the Trust Deed or the Deed of Guarantee) of the Terms and Conditions, the Trust Deed, the Agency Agreement, the SBLC or the Deed of Guarantee which in the opinion of the Trustee will not be materially prejudicial to the interests of Bondholders, and (ii) to any other modification of the Trust Deed, the Deed of Guarantee, the Agency Agreement or the SBLC which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Trust Deed, the Agency Agreement or the SBLC (other than a proposed breach or breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

***Claims by the holders of the Bonds are structurally or effectively subordinated to secured debt.***

The Bonds are senior and unsecured obligations of the Issuer. Payments under the Bonds are structurally or effectively subordinated to all the secured debts of the Issuer to the extent of the value of the assets securing such debts. The effect of this subordination is that, in the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding involving the Issuer, the assets of the Issuer could not be used to pay the holders of the Bonds until after all secured claims against the Issuer have been fully paid.

***The Group may issue additional Bonds in the future.***

The Group may, from time to time, and without prior consultation of the Bondholders create and issue further bonds (See “*Terms and Conditions of the Bonds — Further Issues*”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

***Changes in market interest rates may adversely affect the value of the Bonds.***

Investment in the Bonds, which carry a fixed rate of interest, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

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

Under the new Enterprise Income Tax Law (“**EIT Law**”) and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between Mainland China and Hong Kong for avoidance of double taxation and prevention of fiscal evasion, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, are exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected.

***The Guarantor’s obligations under the Guarantee will be structurally subordinated to all existing and future indebtedness and other liabilities of each of the Guarantor’s existing and future subsidiaries (other than the Issuer), and effectively subordinated to the Guarantor’s secured debt to the extent of the value of the collateral securing such indebtedness.***

The Guarantee will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Guarantor’s existing and future subsidiaries, whether or not secured. The Guarantor’s obligations under the Guarantee will not be guaranteed by any of the Guarantor’s subsidiaries, and the Guarantor’s ability to make payments under the Guarantee depends partly on the receipt of dividends, distributions, interest or advances from its subsidiaries. The ability of such subsidiaries to pay dividends to the Guarantor is subject to various restrictions under applicable laws. The Guarantor’s subsidiaries are separate

legal entities that have no obligation to pay any amounts due under the Guarantee or make any funds available therefor, whether by dividends, loans or other payments. The Guarantor's right to receive assets of any of the Guarantor's subsidiaries, upon that subsidiary's liquidation or reorganisation, will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Guarantor are creditors of that subsidiary). Consequently, the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Guarantor's subsidiaries and any subsidiaries that the Guarantor may in the future acquire or establish. The outstanding indebtedness of the subsidiaries of the Guarantor may also contain covenants restricting the ability of such subsidiaries to pay dividends in certain circumstances for so long as such indebtedness remains outstanding. Moreover, the Guarantor's percentage interests in its subsidiaries and joint ventures could be reduced in the future.

The Guarantee is the Guarantor's unsecured obligations and will (i) rank equally in right of payment with all the Guarantor's other present and future unsubordinated and unsecured indebtedness; and (ii) be effectively subordinated to all of the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. Accordingly, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Guarantee only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

***If the Guarantor fails to complete SAFE registration in connection with the Guarantee within the time period prescribed by SAFE, there may be logistical hurdles for cross-border payment under the Guarantee.***

Pursuant to the Deed of Guarantee executed by the Guarantor, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor is required to submit the Deed of Guarantee to the local SAFE for registration within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). Although the non-registration does not render the Deed of Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame. The Guarantor intends to use its best endeavours to complete the Cross-Border Security Registration. In addition, if the Guarantor fails to complete the SAFE registration in a timely manner, there may be logistical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with the Deed of Guarantee in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

***The Bonds and the Guarantee are unsecured obligations.***

As the Bonds and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Bonds and payment under the Guarantee may be compromised if:

- (i) the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- (ii) there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or

(iii) there is an acceleration of any of the indebtedness of the Issuer or the Guarantor.

If any of these events were to occur, the assets of the Issuer or the Guarantor may not be sufficient to make payments to pay amounts due on the Bonds.

***The Issuer may not be able to repurchase the Bonds upon a Relevant Event.***

At any time following the occurrence of a Relevant Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that Bondholder's Bonds at a purchase price equal to 100 per cent. of the principal amount of the Bonds together with any accrued interest. See "*Terms and Conditions of the Bonds — Redemption for Relevant Events*" for additional details. The source of funds for any such purchase would be available cash of the Group or third-party financing. However, the Issuer may not have enough available funds at the time of the occurrence of any Relevant Event to make purchases of outstanding Bonds. If an event constituting a Relevant Event occurs at a time when the Issuer is prohibited from repurchasing the Bonds, the Issuer may seek the consent of the lenders under such indebtedness to purchase the Bonds or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer may be unable to repurchase the Bonds. The Issuer's failure to make the offer to purchase or purchase the outstanding Bonds would constitute an event of default under the Bonds. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Issuer's other debt were to be accelerated, it may not have sufficient funds to purchase the Bonds and repay the debt.

Certain of the events constituting a Relevant Event under the Bonds may also constitute an event of default under certain of the Issuer's debt instruments, requiring repurchase of such debt or otherwise cancelling its lenders' commitments under such debt instruments. In addition, future debt of the Issuer may also (1) prohibit the Issuer from purchasing Bonds in the event of a Relevant Event; (2) provide that a Relevant Event is a default; or (3) require repurchase of such debt upon a Relevant Event. Moreover, the exercise by the Bondholders of their right to require the Issuer to purchase the Bonds could cause a default under the Issuer's other indebtedness, even if the Relevant Event itself does not, due to the financial effect of the purchase on the Issuer.

***If the Issuer or the Guarantor is unable to comply with the terms of the restrictions and covenants in their respective debt agreements (if any), or the Bonds, there could be a default under those agreements or the Bonds, which could cause repayment of the debt of the Issuer or the Guarantor to be accelerated.***

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in the Bonds, the Trust Deed or its future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could terminate their commitments to lend to the Issuer or the Guarantor, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the Trust Deed and those future debt agreements are likely to contain, cross-acceleration or cross-default provisions. As a result, the Issuer's or the Guarantor's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other obligations, including the Bonds, or result in a default under its other debt agreements, including the Trust Deed governing the Bonds. If any of these events occur, the Issuer's or the Guarantor's assets and cash flow might not be sufficient to repay in full all of its indebtedness and the Issuer or the Guarantor might not be able to find alternative financing. Even if the Issuer or the Guarantor could obtain alternative financing, it might not be on terms that are favourable or acceptable to the Issuer or the Guarantor.

***The Bonds will initially be held in book-entry form, and therefore Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.***

The Bonds will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the Global Certificate representing the Bonds will trade in book-entry form only, and Bonds in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the Bonds for purposes of the Trust Deed. A common depositary for Euroclear and Clearstream will be the sole registered holder of the Global Certificate. Accordingly, Bondholders must rely on the procedures of Euroclear or Clearstream, and if a Bondholder is not a participant in Euroclear or Clearstream, on the procedures of the participant through which the Bondholder owns its interest, to exercise any rights and obligations of a holder of the Bonds under the Trust Deed. Upon the occurrence of an event of default under the Trust Deed, unless and until definitive registered Bonds are issued in respect of all book-entry interests, if a Bondholder owns a book-entry interest, such Bondholder will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Bonds. See “*Summary of Provisions Relating to the Bonds in Global Form*”.

***The SBLC Bank’s ability to perform its obligations under the SBLC is subject to the financial conditions of Bank of Jiangsu.***

The SBLC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of authorisation given by Bank of Jiangsu and if the assets of the SBLC Bank are not sufficient to meet the obligations of the SBLC Bank under the SBLC, Bank of Jiangsu would have an obligation to satisfy the balance of the obligations under the SBLC. Therefore, the ability of the SBLC Bank to make payments under the SBLC will depend on the financial condition of Bank of Jiangsu, which could be materially and adversely affected by a number of factors, including, but not limited to, the following:

*Impaired loans and advances:* The Bank of Jiangsu’s results of operations have been and will continue to be negatively affected by its impaired loans. If the Bank of Jiangsu is unable to control effectively and reduce the level of impaired loans and advances in its current loan portfolio and in new loans the Bank of Jiangsu extends in the future, or the Bank of Jiangsu’s allowance for impairment losses on loans and advances is insufficient to cover actual loan losses, the Bank of Jiangsu’s financial condition could be materially and adversely affected.

*Collateral and guarantees:* A substantial portion of the Bank of Jiangsu’s loans is secured by collateral. In addition, a substantial portion of its PRC loans and advances is backed by guarantees. If the Bank of Jiangsu is unable to realize the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors the Bank of Jiangsu’s financial condition could be materially and adversely affected.

*Loans to real estate sector and government financing platforms:* the Bank of Jiangsu’s loans and advances to the real estate sector primarily comprise loans issued to real estate companies and individual housing loans. The real estate market may be affected by many factors, including, without limitation, cyclical economic volatility and economic downturns. In addition, the PRC government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating. Such factors may adversely affect the growth and quality of its loans to the real estate industry and, consequently, the Bank of Jiangsu’s financial condition and results of operations. Loans to government financing platforms are a part of the loan portfolio of the Bank of Jiangsu. The government revenues are primarily derived from taxes and land premiums. Therefore, economic cycles and fluctuations in the real estate market may also adversely affect the quality of such loans.

In addition, as neither the Bank of Jiangsu nor the SBLC Bank has waived sovereign immunity for the purpose of the SBLC, it is possible that such immunity is asserted at the time of enforcement of the SBLC.



***Investors in the Bonds may be subject to foreign exchange risks.***

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

***International financial markets and world economic conditions may adversely affect the market price of the Bonds.***

Developments in other markets may adversely affect the market price of the Bonds. The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including China. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

***The Issuer may be treated as a PRC resident enterprise for PRC tax purposes, which may subject the Issuer to PRC income taxes on its worldwide income and interest payable by the Issuer to foreign investors and gain on the sale of the Bonds may be subject to withholding taxes under PRC tax law.***

Under the EIT Law, effective since 1 January 2008 and amended on 24 February 2017 and 29 December 2018, and the implementation rules, effective since 1 January 2008 and amended on 23 April 2019, enterprises established outside the PRC whose “de facto management bodies” are located in China are considered “resident enterprises” for PRC tax purposes.

The implementation rules define the term “de facto management body” as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise.

A circular issued by the State Administration of Taxation on 22 April 2009 (“**Circular 82**”) provides that a foreign enterprise controlled by a PRC company or a PRC company group will be treated as a “resident enterprise” with a “de facto management body” located within China if all of the following requirements are satisfied at the same time: (i) the senior management and core management departments in charge of daily operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. On 27 July 2011, the State Administration of Taxation issued Provisional Administrative Regulations of Enterprise Income Taxation of a Foreign Enterprise Controlled by a PRC Enterprise or a PRC Enterprise Group (**Circular 45**), to further prescribe the rules concerning the recognition, administration and taxation of a foreign enterprise “controlled by a PRC enterprise or PRC enterprise group”. Circular 45 provides two ways for a foreign enterprise “controlled by a PRC enterprise or a PRC enterprise group” to be treated as a resident enterprise. First, the foreign enterprise may decide on its own whether its de facto management body is located in China based on the criteria set forth in Circular 82, and, if it makes such determination, it shall apply to the competent tax bureau to be treated as a resident enterprise. Second, the tax authority may determine that the foreign enterprise is a resident enterprise after its active investigation.

To date, the Issuer has not been notified by the competent tax bureau that it is a PRC resident enterprise. If the Issuer is deemed to be a PRC resident enterprise for EIT purposes, the Issuer would be subject to the PRC enterprise income tax at the rate of 25 per cent. on its worldwide taxable income. Furthermore, the Issuer may be obligated to withhold PRC income tax of up to 7 per cent. on payments of interest and certain other amounts on the Bonds to investors that are Hong Kong resident enterprises or 10 per cent. on payments of interest and other amounts on the Bonds to investors that are not Hong Kong resident enterprises, provided that there are no tax treaties between China and those countries which exempt or reduce such withholding tax, because the interest and other amounts may be regarded as being derived from sources within the PRC. In addition, if the Issuer fails to do so, it may be subject to fines and other penalties. Similarly, any gain realised by such non-resident enterprise investors from the transfer of the Bonds may be regarded as being derived from sources within the PRC and may accordingly be subject to a 10 per cent. PRC withholding tax provided that there are no tax treaties between China and those countries which exempt or reduce such withholding tax.

If the Issuer is required under the EIT Law to withhold PRC income tax from interest payments made to the Issuer's foreign investors who are "non-resident enterprises", the Issuer will be required to pay such additional amounts as will result in receipt by a holder of the Bonds of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds and could have a material adverse effect on its ability to pay interest on, and repay the principal amount of, the Bonds, as well as its profitability and cash flow. In addition, if Bondholders are required to pay PRC income tax on the transfer of the Bonds, the value of investments in the Bonds may be materially and adversely affected. It is unclear whether, if the Issuer is considered a PRC "resident enterprise", holders of the Bonds might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

***The Issuer may be able to redeem the Bonds in whole at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest in the event the Issuer is required to pay additional amounts because it is treated as a PRC "resident enterprise".***

In the event that the Issuer is treated as a PRC "resident enterprise" under the EIT Law, it may be required to withhold PRC income tax on interest payable to certain of its non-resident investors. In such case, the Issuer will, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by a holder of a Bond of such amounts as have been received by the holder had no such withholding been required. As set out in Condition 7(b) (*Redemption and Purchase - Redemption for Taxation Reasons*), in the event that as a result of a change in PRC tax law such that such PRC deduction or withholding is in excess of the Applicable Rate (as defined in the Conditions) and the Issuer is required to pay additional amounts as a result of certain changes in, or interpretations of, tax law, including any change or interpretation that results in the Issuer being required to withhold tax on interest payments as a result of its being treated as a PRC "resident enterprise", the Issuer may redeem the Bonds in whole at the principal amount, together with interest accrued to the date fixed for redemption but unpaid.

**The PRC government has no obligations under the Bonds or the Guarantee.**

The Guarantor is beneficially owned and controlled by the Yancheng Municipal Government. The Yancheng Municipal Government as the ultimate equity holder of the Guarantor only has limited liability in the form of its equity contribution in the Guarantor. As such, neither the Yancheng Municipal Government nor any other PRC governmental entity has any payment or other obligations under the Bonds, the Guarantee or the Trust Deed and will not provide a guarantee of any kind for the Bonds. The Bondholders shall have no recourse to the Yancheng Municipal Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds, the Guarantee or the Trust Deed. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Investment and Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關

於規範金融企業對地方政府和國有企業投融資行為有關問題的通知，財金[2018]23 號)(the “**MOF Circular**”) promulgated on 28 March 2018 and which took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財、政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) (發改外資 (2018) 706 號) (the “**Notice 706**”) promulgated on 11 May 2018 and which took effect on the same day.

The beneficial ownership or control of the Guarantor by the Yancheng Municipal Government does not provide any assurance on the financial condition of the Issuer or the Guarantor. Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group’s own financial information reflected in its financial statements. The Bonds are solely to be repaid by the Issuer (and the Guarantee of the Bonds by the Guarantor), each as an obligor under the relevant transaction documents and as an independent legal person.

***Additional procedures may be required to be taken to hear English law governed matters in the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law matters.***

The Terms and Conditions of the Bonds are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters, Hong Kong courts may require certain additional procedures to be taken. Under the “Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned” (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排), judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. As compared to other similar debt securities issuances in the international capital market where the relevant securityholders would not typically be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Bondholders’ ability to initiate a claim outside of Hong Kong will be limited.

***Any failure to complete the relevant filings with the NDRC Circular within the prescribed time frame following the completion of the issuance of the Bonds may have adverse consequences for the Issuer, the Guarantor and/or investors of the Bonds.***

The NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued over one year outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the relevant issues within 10 working days after the completion of the issue of the securities.

The NDRC Circular is silent on the legal consequences of noncompliance with the pre-issue registration requirement. The Issuer has obtained the NDRC Pre-issuance Registration Certificate on 8 February 2021. Similarly, the legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular are unclear. In the worst case scenario, such non-compliance with the post- issue notification

requirement under the NDRC Circular may result in it being unlawful for the Issuer to perform or comply with any of its obligations under the Bonds and the Bonds might be subject to enforcement as provided in Condition 14 (*Enforcement*). Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

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

The Issuer is incorporated under the laws of the Cayman Islands and the Guarantor and the SBLC Bank are incorporated under the laws of the PRC. As such, any insolvency proceeding relating to the Issuer or the Guarantor or the SBLC Bank would likely involve the Cayman Islands or PRC insolvency laws, respectively, 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.

## **USE OF PROCEEDS**

The Issuer estimates that the net proceeds from this offering, after deducting commissions to be charged by the Placing Agents and other estimated expenses payable in connection with this offering, will be approximately U.S.\$52.70 million. The Issuer intends to use the proceeds from this offering for refinancing and replenishing working capital.

## CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the Issuer's capitalisation and indebtedness as at 31 December 2020 on an actual basis and on an adjusted basis after giving effect to the issuance of the Bonds prior to deducting the commissions and other estimated expenses payable in connection with this offering. Investors should read this table in conjunction with the Issuer's consolidated financial statements as at and for the year ended 31 December 2020 and related notes thereto.

	As at 31 December 2020			
	Actual		As Adjusted	
	HKD	US\$ <sup>(1)</sup>	HKD	US\$ <sup>(1)</sup>
	(in thousands)			
<b>Current indebtedness</b>				
Current portion of bank and other borrowings ..	402,334	51,891	402,334	51,891
<b>Total current indebtedness .....</b>	<b>402,334</b>	<b>51,891</b>	<b>402,334</b>	<b>51,891</b>
<b>Non-current indebtedness</b>				
Amount due to an associate .....	35,883	4,628	35,883	4,628
Loan from a connected company	135,075	17,421	135,075	17,421
Non-current portion of bank and other borrowings .....	57,804	7,455	57,804	7,455
Bonds to be issued <sup>(2)</sup> .....	–	–	426,437	55,000
<b>Total non-current indebtedness.....</b>	<b>228,762</b>	<b>29,505</b>	<b>655,199</b>	<b>84,505</b>
<b>Total indebtedness<sup>(3)</sup> .....</b>	<b>631,096</b>	<b>81,396</b>	<b>1,057,533</b>	<b>136,396</b>
<b>Total equity attributable to equity holders of the Issuer .....</b>	<b>(405,487)</b>	<b>(52,298)</b>	<b>(405,487)</b>	<b>(52,298)</b>
<b>Total capitalisation<sup>(4)</sup> .....</b>	<b>225,609</b>	<b>29,098</b>	<b>652,046</b>	<b>84,098</b>

Notes:

- (1) Translation of HKD amounts to U.S. dollars was made at a rate of HKD7.7534 to U.S.\$1.00, the exchange rates as at 31 December 2020 as set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States.
- (2) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting commissions and other estimated expenses payable by the Issuer in connection with the issuance of the Bonds.
- (3) Total indebtedness represents the sum of total current indebtedness and total non-current indebtedness.
- (4) Total capitalisation represents the sum of total indebtedness and total equity attributable to equity holders of the Issuer.

Save as disclosed above, there has been no material adverse change in the Issuer's total capitalisation since 31 December 2020.

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to modification and other than the words in italics is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

The issue of U.S.\$55,000,000 2.40 per cent. credit enhanced guaranteed bonds due 2024 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any additional Bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) was authorised by a written resolutions of the board of directors of Dafeng Port Heshun Technology Company Limited (大丰港和顺科技股份有限公司) (the “**Issuer**”) passed on 10 March 2021. The Bonds are guaranteed by Jiangsu Dafeng Harbor Holdings Limited (江苏大丰海港控股集团有限公司) (the “**Guarantor**”). The giving of the Guarantee (as defined in Condition 3(b)) was authorised by resolutions of the board of directors of the Guarantor on 12 January 2021 and by resolutions of the sole shareholder of the Guarantor on 14 January 2021. The Issuer is an indirect subsidiary of the Guarantor. The Bonds are constituted by a trust deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated on or about 23 March 2021 (the “**Issue Date**”) among the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders 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 Certificates. The Bonds also have the benefit of a deed of guarantee dated on or about 23 March 2021 (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) entered into by the Guarantor and the Trustee relating to the Bonds.

Copies of the Trust Deed, the Deed of Guarantee and of the agency agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated on or about 23 March 2021 relating to the Bonds among the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (the “**Transfer Agent**”, which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon, London Branch as the principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon, London Branch as the account bank (in such capacity, the “**Pre-funding Account Bank**”, which expression shall include any successor) with which the Pre-funding Account (as defined below) is held and as the account bank (in such capacity, the “**LC Proceeds Account Bank**”, which expression shall include any successor) with which the LC Proceeds Account (as defined below) is held and any other agents named in it, are available for inspection upon prior written request and satisfactory proof of holding and identity at all reasonable times during usual business hours (being between 9:00 a.m. to 3:00 p.m.) at the principal place of business in London of the Trustee (being at the Issue Date at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Principal Paying Agent from time to time. The “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents and their successor(s) appointed from time to time with respect to the Bonds, and the “**Paying Agents**” include the Principal Paying Agent together with any additional or successor paying agent appointed from time to time in connection with the Bonds. The Bonds will have the benefit of an irrevocable standby letter of credit (the “**Standby Letter of Credit**”) dated 23 March 2021 issued by Bank of Jiangsu Co., Ltd. Yancheng Branch (the “**LC Bank**”) in favour of the Trustee on behalf of itself and the holders of the Bonds.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Standby Letter of Credit and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

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

## 1 FORM, DENOMINATION AND TITLE

The Bonds are issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, a “**Specified Denomination**”).

The Bonds are represented by registered certificates (the “**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a Bond is registered in the Register.

*Upon issue, the Bonds will be represented by a global certificate (the “**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**”). These Conditions are modified by certain provisions contained in the Global Certificate. See “Summary of Provisions relating to the Bonds in Global Form”.*

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

## 2 TRANSFERS OF BONDS AND DELIVERY OF NEW CERTIFICATES

- (a) **Transfer:** A holding of Bonds may, subject to the Agency Agreement and Condition 2(d) and 2(e), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred (which shall be in the Specified Denomination), together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in the Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor (which shall be in the Specified Denomination). 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. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. No transfer of title to a Bond will be valid unless and until entered on the Register. 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 by the Registrar to any Bondholder upon prior written request and satisfactory proof of holding.



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

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within seven business days of receipt by the Transfer Agent or the Registrar of a duly completed and signed form of transfer and surrender of the existing Certificate(s). The form of transfer is available at the specified offices of each Transfer Agent. Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery of such form of transfer or surrender of Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer or Exercise Free of Charge:** Certificates, on transfer, exercise of an option or redemption of the Bonds, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment by the relevant Bondholder of any tax or other governmental charges that may be imposed 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).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after a Put Exercise Notice in respect of such Bond has been deposited pursuant to Condition 7(c), or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(a)(ii)).
- (e) **Regulations:** All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfer and registration of Bonds scheduled to the Agency Agreement. The Registrar may change the regulations from time to time, with the prior written approval of the Trustee and (in the case of any regulation proposed by the Issuer) of the Registrar. A copy of the current regulations will be made available by the Registrar to any Bondholder upon written request and proof of holding and identity to the satisfaction of the Registrar and is available at the specified office of the Registrar.

### 3 STATUS AND GUARANTEE

- (a) **Status:** The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations.
- (b) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor’s obligations in respect of the Bonds and the Trust Deed (the “**Guarantee**”) are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

#### 4 STANDBY LETTER OF CREDIT AND PRE-FUNDING

- (a) **Standby Letter of Credit:** The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or as otherwise permitted under the Standby Letter of Credit) sent by the Trustee or on behalf of the Trustee by the Delegate (as defined in Condition 4(b) below) to the LC Bank in accordance with the Standby Letter of Credit (the “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 4(b) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or failed to provide the Required Confirmations (as defined below) in accordance with Condition 4(b); or (ii) an Event of Default (as defined in Condition 10) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10.

Only one drawing is permitted under the Standby Letter of Credit.

Such drawing on the Standby Letter of Credit will be payable in U.S. dollars to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of the Demand will be deposited into the LC Proceeds Account.

The payment made under the Standby Letter of Credit in respect of any amount payable under these Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the Standby Letter of Credit and/or any other transaction document relating to the Bonds shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer and the Guarantor in respect of such amount payable under these Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee, the Standby Letter of Credit and/or any other transaction document relating to the Bonds.

The LC Bank’s aggregate liability under the Standby Letter of Credit shall be expressed and payable in U.S. dollars and shall not in any circumstances exceed U.S.\$56,660,000 (the “**Maximum Limit**”), an amount representing only (i) the aggregate principal amount of the Bonds plus interest payable for one Interest Period (being six months) in accordance with the Conditions and (ii) U.S.\$1,000,000 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer and the Guarantor under or in connection with the Bonds, the Deed of Guarantee, the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or any other transaction document relating to the Bonds. Unless otherwise specified in the Standby Letter of Credit, the Standby Letter of Credit takes effect from the Issue Date and expires at 6:00 p.m. (Hong Kong time) on 22 April 2024 (the “**Expiry Date**”).

*The form of the Standby Letter of Credit is scheduled to the Information Memorandum. See “Appendix A – Form of Standby Letter of Credit” of the Information Memorandum.*

- (b) **Pre-funding:** In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d)) (the “**Relevant Amount**”) as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m. (London time) on the Business Day falling 10 Business Days (the “**Pre-funding Date**”) prior to the due date for such payment under these Conditions:
- (i) unconditionally pay or procure to be paid the Relevant Amount into the Pre-funding Account;  
and

- (ii) deliver to the Trustee and the Principal Paying Agent by facsimile or by way of scanned copy in email (x) a Payment and Solvency Certificate signed by any Authorised Signatory (as defined in the Trust Deed) of the Issuer, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (London time) on the Business Day immediately preceding the due date for such payment (together, the “**Required Confirmations**”).

The Pre-funding Account Bank shall notify the Trustee as soon as reasonably practicable upon the failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with these Conditions. If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure, or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (London time) on the Business Day immediately following the Pre-funding Date (a “**Pre-funding Failure**”), the Trustee shall:

- (i) give notice substantially in the form set out in the Trust Deed (the “**Pre-funding Failure Notice**”) to the Bondholders by the second Business Day immediately following the Pre-funding Date of (x) the Pre-funding Failure and (y) the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure; and
- (ii) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date issue a Demand to the LC Bank (which will be presented by the Trustee or on behalf of the Trustee by The Bank of New York Mellon, Hong Kong Branch acting as the Trustee’s delegate in relation to the Standby Letter of Credit (the “**Delegate**”) for the principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d)) and all fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer and the Guarantor under or in connection with the Bonds, the Deed of Guarantee, the Agency Agreement, the Trust Deed and/or any other transaction document relating to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee or the Delegate need not physically present the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee or the Delegate may instead present a Demand via facsimile transmission) to the LC Bank.

Following receipt by the LC Bank of such Demand by 6:00 p.m. (Hong Kong time) on a Business Day falling on or after the Issue Date and on or before the Expiry Date, the LC Bank shall by 10:00 a.m. (Hong Kong time) on the fourth Business Day immediately following such Business Day (or, if such Demand is received by the LC Bank after 6:00 p.m. (Hong Kong time) on a Business Day, then on the fifth Business Day after the Business Day on which the LC Bank receives such Demand), pay to the Trustee or to the order of the Trustee the amount in U.S. dollars specified in the Demand to the LC Proceeds Account.

For the purposes of this Condition 4:

“**Business Day**” means a day (other than a Saturday or a Sunday or a public holiday) on which banks and foreign exchange markets are generally open for business in Hong Kong, London, Beijing and New York City;

“**LC Proceeds Account**” means a non-interest bearing U.S. dollar account established in the name of the Trustee with the LC Proceeds Account Bank;

**“Payment and Solvency Certificate”** means a certificate in substantially the form set forth in the Agency Agreement stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (A) a payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with Condition 4(b) and (B) the Issuer or the Guarantor is solvent; and

**“Pre-funding Account”** means a non-interest bearing U.S. dollar account established in the name of the Issuer with the Pre-funding Account Bank and designated for the purposes specified above.

## 5 COVENANTS

So long as any Bond remains outstanding (as defined in the Trust Deed) each of the Issuer and the Guarantor will furnish the Trustee with:

- (a) **Financial Information of the Guarantor:** (A) a Compliance Certificate of the Guarantor in English (on which the Trustee may rely conclusively as to such compliance) and a copy of the relevant Guarantor Audited Financial Reports within 120 calendar days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in the PRC (“**PRC GAAP**”) (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) a nationally or internationally recognised firm of accountants or (bb) a professional translation services provider, together with a certificate signed by a Director of the Guarantor who is also an Authorised Signatory or another Authorised Signatory of the Guarantor certifying that such translation is complete and accurate; and (B) a copy of the Guarantor Unaudited Financial Reports within 90 calendar days of the end of each Relevant Period prepared on a basis consistent with its audited consolidated financial statements and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (aa) a nationally or internationally recognised firm of accountants or (bb) a professional translation service provider, together with a certificate signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate, provided that, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Guarantor may furnish to the Trustee, as soon as they are available but in any event not more than 15 calendar days after any financial reports of the Guarantor are filed with the exchange on which the Guarantor’s capital stock is at such time listed for trading, copies of any financial reports of the Guarantor filed with such exchange and if such financial reports shall be in Chinese language, together with an English translation of the same translated by a nationally or internationally recognised firm of accountants or a professional translation services provider, in lieu of the documents identified in Condition 5(a)(A) and Condition 5(a)(B) above, certified as true and correct copies and such translation certified as complete and accurate by an Authorised Signatory of the Guarantor.
- (b) **Financial Information of the Issuer:** (A) a Compliance Certificate of the Issuer in English (on which the Trustee may rely conclusively as to such compliance) and a copy of the relevant Issuer Audited Financial Reports within 120 calendar days of the end of each Relevant Period prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) a nationally or internationally recognised firm of accountants or (bb) a professional translation services provider, together with a certificate signed by a Director of the Issuer who is also an Authorised Signatory or another Authorised Signatory of the Issuer certifying that such translation is complete and accurate; and (B) a copy of the Issuer Unaudited Financial Reports within 90 calendar days of the end of each Relevant Period prepared on a basis consistent with its audited consolidated financial statements and if such

statements shall be in the Chinese language, together with an English translation of the same and translated by (aa) a nationally or internationally recognised firm of accountants or (bb) a professional translation service provider, together with a certificate signed by an Authorised 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 15 calendar days after any financial reports of the Issuer are filed with the exchange on which the Issuer's capital stock is at such time listed for trading, copies of any financial reports of the Issuer filed with such exchange and if such financial reports shall be in Chinese language, together with an English translation of the same translated by a nationally or internationally recognised firm of accountants or a professional translation services provider, in lieu of the documents identified in Condition 5(b)(A) and Condition 5(b)(B) above, certified as true and correct copies and such translation certified as complete and accurate by an Authorised Signatory of the Issuer.

- (c) **Notification to NDRC:** The Guarantor undertakes to file or cause to be filed with the NDRC the requisite information and documents within 10 PRC Business Days after the Issue Date in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044 號)) issued by the NDRC and which came into effect on 14 September 2015 and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”).
- (d) **Notification of Submission of the NDRC Post-issue Filing:** The Guarantor shall within 15 PRC Business Days after submission of the NDRC Post-issue Filing, provide the Trustee with a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Guarantor confirming the submission of the NDRC Post-issue Filing and having attached to it documents evidencing submission of the NDRC Post-issue Filing (the “**Registration Confirmation Certificate**”). The Guarantor shall give notice to the Bondholders (in accordance with Condition 17) confirming submission of the NDRC Post-issue Filing as soon as practicable after provision of the Registration Confirmation Certificate to the Trustee.
- (e) **Cross-Border Security Registration:** The Guarantor undertakes to file or cause to be filed with the State Administration of Foreign Exchange of the PRC or its local branch (“**SAFE**”), the Deed of Guarantee within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The Guarantor shall use its best endeavors to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline.
- (f) **Notification of Completion of the Cross-Border Security Registration:** The Guarantor shall deliver to the Trustee on or before the Registration Deadline (A) a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Guarantor confirming the completion of the Cross-Border Security Registration, and (B) a copy of (x) the SAFE registration certificate or (y) any other document issued by SAFE evidencing the completion of SAFE registration, and in the case of each of (x) and (y), together with the particulars of registration, each certified in English as a true and complete copy of the original by an Authorised Signatory of the Guarantor (collectively, the “**Registration Confirmation Certificate**”). The Guarantor shall give notice to the Bondholders (in accordance with Condition 17) confirming completion of the Cross-Border Security

Registration as soon as practicable after provision of the Registration Confirmation Certificate to the Trustee.

The Trustee may rely conclusively on the Registration Confirmation Certificate and shall have no obligation or duty to monitor, assist with or ensure (x) the NDRC Post-issue Filing is submitted to the NDRC as required by Condition 5(c) and/or (y) the Cross-Border Security Registration with SAFE is completed as required by Condition 5(e) or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing and/or the Cross-Border Security Registration and/or the Registration Confirmation Certificate or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing and the Cross-Border Security Registration, and the Trustee shall not be liable to Bondholders or any other person for not doing so.

(g) **Certain Definitions:** In these Conditions:

“**Compliance Certificate**” means a certificate of each of the Issuer and the Guarantor (as the case may be) signed by an Authorised Signatory of the Issuer or the Guarantor (as the case may be) that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor (as the case may be) as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (i) no Event of Default (as defined in Condition 10) or Potential Event of Default 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
- (ii) each of the Issuer and the Guarantor (as the case may be) has complied with all its obligations under the Trust Deed, the Deed of Guarantee and the Bonds or, if non-compliance had occurred, giving details of it;

“**Guarantor Audited Financial Reports**” means, for a Relevant Period, the annual audited consolidated financial statements of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable PRC GAAP;

“**Guarantor Unaudited Financial Reports**” means, for a Relevant Period, semi-annual unaudited consolidated balance sheet, income statement, statement of cash flows and statement of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ review reports, if any) and notes attached to or intended to be read with any of them, if any;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**HKFRS**” means the Hong Kong Financial Reporting Standards;

“**Issuer Audited Financial Reports**” means, for a Relevant Period, the annual audited consolidated financial statements of the Issuer together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable HKFRS;

“**Issuer Unaudited Financial Reports**” means, for a Relevant Period, semi-annual unaudited consolidated balance sheet, income statement, statement of cash flows and statement of changes in owners’ equity of the Issuer together with any statements, reports (including any directors’ and auditors’ review reports, if any) and notes attached to or intended to be read with any of them, if any;

“**NDRC**” means the National Development and Reform Commission of the PRC or its local counterparts;

“**Potential Event of Default**” means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10 become an Event of Default;

“**PRC**” means the People’s Republic of China, which shall for the purposes of these Conditions, exclude the Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan;

“**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, the PRC;

“**PRC GAAP**” means the Accounting Standards for Business Enterprises in China issued by the Ministry of Finance of the PRC from time to time;

“**Registration Deadline**” means the day falling 120 PRC Business Days after the Issue Date;

“**Relevant Period**” means, in relation to each of the Issuer Audited Financial Reports and the Guarantor Audited Financial Reports (as the case may be), each period of twelve months ending on the last day of its financial year (being 31 December of that financial year) and, in relation to each of the Issuer Unaudited Financial Reports and the Guarantor Unaudited Financial Reports (as the case may be), each period of six months ending on the last day of the first half of the its financial year (being 30 June of that financial year); and

“**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.

## 6 INTEREST

The Bonds bear interest on their outstanding principal amount from and including 23 March 2021 at the rate of 2.40 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$12.00 per Calculation Amount (as defined below) on 23 March and 23 September in each year (each an “**Interest Payment Date**”), commencing on 23 September 2021.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (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 Paying 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 a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

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, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

## 7 REDEMPTION AND PURCHASE

- (a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 23 March 2024 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.
- (b) **Redemption for Tax Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 17 (which such notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount, (together with interest accrued up to but excluding the date fixed for redemption), if the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) it 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 Cayman Islands (the “**Cayman Islands**”) or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 March 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) 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 (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the giving of any Tax Redemption Notice pursuant to this Condition 7(b), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee (aa) a certificate signed by any one Director who is also an Authorised Signatory or another Authorised Signatory of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in Condition 7(b)(i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (bb) an opinion of legal counsel or a tax consultant, in either case, of recognised standing with respect to taxation matters of the Cayman Islands or the PRC, as the case may be, stating that the requirement to pay such Additional Tax Amounts arises as a result of such change or amendment referred to above of this Condition 7(b). The Trustee shall be entitled (but shall not be obliged to) to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in Condition 7(b) above, in which event they shall be conclusive and binding on the Bondholders.
- (c) **Redemption for Relevant Events:** At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder’s option, to require the Issuer to redeem all, but not some only, of such holder’s Bonds on the Put Settlement Date (as defined below in this Condition 7(c)) at 100 per cent. of their principal amount, together with accrued interest to but excluding such Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following



a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17.

The “**Put Settlement Date**” shall be the fourteenth day (in the case of a redemption for a Change of Control) or the fifth day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above in this Condition 7(c).

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which are the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice to Bondholders (in accordance with Condition 17) and to the Trustee and the Principal Paying Agent in writing by not later than 14 business days (in the case of a redemption for a Change of Control) or five PRC Business Days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 7(c).

Neither the Trustee nor any of the Agents shall be required to monitor whether 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.

For the purposes of these Conditions:

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

- (i) Yancheng Municipal People’s Government and PRC Government Persons together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Guarantor; or
- (ii) the Guarantor ceases to directly or indirectly hold or own at least 40 per cent. of the issued share capital of Dafeng Port Overseas; or
- (iii) Dafeng Port Overseas ceases to directly or indirectly hold or own at least 50 per cent. of the issued share capital of the Issuer; or
- (iv) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other person(s), unless such person(s) is/are Controlled, whether directly or indirectly, by Yancheng Municipal People’s Government and/or PRC Government Persons;

“**Control**” means (where applicable), with respect to a Person, either (i) or (ii) is satisfied: (i) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or (ii) the right to appoint and/or remove all or the majority of the members of such Person’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; and the term “**Controlled**” has meanings correlative to the foregoing;

“**Dafeng Port Overseas**” means Dafeng Port Overseas Investment Holdings Limited (大丰港海外投资控股有限公司);

a “**No Registration Event**” occurs when the Registration Conditions have not been satisfied in full on or before the Registration Deadline;

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state, agency of a state (in each case whether or not being a separate legal entity);

“**PRC Government Persons**” means any Person directly or indirectly Controlled by the central government of the PRC;

“**Registration Conditions**” means the receipt by the Trustee of:

- (i) a certificate of the Guarantor (substantially in the form scheduled to the Trust Deed) confirming the completion of the registration of the Deed of Guarantee with SAFE in accordance with the Cross-Border Security Registration; and
- (ii) a copy of (x) the SAFE registration certificate or (y) any other document issued by SAFE evidencing the completion of SAFE registration, and in the case of each of (x) and (y), together with the particulars of registration, each certified in English as a true and complete copy of the original by an Authorised Signatory of the Guarantor;

a “**Relevant Event**” means a Change of Control or a No Registration Event; and

“**Yancheng Municipal People’s Government**” means the Yancheng Municipal People’s Government (盐城市人民政府) or its successor.

- (d) **Mandatory Redemption upon Pre-funding Failure:** The Bonds shall be redeemed at their principal amount on the Interest Payment Date immediately falling after the date the Prefunding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (the “**Mandatory Redemption Date**”) (together with interest accrued to, but excluding, the Mandatory Redemption Date), provided that if the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bonds pursuant to Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, all the Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 7(d) on the Put Settlement Date, together with interest accrued to, but excluding, the Put Settlement Date, and the term “**Mandatory Redemption Date**” shall be construed accordingly.
- (e) **Notices of Redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 7, subject to Condition 7(d), shall be redeemed on the date specified in such notice in accordance with this Condition 7. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 7(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition 7(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption or Put Exercise Notice and none of them shall be liable to Bondholders, the Issuer, the Guarantor or any other person for not doing so.
- (f) **Purchase:** The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of, among other things, calculating quorums at meetings of the Bondholders or for the purposes of Conditions 10, 13(a) and 14.
- (g) **Cancellation:** All Certificates representing Bonds which are (i) redeemed or (ii) purchased by or on behalf of the Issuer, the Guarantor or their respective Subsidiaries shall be surrendered for cancellation

to the Registrar and, upon surrender thereof, all such Bonds and Certificates shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

- (h) **Calculations:** Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Bondholders or any other person for not doing so.

## 8 PAYMENTS

- (a) **Method of Payment:**

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Principal Paying Agent or any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 8(a)(ii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in U.S. dollars by wire transfer to registered account of the relevant holder of such Bond. In these Conditions, the “**registered account**” of a holder means the U.S. dollar account maintained by or on behalf of such holder with a bank, details of which appear in the Register at the close of business on the Record Date.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or an Alternative Clearing System (as defined in the Trust Deed), 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) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto 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. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated, or in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered

at the specified office of the Principal Paying Agent or any Paying Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Agents, subject to the provisions of the Agency Agreement, act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

- (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 on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

In this Condition 8, “**Payment Business Day**” means a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets are generally open for business in the place in which the specified office of the Principal Paying Agent is located and settlement of U.S. dollar payments in London, New York City, Hong Kong and (if surrender of the relevant Certificate is required) the relevant place of presentation.

## 9 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without withholding or deduction 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 within the Cayman Islands or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at the rate of up to and including the rate applicable on 17 March 2021 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor 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 or, as the case may be, the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within the Cayman Islands, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (a) **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 Cayman Islands or the PRC other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented (where presentation or surrender is required) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (as if such last day were a Payment Business Day).

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any additional tax 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 Deed of Guarantee and the Bonds.

In these Conditions, “**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charges, withholding 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, the Guarantor, any Bondholder or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information to any person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## 10 EVENTS OF DEFAULT

If an Event of Default (as defined below) occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, (provided that in any such case the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction), give written notice to the Issuer declaring that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest.

An “**Event of Default**” occurs if:

- (a) **With Respect to the Issuer and the Guarantor:**
  - (i) **Non-Payment:** there has been a failure to pay (A) the principal of or any premium on any of the Bonds when due; or (B) any interest on the Bonds when due, and (in the case of (B) only) such failure continues for a period of seven days; or
  - (ii) **Breach of Other Obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Bonds, the Deed of Guarantee, the Trust Deed, (other than those referred to in Condition 10(a) or where it gives rise to a redemption pursuant to Condition 7(c)) which default (A) is in the opinion of the Trustee incapable of remedy, or (B) being a default which is in the opinion of the Trustee capable of

remedy, remains unremedied for 30 days after written notice of such default is given to the Issuer or the Guarantor (as the case may be) by the Trustee; or

- (iii) **Cross-Default:** (A) any other present or future indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer, the Guarantor or any of their respective 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(a)(iii) have occurred in aggregate equals or exceeds U.S.\$10,000,000 or its equivalent in any other currency (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 this Condition 10(a)(iii) operates); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries, and is not discharged or stayed within 30 days; or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any of their respective Principal Subsidiaries in respect of all or a material part of its assets 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, and is not discharged or stayed within 30 days); or
- (vi) **Insolvency:** the Issuer, the Guarantor or any of their respective Principal Subsidiaries is (or is, or could be, deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, 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 or a material part 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 a material part of the debts of the Issuer, the Guarantor, or any of their respective Principal Subsidiaries, as the case may be; or
- (vii) **Winding-up:** an order of any court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (except for the voluntary solvent winding-up of any such Principal Subsidiary), or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of any Principal Subsidiary of the Issuer or the Guarantor, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of their respective Principal Subsidiaries; or

- (viii) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or
- (ix) **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 (A) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Deed of Guarantee and the Trust Deed, (B) to ensure that those obligations are legally binding or enforceable and (C) to make the Bonds, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (x) **Illegality:** it is or will become unlawful for any of the Issuer and the Guarantor to perform or comply with any one or more of their respective obligations under any of the Bonds, the Deed of Guarantee and the Trust Deed; or
- (xi) **Unenforceability of Guarantee:** except as permitted under the Deed of Guarantee, any part of the Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or
- (xii) **Standby Letter of Credit:** the Standby Letter of Credit is not (or is claimed by the LC Bank not to be) enforceable, valid or in full force and effect; or
- (xiii) **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 the foregoing paragraphs of Condition 10(a)(iv) to Condition 10(a)(viii) (both inclusive).

In this Condition 10(a), “**Principal Subsidiary**” means any Subsidiary of the Guarantor:

- (i) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose net profit (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than five per cent. of the consolidated gross revenue, consolidated net profit or, as the case may be, the consolidated gross assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest Guarantor Audited Financial Reports, provided that:
  - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest audited consolidated financial statements shall be deemed to be a reference to such audited financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Guarantor;
  - (B) if at any relevant time in relation to the Guarantor or any Subsidiary no financial statements are prepared and audited, its gross revenue, net profit and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma financial statements (consolidated, if applicable) prepared for this purpose; and

- (C) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above of this definition) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor; or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (a) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary; and (b) the transferee Subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant audited financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above of this definition.

A statement in writing signed by any Authorised Signatory of the Guarantor that in its opinion (making such adjustments (if any) as he or she shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Agents and the Bondholders.

(b) **With respect to the LC Bank:**

(i) **Cross-default:**

- (A) any Public External Indebtedness of the LC Bank or any of its Subsidiaries is not paid when due or, as the case may be, within any originally applicable grace period;
- (B) any such Public External Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the LC Bank or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Public External Indebtedness; or
- (C) the LC Bank or any of its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Public External Indebtedness,

provided that the amount of Public External Indebtedness referred to in Conditions 10(b)(i)(A) or 10(b)(i)(B) and/or the amount payable under any guarantee or indemnity referred to in Condition 10(b)(i)(C), individually or in the aggregate, exceeds U.S.\$25,000,000 (or its equivalent in any other currency or currencies); or

- (ii) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the LC Bank or any of its Material Subsidiaries; or
- (iii) **Insolvency:** (A) the LC Bank or any of its Material Subsidiaries becomes insolvent or bankrupt or is unable to pay its debts as they fall due, (B) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the LC Bank or any of its Material Subsidiaries or the whole or a material part of the undertaking, assets and revenues of the LC Bank or any of its Material Subsidiaries, (C) the LC Bank or any of its Material Subsidiaries takes



any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee or indemnity of any indebtedness given by it, or (D) the LC Bank or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business, except in the case of any Material Subsidiary, where the cessation is for the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, merger or consolidation whereby the business, undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the LC Bank and/or another Subsidiary; or

- (iv) **Winding-up:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the LC Bank or any of its Material Subsidiaries; or
- (v) **Analogous Events:** any event occurs which under the laws of the relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(b)(ii) to Condition 10(b)(iv) (both inclusive).

In this Condition 10(b):

“**Material Subsidiary**” means a Subsidiary of the LC Bank,

- (i) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose net profit (consolidated in the case of Subsidiary which itself has consolidated Subsidiaries) represent not less than 5 per cent. of the consolidated gross revenue, the consolidated gross assets, or, as the case may be, the consolidated net profit of the LC Bank and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the LC Bank, provided that:
  - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the LC Bank relate for the purpose of applying each of the foregoing tests, the reference to the LC Bank’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the LC Bank;
  - (B) if at any relevant time in relation to the LC Bank or any Subsidiary no financial statements are prepared and audited, its gross revenue, gross assets and net profit (consolidated, if applicable) shall be determined on the basis of *pro forma* consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
  - (C) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (1) above) are not consolidated with those of the Bank, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the LC Bank;
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (i) in

the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (ii) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of paragraph (A) of this definition above.

A certificate signed by an authorised signatory of the LC Bank that in his/her opinion (making such adjustments (if any) as he/she shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Bondholders;

**“Public External Indebtedness”** means any indebtedness of the LC Bank or any Subsidiary of the LC Bank, or any guarantee or indemnity by the LC Bank of indebtedness, for money borrowed which (A) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is, capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placement) and (B) has an original maturity in excess of 365 days; and **“Subsidiary”** means, in relation to any person (the **“first Person”**) at any particular time, any other person (the **“second Person”**) (A) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise, or (B) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

## 11 PRESCRIPTION

Claims against the Issuer and/or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 12 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as (i) the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice) and (ii) the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 13 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER AND ENTITLEMENTS

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or the Standby Letter of Credit. Such a meeting may be convened by the Issuer, the Guarantor 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 meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of certain proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable in respect of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, (v) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of bonds pursuant to Condition 16 or modification pursuant to Condition 13(b)), or (vi) to modify or cancel the Deed of Guarantee (other than an amendment or supplement to the Deed of Guarantee in connection with a further issue of bonds pursuant to Condition 16 or modification pursuant to Condition 13(b)), 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 Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (ii) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. 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.

*So long as the Bonds are evidenced by the Global Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of all the Bondholders of not less than 90 per cent in aggregate principal amount of the Bonds for the time being outstanding.*

- (b) **Modification of the Conditions, the Trust Deed, the Agency Agreement, the Deed of Guarantee and the Standby Letter of Credit:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or the Standby Letter of Credit that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed or the Deed of Guarantee), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or the Standby Letter of Credit that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, each such modification, authorisation or waiver shall be notified by the Issuer, failing whom the Guarantor, to the Bondholders as soon as practicable.
- (c) **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 13) 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, the Guarantor or the Trustee

any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

#### **14 ENFORCEMENT**

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer, the Guarantor and/or the LC Bank as it may think fit to enforce the terms of the Trust Deed, the Bonds and/or the Deed of Guarantee and, where appropriate, to draw down on and enforce the Standby Letter of Credit, but it need not take any such actions and/or steps and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in principal amount of the Bonds outstanding, and (b) other than in the case of the making of a drawing under the Standby Letter of Credit, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer, the Guarantor or the LC Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### **15 INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking steps and/or actions and /or instituting proceedings to enforce its rights under the Bonds, Trust Deed, the Agency Agreement, the Deed of Guarantee, the Standby Letter of Credit and/or these Conditions and in respect of the Bonds and to enforce payment or taking other actions, steps and/or proceedings unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid or reimbursed for its fees, costs, expenses and indemnity payments and any liabilities incurred by it in priority to the claims of Bondholders. The Trustee and its affiliates are entitled to enter into business transactions with the Issuer, the Guarantor, the LC Bank and/or any entity related (directly or indirectly) to the Issuer or the Guarantor or the LC Bank without accounting for any profit.

The Trustee and the Agents may accept and shall be entitled to rely conclusively without liability to the Issuer, the Guarantor, the LC Bank, the Bondholders or any other person on any report, confirmation, information or certificate or any opinion or advice of any lawyers, accountants, 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 or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, information, certificate, opinion or advice, in which case such report, confirmation, information, certificate, opinion or advice shall be binding on the Issuer, the Guarantor, the LC Bank and the Bondholders.

None of the Trustee or the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee, the Standby Letter of Credit or these Conditions, or ascertain whether an Event of Default, a Potential Event of Default, a Pre-funding Failure or a Relevant Event has occurred, and they shall not be liable to the holders or any other person for not doing so.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee, the Standby Letter of Credit or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from any such action, making any such decision, or giving any such direction, to seek directions or clarification of directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the LC Bank, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision, or giving such direction where

the Trustee is seeking such directions or clarification of directions from Bondholders or in the event that no such directions or clarification of directions are received by the Trustee.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor, the LC Bank or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to conclusively rely on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer, the Guarantor, the LC Bank and/or any other person appointed by the Issuer and/or the Guarantor and/or the LC Bank in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer and/or the Guarantor and/or the LC Bank to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

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, the Guarantor and/or the LC Bank, 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.

## **16 FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and first payment of interest on them, the timing for complying with the Registration Conditions, the making or submission of the NDRC Post-issue Filing and the submission and completion of the Cross-Border Security Registration and the giving of consequent notices thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 16.

However, such further bonds may only be issued if a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit is at least equal to the principal of and one interest payment due on such further bonds and any fees, costs, expenses, indemnity payments and all other amounts in connection with such issue) and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further, supplemental, replacement or amended standby letter of credit.

Any further bonds consolidated and forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee.

## **17 NOTICES**

Notices to the holders of Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday or a public holiday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

*So long as the Global Certificate is held by or on behalf of Euroclear, Clearstream or the Alternative Clearing System (as defined in the Trust Deed), any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear Bank SA/NV, Clearstream Banking S.A. or the Alternative Clearing System, as applicable, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.*

## **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 but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 14.

## **19 GOVERNING LAW AND JURISDICTION**

- (a) **Governing Law:** The Trust Deed, the Standby Letter of Credit, the Deed of Guarantee, the Agency Agreement and the Bonds 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 that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee or the Standby Letter of Credit and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Agency Agreement, the Deed of Guarantee or the Standby Letter of Credit (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor, as the case may be, has in the Trust Deed, the Agency Agreement and the Deed of Guarantee irrevocably submitted to the jurisdiction of such courts.
- (c) **Agent for Service of Process:** The Guarantor has irrevocably appointed the Issuer at the Issuer’s principal place of business at Unit 1009, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong as its authorised agent to receive service of process in Hong Kong. If for any reason the Issuer ceases to have such a principal place of business in Hong Kong, each of the Issuer and the Guarantor shall forthwith appoint a new agent for service of process in Hong Kong and shall deliver to the Trustee a copy of the new agent’s acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- (d) **Waiver of Immunity**
  - (i) The Guarantor confirms that it is a separate legal and independent entity organised under the Company Law of the PRC; it is an enterprise undertaking commercial activities independent from the PRC government with ownership of its assets and the capacity independently to assume civil liabilities.
  - (ii) Each of the Issuer and the Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

*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 Conditions set out in this Information Memorandum. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:*

The Bonds will be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depository on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal and interest on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Conditions.

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**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

### **Payment**

So long as the Bonds are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday inclusive) except 25 December and 1 January.

### **Calculation of Interest**

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, inter alia, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate.

### **Trustee’s Powers**

In considering the interests of the 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 holder of the Bonds in respect of which such Global Certificate is issued.

### **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 Bondholders shall be given by delivery

of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions.

### **Bondholders' Redemption**

The Bondholders' redemption option in Condition 7(c) (*Redemption and Purchase – Redemption for Relevant Events*) may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of the Bonds in respect of which the option is exercised within the time limits specified in the Conditions.

### **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.

### **Cancellation**

Cancellation of any Bond by the Issuer following its redemption or purchase by the Issuer will be effected by reduction in the principal amount of the Bonds in the register of the Bondholders.

### **Meetings**

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



## DESCRIPTION OF THE ISSUER

### OVERVIEW

The Issuer, formerly known as Gamma Logistics Corporation, was incorporated in the Cayman Islands on 13 September 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Issuer's shares are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange from 22 August 2013. The address of the registered office of the Issuer is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Issuer is at Unit 1009, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

As at the date of this Information Memorandum, the Issuer is held as to approximately 57.46 per cent. by Dafeng Port Overseas, over which the Guarantor has a controlling interest of 40 per cent. The Guarantor is wholly owned by the Yancheng Municipal Government of the PRC. The Issuer is an investment holding company and is principally and continuously engaged in trading business and the provision of petrochemical products storage business.

Enjoying the advantage of being located in Hong Kong which has one of the largest ports in the world and the Shenzhen Qianhai Free Trade Zone, the Issuer is strived to become a group of diversified operations of integrated petrochemical product storage services and trading business, with related services provider strategically layout in Dafeng Port with petrochemical product terminal.

### BUSINESS

The Issuer is an investment holding company and is principally and continuously engaged in trading business and the provision of petrochemical products storage business.

#### **Trading Business**

The Issuer engages in the business of trading, importing and exporting of electronic products, petrochemical products and various other products.

The Issuer mainly adopts a back to-back trading approach. From time to time the Issuer would obtain information on potential purchase orders of goods and the Issuer would make use of the temporary window between the availability of such information and the placement of the actual purchase orders to make purchases in the market and then fulfil the purchase orders.

#### ***Electronic and other product trading***

Electronic and other product trading business is mainly conducted by the Issuer's subsidiaries Qianhai Mingtian Supply Chain (Shenzhen) Company Limited (前海明天供應鏈(深圳)有限公司) and Worldly Development Limited. The electronic products mainly include smartphones, cell phones, unassembled cell phone parts, tablet computers and integrated circuits.

As at 31 December 2019, the Issuer had approximately 36 customers in electronic and other product trading business, which consist of PRC and foreign trading companies, with approximately 4 years of business relationship. As at 31 December 2019, the Issuer had approximately 27 suppliers in electronic and other product trading business with approximately 4 years of business relationship. These suppliers primarily consist of PRC and foreign trading companies, domestic small and medium manufacturing companies, listed companies and certain state-owned enterprises. In the first half of 2020, the Issuer entered into business relationship with 2 new customers and 2 new suppliers.

The Issuer has won much acknowledgement from the worldwide business trading industries. For example, the Group has obtained an Authorized Economic Operator (“AEO”) certification under the World Customs Organization. A company which has been accredited as an AEO will be recognized as a trusted partner of various customs and excise departments and will enjoy various incentives including reduced or prioritized customs inspection.

#### ***Petrochemical products trading***

Petrochemical products trading is mainly conducted by the Issuer’s subsidiary Zhuhai Heng Feng Heshun Petrochemical Company Limited (珠海恒豐和順石化有限公司) (“**Zhuhai Heng Feng**”). In 2019, the petrochemical products include naphtha, white oil, mixed aromatic hydrocarbons, xylene, asphalt and “No.3 Jet Fuel”. In 2020, the petrochemical products include naphtha, white oil, mixed aromatic hydrocarbons, xylene and asphalt.

As at 31 December 2019, the Issuer had 6 customers in petrochemical products trading business, which are mainly PRC trading companies and state-owned enterprises with approximately 3 years of business relationship. As at 31 December 2019, the Issuer had approximately 21 suppliers in this segment with approximately 3 years of business relationship. These suppliers primarily consist of PRC refineries. The Issuer’s customers and suppliers in petrochemical products trading business remained unchanged as at 30 June 2020.

#### **Petrochemical Products Storage Business**

The Issuer principally provides warehouse storage services for petrochemical products including but not limited to light oil products, naphtha, diesel oil, butadiene, toluene, acetone, kerosene, liquid paraffin, naphtha oil, methanol, and solvent oil to the customers in Dafeng Port. The Issuer engages in petrochemical products storage business through its subsidiary Jiangsu Zhongnanhui Petrochemical Storage Company Limited (江蘇中南匯石化倉儲有限公司).

As at 31 December 2019, the Issuer had 5 customers in this segment with approximately 3 to 5 years of business relationship. In the first half of 2020, the Issuer entered into business relationship with 4 new customers.

### **FINANCIAL INFORMATION**

Copies of the Issuer’s published audited consolidated financial statements and unaudited but reviewed consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of the Issuer and the Hong Kong Stock Exchange at <http://www.dfport.com.hk> and <https://www.hkexnews.hk>, respectively. The financial statements of the Issuer are not included in and do not form part of this Information Memorandum. The information contained on the websites of the Issuer and the Hong Kong Stock Exchange is subject to change from time to time. No representation is made by the Issuer, the Group, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them and none of the Issuer, the Group, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on websites of the Issuer and the Hong Kong Stock Exchange.

### **RECENT DEVELOPMENT**

#### **Account Charge by Controlling Shareholder**

Dafeng Port Overseas, a controlling shareholder of the Issuer, entered into a deed of account charge with the security trustee on 29 March 2018, pursuant to which Dafeng Port Overseas assigned and agreed to assign absolutely to the security trustee, as trustee for the bondholders, all of Dafeng Port Overseas’ right, title and

interest from time to time in and to each secured account, which is interested in 740,040,000 shares (the “Shares”) of the Issuer, representing approximately 57.46% of the total issued Shares as at 29 March 2018, as security for the payment and discharge of the secured obligations.

### Disposal of 60% Equity Interests in Jiangsu Hairong

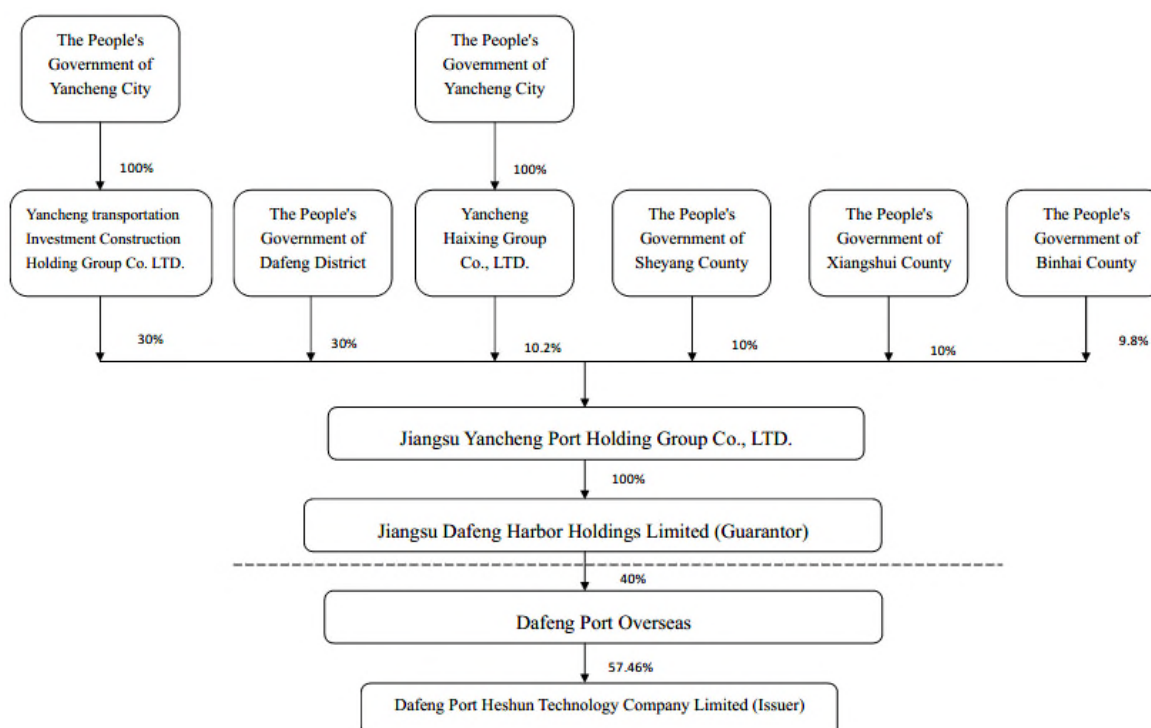
On 28 April 2020, Heshun Trading, an indirect wholly-owned subsidiary of the Issuer, and the Guarantor entered a share transfer agreement, pursuant to which Heshun Trading has conditionally agreed to sell 60% equity interests of Jiangsu Hairong to the Guarantor at the consideration of RMB226,980,000 (the “Disposal”). The Disposal was completed when Jiangsu Hairong has registered with the relevant industry and commerce administration authority in the PRC on 27 August 2020.

Upon completion of the Disposal, Jiangsu Hairong ceased to be a subsidiary of the Issuer and its financial results would no longer be consolidated into the financial statements of the Issuer.

## CAPITAL AND SHAREHOLDER STRUCTURE

As at 30 September 2020, the capital of the Guarantor mainly comprised only the ordinary shares.

The chart below illustrates the simplified shareholder structure of the Issuer as at the date of this Information Memorandum:



## DIRECTORS

The board of directors of the Issuer currently comprises ten members including three executive directors, three non-executive directors and four independent non-executive directors. The following table sets forth certain information concerning the directors of the Issuer.

<b>Name</b>	<b>Position</b>
Tao Ying .....	Chairman, Executive Director
Chen Wenxiang .....	Executive Director
Leng Panpan .....	Executive Director
Ji Longtao .....	Non-executive Director
Yang Yue Xia .....	Non-executive Director
Miao Zhibin .....	Non-executive Director
Bian Zhaoxiang .....	Independent Non-executive Director
Lau Hon Kee .....	Independent Non-executive Director
Yu Xugang .....	Independent Non-executive Director
Zhang Fangmao .....	Independent Non-executive Director

## DESCRIPTION OF THE GUARANTOR

### OVERVIEW

The Guarantor, formerly known as Dafeng City Dafeng Port Development Co. Ltd (大豐市大豐港開發有限公司), was established in the PRC on 27 June 1997 with registered capital of RMB3,510,000. The Guarantor is located at Dafeng Port, which is a national first-class external opening port approved by the State Council in Dafeng District, Yancheng City, Jiangsu Province, PRC.

The Guarantor is a large state-owned enterprise involved in commodity sales, engineering construction, real estate development, port logistics, agriculture and other business. As at the date of this Information Memorandum, the Guarantor owns 10 secondary subsidiaries, 25 tertiary subsidiaries and 3 listed companies, acting as an important part of Jiangsu Yancheng Port Holding Group Co. Ltd (江蘇鹽城港控股集團有限公司).

As at the date of this Information Memorandum, the Guarantor's registered capital is RMB5,000,000,000, all of which has been paid-in. The whole registered capital of the Guarantor is wholly state-owned and is contributed by Jiangsu Yancheng Port Holding Group Co. Ltd (江蘇鹽城港控股集團有限公司), which is in turn wholly owned by the Yancheng Municipal Government of the PRC.

### BUSINESS

The principal business of the Guarantor consists of six major segments, namely commodity sales, engineering construction, real estate development, port logistics, agriculture and other business.

#### Commodity sales

Commodity sales business is operated through the Guarantor headquarter and the Guarantor's subsidiary Dafeng Hairong International Trade Co., Ltd. (大豐海融國際貿易有限公司). This business segment refers to the importing and exporting of products, including but not limited to energy products such as coal, fuel oil and asphalt mixture, bulk mineral products such as laterite nickel ore and non-ferrous metals, bulk agricultural products such as cereals and oil, household appliances, home textiles and wood.

#### Engineering construction

Engineering construction business is operated through the Guarantor's subsidiary Jiangsu Dafeng Port Construction Co. Ltd. (江蘇大豐港建設有限公司) and Jiangsu Dafeng Port Engineering Technology Co. Ltd. (江蘇大豐港工程技術有限公司). This business segment mainly concerns construction of port auxiliary facilities (including dredging of ports and waterways, road construction, land construction, storage yard and other construction business) and undertaking construction projects entrusted by the government and other owners.

#### Real estate development

Real estate development business is operated through the Guarantor's subsidiaries Dafeng Xin Port Delicating Industry Co., Ltd. (大豐鑫港瑤業有限公司) and Jiangsu Dafeng Port Delicating Industry Co., Ltd. (江蘇大豐港瑤業有限公司). Business model of these two subsidiaries is independent development.

**Port logistics**

The business of port logistics is operated through the Guarantor's subsidiaries Dafeng Port Port Co. Ltd. (大豐海港港口有限責任公司) and Dafeng Port Logistics Co. Ltd. (大豐海港港口物流有限公司). This business segment mainly includes dock handling, stockpiling and transport logistics.

**Agriculture**

The agriculture business is mainly comprised of agricultural cultivation, purchase and sale conducted by the Guarantor's subsidiary Dafeng Port Agricultural Development Co., Ltd. (大豐港農業發展有限公司) and land contract conducted by the Guarantor's subsidiaries Dafeng Huafeng Agricultural Development Co. Ltd. (大豐市華豐農業開發有限公司) and Jiangsu Dafeng Coastal Development Group Co. Ltd. (江蘇大豐沿海開發集團有限公司).

**Other business**

Other business mainly includes service business in terms of technology, finance and commercial service industry.

Insisting on the enterprise spirit of “united for progress, innovate from practice, open and inclusive and striving for excellence”, the Guarantor will be built into a “regional hub port in the north wing of the Yangtze River Delta” and “the most convenient outlet to the sea in the Huaihe River Ecological Economic Belt”. By the end of 2025, the Guarantor aims to be able to handle 100 million tons of cargo and one million standard containers, further advancing the development of Yancheng Yellow Sea Economic Circle.

## DESCRIPTION OF THE SBLC BANK

*The information below included in the Information Memorandum is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. Any information available from public sources that are referenced in the Information Memorandum but is not separately included in the Information Memorandum shall not be deemed to be incorporated by reference to the Information Memorandum. The Issuer has taken reasonable care in the compilation and reproduction of the information. However, none of the Issuer, the Guarantor, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has independently verified such information. No representation or warranty, express or implied, is made or given by the Issuer, the Guarantor, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents and advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.*

*The Bonds will have the benefit of the SBLC which will be issued by Bank of Jiangsu Co., Ltd. Yancheng Branch as the SBLC Bank. Under the PRC law, the SBLC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of authorisation given by Bank of Jiangsu, and the assets of the SBLC Bank are not sufficient to meet the obligations of the SBLC Bank under the SBLC, Bank of Jiangsu would have an obligation to satisfy the balance of the obligations under the SBLC.*

## OVERVIEW

Bank of Jiangsu was opened officially listed and on 24 January 2007, headquartered in Nanjing, Jiangsu Province. On 2 August 2016, Bank of Jiangsu was listed on the main board of Shanghai Stock Exchange with the stock code 600919. Bank of Jiangsu holds a financial institution license numbered B0243H232010001 from CBRC and a legal entity business licenses (unified social credit code: 91320000796544598E) from the Jiangsu Municipal Administration of Industry and Commerce. The registered address of Bank of Jiangsu is No. 26, Zhonghua Road, Nanjing, Jiangsu Province, the PRC. Bank of Jiangsu has been assigned a rating of “AAA” by China Chengxin International Credit Rating Co., Ltd.

Adhering to the mission of “creating better life and the core values of integration and innovation, pragmatic responsibility and lean growth”, Bank of Jiangsu is committed to building a leading service bank that is “Wisdom, characteristic, international and comprehensive”. Bank of Jiangsu has 17 branches under its banner and two subsidiaries of Suyin Financial Leasing Co., Ltd., and Baode County Bank of Jiangsu Danyang. The service network radiates three economic circles of the Yangtze River Delta, Pearl River Delta, and Bohai Rim, and achieves full coverage of counties in Jiangsu Province, with more than 530 business outlets and more than 15,000 employees.

## BUSINESS ACTIVITIES

With approval of CBRC and examined and approved by the company registration authority, Bank of Jiangsu enjoys the scope of business of taking public deposit; issuing short-term, medium-term and long-term loans; handling domestic settlement; handling bills acceptance and discount; issuing financial bond; issuing, cashing and underwriting government bonds as an agent, underwriting short-term financing bonds; buying and selling government bonds, financial bonds and enterprise bonds; handling inter-bank borrowing; providing service and guarantee for letter of credit; handling collection, payment and insurance service as an agent, dealing with wealth management for the customers, fund sales as an agent, precious metal sales as an agent, handling receipt and payment and taking care of assembled funds trust plan as an agent; providing safe deposit box service; handling entrusted deposit and loan service; engaging in bank card business; undertaking foreign exchange

deposits; foreign exchange loans; foreign exchange remittance; foreign currency exchange; foreign exchange settlement and sale at sight and forwards; handling international settlement; undertaking self-operation of and agency for foreign exchange trading; handling inter-banking foreign exchange lending; trading and acting trading foreign currency securities other than stocks; undertaking credit investigation, consulting, witness services; providing online banking; handling other businesses approved by China's banking regulatory authorities and related departments.

Bank of Jiangsu's main business activities are set out below:

- **Financial business:** Bank of Jiangsu strives to improve the quality and efficiency of serving the real economy, closely follows the policy guidance, serves the national development strategy, focuses on key areas, continuously increases support for manufacturing, green industries and other fields, and provides financing services for small, micro and private enterprises. Bank of Jiangsu also vigorously promotes the financial, cash management, e-banking and other businesses in supply chains, creates a “commercial bank+investment bank” model, and provides customized and personalized financial service programs for customers.
- **Retail financial business:** Bank of Jiangsu will continue to optimize customer group management, innovate customer service modes, promote community management and overseas study services, deepen “entrepreneur+investor” services, innovate and establish Yuanrong Entrepreneur College, actively promote family trust services, and use 5G technology to launch remote investment consulting services. In addition, Bank of Jiangsu will cooperate with the comprehensive consumption scenario platform to launch joint credit cards, continuously enrich the credit card product system, launch ETC projects, further promote the application of big data and customer life cycle management, and enhance cross-linkage and accurate marketing capabilities as well as make full use of Internet, big data, artificial intelligence, biology and image recognition technologies, launch mobile banking app 5.0 and direct selling bank 5.0 upgrade version, realize “card-free” business at intelligent counters, open up the dual platforms of “PC+applets”, and continuously expand the ecosystem of online retail application scenarios.
- **Capital Businesses:** Bank of Jiangsu pays close attention to market changes, flexibly adjusts trading strategies, and makes full use of product tools such as repurchase, issuance of inter-bank certificates of deposit, precious metals and foreign exchange derivatives to effectively reduce the cost of liabilities. Bank of Jiangsu has obtained the qualification of bill brokerage business, further demonstrates the advantages of standardized bill business. In addition, by the end of 30 June 2020, a total of 3,578 wealth management products were issued, including a series of net worth products such as “Rongxiang”, “Ronghe”, “Rongda” and “Ronghui Cash” designed and issued according to the requirements of the new asset management regulations, with a total raised amount of RMB823.4 billion and the entrusted assets amounted RMB2,821.8 billion.
- **Support System:** In addition, Bank of Jiangsu continues to strengthen the construction of smart operations, strengthen operational risk control to ensure the stable development of various businesses.
- **Financial Science and Technology:** Bank of Jiangsu also puts the “Wisdom” construction at the top of the “four modernizations” strategy, grasps the trend of digital development, closely follows the development and application of cutting-edge technologies, stimulates vitality, enhances momentum, and strives to create a financial science and technology ecosystem.

In 2019 and during the six months ended 30 June 2020, Bank of Jiangsu had obtained many honours and awards in various selection activities organized by domestic and foreign institutions, among which:



- In January 2019, it was awarded the “Culture Construction Advanced Unit of National Financial System in China” by the Research Association of Ideological and Political Work of China Financial Institutions.
- In January 2019, it was awarded the “Best Growth Bank in International Business” and “Most Innovative Bank in International Business” by Jiangsu Banking Association.
- In February 2019, it was awarded the “Outstanding Contribution Award for the Integration of Informatization and Industrialization in Jiangsu Province” by Jiangsu Development and Reform Commission and Department of Finance of Jiangsu Province.
- In April 2019, it was awarded the “Advanced Unit of Financial Services for Small and Micro Enterprises in Jiangsu Province” by China Banking and Insurance Regulatory Commission, Jiangsu Office.
- In April 2019, it was selected into Forbes World’s Best Banks List;
- In April 2019, it was awarded the “Best Financial Innovation Award”, “Top Ten Investment Bank Innovation Award”, “Top Ten Consumer Financial Innovation Award”, and “Top Ten Financial Technology Innovation Award” by The Banker magazine.
- In May 2019, it was awarded the “2019 Jiangsu Financial Innovation Award” by Jiangsu Provincial Department of Finance, Jiangsu Provincial Financial Supervision Bureau, Nanjing Branch of the People’s Bank of China, Jiangsu Banking and Insurance Supervision Bureau, Jiangsu Securities Supervision Bureau, etc.
- In May 2019, in the three rankings of Puyi Standard “Comprehensive Financial Management Ability”, “Risk Control Ability” and “Information Disclosure Standardization”, it ranked first among city commercial banks in the country.
- In June 2019, it ranked 92nd in UK’s The Banker’s Global 1000 ranking of banks by Tier 1 capital.
- In July 2019, it was awarded the “Best Inclusive Financial Effectiveness Award” by the China Banking Association.
- In November 2019, it was awarded the “Top 100 Financial Enterprises with Outstanding Brand Power in China” by The Economic Observer and Modern Advertising magazine.
- In November 2019, it was awarded the “Outstanding Corporate Citizen of the Year Award” by National Business Daily.
- In November 2019, it was awarded the “Special Contribution Award to Corporate Governance” at the 15th Golden Round Table Award of the Board of Directors of Listed Companies in China by Directors & Boards magazine.
- In December 2019, it was awarded the 2019 China Securities Market Golden Steed Award for “Outstanding Service to the Real Economy Award” and “Gold Medal Board Secretary Award” by Securities Daily.
- In December 2019, it was awarded the “Best Brand Building Small-and Medium-sized Bank” and “Best Service and High-quality Development Centre Bank” by Financial Times.
- In December 2019, it was awarded the “Outstanding Competitiveness Risk Management Bank” by China Business Journal.
- In January 2019, it was selected as an “Outstanding Business Partner” by VISA.

- In January 2019, it was awarded the “Development Innovation Contribution Award” and “Product Innovation Contribution Award” by Financial Computerizing magazine.
- In January 2019, it was awarded the “Demonstration Good News Work Award” and “Excellent New Media Good News Award” by the China Banking Association.
- In January 2019, it was selected as the “Best Regional Private Bank in China” by the Private Banking Business Professional Committee of the China Banking Association.
- In January 2019, it was selected as the “Outstanding Institution in Collateral Business” by China Central Depository & Clearing Co., Ltd.
- In January 2019, it was selected as the “Best Employer” by Vanguard Group.
- In April 2019, it was selected as the “National Copyright Demonstration Unit” by National Copyright Administration.
- In May 2019, it was selected as an “Advanced Unit in Inclusive Financial Services” by Jiangsu Banking and Insurance Supervision Bureau.

## **FINANCIAL INFORMATION**

Copies of Bank of Jiangsu’s published audited consolidated financial statements and unaudited but reviewed consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of Bank of Jiangsu and the Shanghai Stock Exchange at <http://www.jsbchina.cn> and <http://www.sse.com.cn>, respectively. The financial statements of Bank of Jiangsu are not included in and do not form part of the Information Memorandum. The information contained on the websites of Bank of Jiangsu and the Shanghai Stock Exchange is subject to change from time to time. No representation is made by the Issuer, the Guarantor, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them and none of the Issuer, the Guarantor, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on websites of the Bank of Jiangsu and the Shanghai Stock Exchange.

## TAXATION

*The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of the Information Memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds 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 the Information Memorandum are to be regarded as advice on the tax position of any holder of the Bonds or any persons 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 advisers concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.*

### 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 China for PRC tax purposes. These beneficial owners are referred to as non-PRC holders of the Bonds in this section. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

#### Income Tax

Pursuant to the EIT Law, effective on 1 January 2008 and amended on 24 February 2017, 29 December 2018 and its implementation regulations, effective on 1 January 2008 and amended on 23 April 2019, enterprises that are established under the laws of foreign countries and territories (including Hong Kong, Macau and Taiwan) but whose “de facto management bodies” are within the territory of PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income sourced from both within and outside of the PRC. The implementation regulations of the EIT Law define the location of the “de facto management body” as an “organizational body which effectively and comprehensively manages and controls the production and business operation, personnel, accounting, properties and other aspects of operations of an enterprise.”

In addition, the Notice on Issues Concerning the Determination of Chinese-controlled Enterprises Incorporated Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies issued by the SAT on 22 April 2009 provides that a foreign enterprise controlled by a PRC company or a PRC company group would be classified as a “resident enterprise” with a “de facto management body” located within the PRC if all of the following requirements are satisfied: (i) the senior managements and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) main assets, accounting books, company seals and minutes and files of board and shareholders’ meetings are located or kept within the PRC; and (iv) at least half of the enterprise’s directors with voting rights, or senior managements, reside within the PRC. Pursuant to a circular issued by the SAT which became effective on 1 September 2011 and was most recently amended on 15 June 2018, and relevant rules, a foreign enterprise controlled by a PRC company or a PRC company group shall be deemed a “resident enterprise” by the final decision of the provincial or local tax authorities through the application of the foreign enterprise or the investigation of the relevant tax authorities.

If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income from sources both within and outside of the PRC. If a holder of Bonds is

required to pay any PRC income tax on interest or gains on the transfer of the Bonds, the value of the relevant holder's investment in the Bonds may be materially and adversely affected. As confirmed by the Issuer, as at the date of this Information Memorandum, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. However, we cannot assure you that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment or place of business within the PRC or whose income has no connection to its establishment or place of business inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer acting as a withholding agent. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer may be required to withhold income tax from the payments of interest in respect of the Bonds to any non-resident enterprise holder of Bonds (the tax would be withheld at source), and gain from the disposition of the Bonds may be subject to PRC tax, if the interest or gain is treated as PRC-sourced. Further, in accordance with the Individual Income Tax Law of the PRC which was most recently amended on 31 August 2018 and took effect on 1 January 2019 and its implementation regulations which was amended on 18 December 2018 and took effect on 1 January 2019, if the Issuer is considered to be a PRC tax resident enterprise, the interest payable to the non-resident individual holder of Bonds, and gains realized on the transfer of the Bonds by the non-resident individual holder of Bonds may be subject to PRC individual income tax if such interest or gains are treated as income derived from sources within the PRC (and in the case of interest payments, the tax would be withheld at source). The tax rate is generally 10 per cent. for non-resident enterprise holders of Bonds and 20 per cent. in the case of non-resident individual holders of Bonds, subject to the provisions of any applicable income tax treaty. If the Issuer is required under the EIT Law to withhold PRC income tax from interest payments made to the Issuer's non-resident holders of Bonds, the Issuer will be required to pay these additional amounts which will result in receipt by these holders of Bonds of interest payment amounts as if no such withholding had been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds and could have a material adverse effect on our ability to pay interest on, and repay the principal amount of, the Bonds, as well as our profitability and cash flow.

In addition, as the Guarantor is a PRC resident enterprise, in the event that the Guarantor is required to fulfil its obligations under the Guarantee by making interest payments on behalf of the Issuer, the Guarantor will be obliged to withhold PRC enterprise income tax at a rate of 10 per cent. on such payments to non-resident enterprise holders of Bonds and 20 per cent. for non-resident individual holders of Bonds if such interest payments are deemed to be derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, which allows a lower rate of withholding tax, such lower rate may apply to qualified non-resident holders of Bonds.

## **VAT**

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation ("SAT") issued the Circular 36 which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT for VAT purposes. In the event the Issuer is deemed to be in the

PRC by the PRC tax authorities, the holders of Bonds may be regarded as providing the financial services within the PRC and consequently, the amount of interest payable by the Issuer to any non-resident holders of Bonds may be subject to withholding VAT and surcharges at the rate of around 6.72 per cent. In addition, as the Guarantor is located in the PRC, in the event that the Guarantor is required to fulfil its obligations under the Guarantee by making interest payments on behalf of the Issuer, the Guarantor may be required to withhold VAT and surcharges at a rate of around 6.72 per cent. on such payments to non-resident holders of Bonds if the holders of Bonds are regarded as providing financial services within the PRC.

Where a holder of the Bonds who is an entity or individual located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC.

Recently, the Circular on the Adjustment to VAT Rates (關於調整增值稅稅率的通知) (“**Circular 32**”) issued by the Ministry of Finance and the State Administration of Taxation on 4 April 2018 and effective on 1 May 2018, confirms the major relevant policies for adjusting VAT rates as follows: (i) the deduction rates of 17 per cent. and 11 per cent. applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16 per cent. and 10 per cent., respectively, and (ii) for the export goods to which a tax rate of 17 per cent. was originally applicable and the export rebate rate was 17 per cent., the export rebate rate is adjusted to 16 per cent., and for the export goods and cross-border taxable activities to which a tax rate of 11 per cent. was originally applicable and the export rebate rate was 11 per cent., the export rebate rate is adjusted to 10 per cent. According to the Circular on Policies Concerning Deepening the Reform of Value Added Tax (關於深化增值稅改革有關政策的公告) (“**Announcement 39**”) promulgated by the MOF, the SAT and General Administration of Customs on 20 March 2019, which took effect on 1 April 2019, the deduction rates of 16 per cent. and 10 per cent. applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13 per cent. and 9 per cent., respectively, and for the export goods to which a tax rate of 16 per cent. was originally applicable and the export rebate rate was 16 per cent., the export rebate rate is adjusted to 13 per cent., and for the export goods and cross-border taxable activities to which a tax rate of 10 per cent. was originally applicable and the export rebate rate was 10 per cent., the export rebate rate is adjusted to 9 per cent. As Circular 32 and Announcement 39 are relatively new regulations, these confirmatory statements may be subject to further changes upon the issuance of further clarification rules and/or different interpretation by the competent tax authority.

### **Stamp Duty**

No PRC stamp duty will be imposed on non-PRC holders of the Bonds either upon issuance of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of holders of the Bonds is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC.

If the LC Bank makes any payments in respect of interest on the Bonds under the Standby Letter of Credit, the LC Bank may be obliged to withhold PRC enterprise income tax at the rate of up to 10 per cent. on such payments to non-PRC resident enterprise Bondholders and 20 per cent. on such payment to non-PRC resident individual Bondholders as such payments will be regarded as being derived from sources within the PRC, and VAT and surcharges at a rate around 6.72 per cent. may also be applicable.

However, despite the withholding of the PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in “*Terms and Conditions of the Bonds*”.

## **HONG KONG**

### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal 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 profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

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:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) 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 IRO).

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 and redemption of Bonds will be subject to Hong Kong profits tax. 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 (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

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

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

## **CAYMAN ISLANDS**

Under the laws of the Cayman Islands, payments of interest, premium (if any) and principal on the Bonds will not be subject to taxation and no withholding will be required on the payment of interest and principal or

premium to any holder of the Bonds, as the case may be, nor will capital gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax.

The Cayman Islands currently have no income, corporate or capital gains tax nor do they have any estate duty, inheritance tax or gift tax outside the Cayman Islands. No stamp duty is payable in respect of the issue of the Bonds. An instrument of transfer in respect of a Bond is stampable if executed in or brought into the Cayman Islands.

## PLACEMENT AND SALE

The Issuer and the Guarantor have entered into a placing agreement with the Placing Agents dated 17 March 2021 (the “**Placing Agreement**”) pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue to the investors identified by the Placing Agents, and the Placing Agents have agreed to severally, but not jointly, facilitate the subscription and payment for the aggregate principal amount of the Bonds set forth opposite its name below:

<b>Placing Agent</b>	<b>Principal amount of the Bonds to be subscribed</b>
Tensant Securities Limited	U.S.\$10,000,000
Haitong International Securities Company Limited	U.S.\$10,000,000
BOSC International Company Limited	U.S.\$10,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	U.S.\$5,000,000
CEB International Capital Corporation Limited	U.S.\$5,000,000
China Everbright Securities (HK) Limited	U.S.\$5,000,000
Huarong International Securities Limited	U.S.\$5,000,000
China Industrial Securities International Brokerage Limited	U.S.\$5,000,000
<b>Total</b>	<b>U.S.\$55,000,000</b>

The Placing Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Placing Agents and their affiliates against certain liabilities in connection with the placement and sale of the Bonds. The Placing Agreement provides that the obligations of the Placing Agents are subject to certain conditions precedent and entitles the Placing Agents to terminate it in certain circumstances prior to payment being made to the Issuer.

The Placing Agents and their 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 Placing Agents and their affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer and the Guarantor, for which they received or will receive customary fees and expenses.

In addition to the transactions noted above, the Placing Agents and their affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer, the Guarantor or their respective subsidiaries, jointly controlled entities or associates in the ordinary course of their business. In addition, the Placing Agents and certain of their subsidiaries and affiliates may hold shares or other securities in the Issuer or the Guarantor as beneficial owners, on behalf of clients or in the capacity of investment advisors.

The Placing Agents and their affiliates may purchase the Bonds and be allocated the Bonds for asset management and/or proprietary purposes, acting as investor for their own account but not with a view to distribution, and may in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or the Guarantor or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds.

In the ordinary course of their various business activities, the Placing Agents 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 accounts and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be purchaser of the Bonds). Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. Accordingly, references herein to the Bonds being offered should be read as including any offering of the Bonds to the Placing Agents and/or their affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Neither the Issuer, the Guarantor nor the Placing Agents make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Bonds. In addition, neither the Issuer, the Guarantor nor the Placing Agents make any representation that any Placing Agent or its agent will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

### **General**

Neither the Issuer, the Guarantor nor the Placing Agents make any representation that any action has been or will be taken in any jurisdiction by the Placing Agents or the Issuer or the Guarantor that would permit a public offering of the Bonds, or possession or distribution of the Preliminary Information Memorandum or the Final Information Memorandum (in proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Placing Agents will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes the Preliminary Information Memorandum or the Final Information Memorandum (in proof or final form) or any such other material, in all cases at its own expense. The Issuer, the Guarantor and the Placing Agents will have no responsibility for, and the Placing Agents will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery of the Bonds. The Placing Agents are not authorised to make any representation or use any information in connection with the issue, placing and sale of the Bonds other than as contained in, or which is consistent with, the Final Information Memorandum (in final form) or any amendment or supplement to it.

### **United States**

The Bonds, the Guarantee and the SBLC 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, the Guarantee and the SBLC 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, the Guarantee and the SBLC, an offer or sale of the Bonds, the Guarantee or the SBLC within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Placing Agent has represented, warranted and agreed that:

- (a) 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 Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, the Guarantor or the SBLC Bank; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **Hong Kong**

Each Placing Agent has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the 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 Placing Agent has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Placing Agent has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum 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 SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### **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 “**FIEA**”). Accordingly, each Placing Agent has represented 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 FIEA and any other applicable laws and regulations of Japan.

### **PRC**

Each Placing Agent has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

### **Cayman Islands**

Each Placing Agent has represented and agreed that no invitation may be made to the public in the Cayman Islands to subscribe for the Bonds by or on the Issuer’s behalf unless at the time of invitation the Issuer is listed on the Cayman Islands Stock Exchange.

## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds will be lodged and cleared through the Euroclear and Clearstream with Common Code of 232046139 and ISIN of XS2320461390. The Legal Entity Identifier Code of the Issuer is 3003006H6Q2VEYXLJI03.
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the execution, issue and performance of its obligations under the Bonds, the Trust Deed, the Agency Agreement and the SBLC. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer on 10 March 2021. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the entry into the Deed of Guarantee which was approved by the board of directors of the Guarantor on 12 January 2021.
3. **No Material Adverse Change:** Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Guarantor and the Group since 30 June 2020.
4. **Litigation:** None of the Issuer, the Guarantor or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer or the Guarantor, as the case may be, believes are material in the context of the Bonds, nor is any of the Issuer or the Guarantor aware that any such proceedings are pending or threatened.
5. **Available Documents:** So long as any of the Bonds remain outstanding, copies of the following documents will be available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) upon prior written request and satisfactory proof of holding and identity from the Issue Date at the principal place of business of the Trustee (being at the Issue Date at One Canada Square, London E14 5AL, United Kingdom) and the registered office of the Issuer:
  - (a) the SBLC;
  - (b) the Trust Deed;
  - (c) the Agency Agreement; and
  - (d) the Deed of Guarantee.
6. **Financial Statements:**

Copies of the Issuer's published audited consolidated financial statements and unaudited but reviewed consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of the Issuer and the Hong Kong Stock Exchange at <http://www.dfport.com.hk> and <https://www.hkexnews.hk>, respectively.

Copies of Bank of Jiangsu's published audited consolidated financial statements and unaudited but reviewed consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of Bank of Jiangsu and the Shanghai Stock Exchange at <http://www.jsbchina.cn> and <http://www.sse.com.cn>, respectively.

The financial statements of the Issuer and Bank of Jiangsu are not included in and do not form part of this Information Memorandum. The information contained on the websites of the Issuer and Bank of Jiangsu, the Hong Kong Stock Exchange and the Shanghai Stock Exchange is subject to change from time to time. No representation is made by the Issuer, the Group, the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them and none of the Issuer, the Group, the Placing Agents,

the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on websites of the Issuer or Bank of Jiangsu, the Hong Kong Stock Exchange or the Shanghai Stock Exchange.

## APPENDIX A – FORM OF STANDBY LETTER OF CREDIT

*The following sets forth the form of the SBLC that the SBLC Bank will issue on or before the Closing Date in connection with the offering of the Bonds. Please see Condition 4(b) (Pre-funding) of the Conditions for details of when the Trustee (as beneficiary on behalf of the holders of the Bonds) is required to make the drawing under the SBLC.*

FM: BANK OF JIANGSU CO., LTD. YANCHENG BRANCH (SWIFT: BOJSCNBN)  
ADDRESS:  
269 JIEFANG SOUTH ROAD  
YANCHENG CITY, JIANGSU PROVINCE  
CHINA

DATE: 23 MARCH 2021

TO BENEFICIARY: THE BANK OF NEW YORK MELLON, LONDON BRANCH (THE “**TRUSTEE**”) IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE “**BONDHOLDERS**”) OF THE U.S.\$55,000,000 2.40 PER CENT. CREDIT ENHANCED GUARANTEED BONDS DUE 2024 (THE “**BONDS**”) TO BE ISSUED BY DAFENG PORT HESHUN TECHNOLOGY COMPANY LIMITED (大丰港和顺科技股份有限公司) (THE “**ISSUER**”) AND TO BE CONSTITUTED BY A TRUST DEED DATED ON 23 MARCH 2021 (THE “**ISSUE DATE**”) AMONG THE ISSUER, JIANGSU DAFENG HARBOR HOLDINGS LIMITED (江苏大丰海港控股集团有限公司) (THE “**GUARANTOR**”) AND THE TRUSTEE (AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME, THE “**TRUST DEED**”).

DEAR SIRs,

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER]

AT THE REQUEST OF OUR CUSTOMER, THE ISSUER, WE, BANK OF JIANGSU CO., LTD. YANCHENG BRANCH (THE “**ISSUING BANK**,” “**OUR**,” “**US**” OR “**WE**”), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE ISSUER, IN RESPECT OF AND IN CONNECTION WITH THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE “**CONDITIONS**”) AND THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (A “**DEMAND**”) STATING THAT (1) THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) OF THE CONDITIONS (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION OR (2) AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE BENEFICIARY, AS TRUSTEE FOR THE BONDHOLDERS, HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, ON AND AFTER THE ISSUE DATE AND FOLLOWING RECEIPT BY US OF A DEMAND BY 6:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, WE SHALL BY 10:00 A.M. (HONG KONG TIME) ON THE FOURTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND (OR IF SUCH DEMAND

IS RECEIVED AFTER 6:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, THEN ON THE FIFTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND), PAY TO YOU OR TO THE ORDER OF THE BENEFICIARY THE AMOUNT IN U.S. DOLLARS SPECIFIED IN THE DEMAND TO THE ACCOUNT SPECIFIED IN THE DEMAND. “**BUSINESS DAY**” MEANS A DAY (OTHER THAN A SATURDAY, A SUNDAY OR A PUBLIC HOLIDAY) ON WHICH BANKS AND FOREIGN EXCHANGE MARKETS ARE OPEN FOR BUSINESS IN HONG KONG, LONDON, BEIJING AND NEW YORK CITY.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN U.S. DOLLARS AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED U.S.\$56,660,000 (THE “**MAXIMUM LIMIT**”), AN AMOUNT REPRESENTING ONLY (I) THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD (BEING SIX MONTHS) IN ACCORDANCE WITH THE CONDITIONS AND (II) U.S.\$1,000,000 BEING THE MAXIMUM AMOUNT PAYABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT FOR ANY FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND ALL OTHER AMOUNTS PAYABLE BY THE ISSUER AND THE GUARANTOR UNDER OR IN CONNECTION WITH THE BONDS, THE GUARANTEE (AS DEFINED IN THE CONDITIONS), THE TRUST DEED, THE AGENCY AGREEMENT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND/OR ANY OTHER TRANSACTION DOCUMENT RELATING TO THE BONDS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY TO YOU IS UNCONDITIONAL, IRREVOCABLE AND ABSOLUTE AND ANY DEMAND BY YOU UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONOURED WITHOUT ANY FURTHER ENQUIRY AS TO YOUR RIGHTS TO MAKE SUCH DEMAND.

UNLESS OTHERWISE SPECIFIED HEREIN, THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM THE DATE HEREOF AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 6:00 P.M. (HONG KONG TIME) ON 22 APRIL 2024 (THE “**EXPIRY DATE**”) AND SHALL EXPIRE AT THE PLACE OF THE ISSUING BANK. AFTER THE EXPIRY DATE, OUR LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT WILL BE IMMEDIATELY DISCHARGED AND RELEASED EXCEPT FOR ANY DEMAND VALIDLY PRESENTED UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT BEFORE THE EXPIRY DATE THAT REMAINS UNPAID.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY YOU AS TRUSTEE OR ON YOUR BEHALF BY THE BANK OF NEW YORK MELLON, HONG KONG BRANCH (SWIFT: IRVTHKHX) TO US (SWIFT: BOJSCNBN) ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; PROVIDED THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, YOU (THE BENEFICIARY) MAY INSTEAD PRESENT A COPY OF THE DEMAND TO US VIA FACSIMILE TRANSMISSION AT +86 515 6666 5825 AND SUCH DEMAND SHALL BE SIGNED BY YOU AS TRUSTEE FOR THE BONDHOLDERS AND ACCOMPANIED BY A COPY OF A LIST OF AUTHORISED SIGNATORIES OF THE TRUSTEE, FOLLOWED BY A STATEMENT VIA AUTHENTICATED SWIFT ON THE NEXT BUSINESS DAY ON WHICH THE SWIFT SYSTEM IS AVAILABLE STATING THAT THE LIST OF AUTHORISED SIGNATORIES PROVIDED IS VALID AND

EFFECTIVE. IN THE CASE OF A PRESENTATION OF A DEMAND BY WAY OF FACSIMILE TRANSMISSION IN THE CIRCUMSTANCE STATED ABOVE, YOU SHALL ARRANGE FOR THE ORIGINAL DEMAND TO BE DELIVERED AS SOON AS REASONABLY PRACTICABLE THEREAFTER VIA COURIER AT OUR COUNTER AT OUR ADDRESS (AS SPECIFIED ABOVE) DURING OUR NORMAL BRANCH OPENING HOURS ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE. FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND UPON RECEIPT OF THE DEMAND SENT TO US BY WAY OF FACSIMILE TRANSMISSION.

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.

ALL CHARGES ARE FOR THE ACCOUNT OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE BENEFICIARY.

NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN U.S. DOLLARS AND FOR VALUE ON THE DATE SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY DEDUCTION OR WITHHOLDING ON ACCOUNT OF TAX, SET-OFF, COUNTER-CLAIM OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE FOR THE BONDHOLDERS OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN SO REQUIRED BY LAW.

THE BENEFICIARY'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE OR IN PART TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE APPOINTED AS CONTEMPLATED IN THE TRUST DEED IN RESPECT OF THE BONDS SUBJECT ONLY TO AT LEAST 15 DAYS' NOTICE HAVING BEEN GIVEN TO US BY OR ON BEHALF OF YOU AS TRUSTEE FOR THE BONDHOLDERS BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, VIA FACSIMILE TO US AT +86 515 6666 5825. MULTIPLE TRANSFERS ARE PERMITTED, SUBJECT TO AS PROVIDED IN THIS PARAGRAPH.

OUR OBLIGATIONS AND LIABILITIES UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE INDEPENDENT. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS NOT SUBJECT TO ANY CONTRACT, AGREEMENT, CONDITION OR QUALIFICATION. WE MAY NOT TRANSFER, ASSIGN OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ARTICLE 36 OF UCP600 (AS DEFINED BELOW), IN THE UNEXPECTED EVENT THAT WE ARE CLOSED WHEN YOU WISH TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS ABLE TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT YOU CAN PRESENT THE DEMAND BY AUTHENTICATED SWIFT OR BY PRESENTING A COPY OF THE DEMAND VIA FACSIMILE TRANSMISSION AT +86 515 6666 5825 FROM THE DATE OF OUR RESUMPTION OF OUR BUSINESS; PROVIDED THAT IF WE ARE CLOSED ON THE EXPIRY DATE, THE EXPIRY DATE SHALL BE AUTOMATICALLY EXTENDED BY, AND SUCH PRESENTATION SHALL BE MADE WITHIN, FIVE BUSINESS DAYS AFTER THE DATE ON WHICH WE NOTIFY YOU BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT THEN AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION (USING THE SWIFT ADDRESS OR, AS THE



CASE MAY BE, THE FACSIMILE NUMBER SET OUT ABOVE FOR YOU AS BENEFICIARY) OF OUR RESUMPTION OF OUR BUSINESS. IN THE CASE OF A PRESENTATION OF A DEMAND BY WAY OF FACSIMILE TRANSMISSION IN THE CIRCUMSTANCE STATED ABOVE, YOU SHALL ARRANGE FOR THE ORIGINAL DEMAND TO BE DELIVERED AS SOON AS REASONABLY PRACTICABLE THEREAFTER VIA COURIER AT OUR COUNTER AT OUR ADDRESS (AS SPECIFIED ABOVE) DURING OUR NORMAL BRANCH OPENING HOURS. FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND SENT TO US UPON RECEIPT OF THE DEMAND BY WAY OF FACSIMILE TRANSMISSION. THE ABOVE UNEXPECTED EVENT ONLY REFERS TO THE CASE OF FORCE MAJEURE SPECIFIED IN ARTICLE 36 OF UCP 600.

ANY SETTLEMENT OR DISCHARGE BETWEEN US AS ISSUING BANK AND YOU AS TRUSTEE FOR THE BONDHOLDERS AND BENEFICIARY SHALL BE CONDITIONAL UPON NO PAYMENT TO YOU BY THE ISSUER OR ANY OTHER PERSON ON THE ISSUER'S BEHALF BEING AVOIDED (BY VIRTUE OF ANY LAWS OR REGULATIONS RELATING TO BANKRUPTCY, INSOLVENCY, RECEIVERSHIP, LIQUIDATION OR SIMILAR LAWS OF GENERAL APPLICATION FOR THE TIME BEING IN FORCE) AND, IN THE EVENT OF ANY SUCH PAYMENT BEING SO AVOIDED, YOU SHALL BE ENTITLED TO RECOVER THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED FROM US SUBSEQUENTLY AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.

EXCEPT TO THE EXTENT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 ("UCP600").

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW. NO PERSON SHALL HAVE ANY RIGHT TO ENFORCE ANY TERM OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT UNDER THE CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE (CAP. 623). WE AGREE THAT (1) THE COURTS OF HONG KONG SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND (2) THE COURTS OF HONG KONG ARE THE MOST APPROPRIATE AND CONVENIENT COURTS TO SETTLE ANY DISPUTE AND, ACCORDINGLY, WE WILL NOT ARGUE THAT ANY OTHER COURTS ARE MORE APPROPRIATE OR CONVENIENT. IN CASE OF ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT THE DOCUMENTS WHICH START ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ANY OTHER DOCUMENTS REQUIRED TO BE SERVED IN RELATION TO SUCH ACTION OR PROCEEDINGS MAY BE SERVED ON US BY BEING DELIVERED TO US AT COGENCY GLOBAL (HK) LIMITED AT UNIT B, 1/F, LIPPO LEIGHTON TOWER, 103 LEIGHTON ROAD, CAUSEWAY BAY, HONG KONG WHOM WE HAVE APPOINTED AS OUR PROCESS AGENT. IF FOR ANY REASON WE CEASE TO HAVE SUCH ADDRESS IN HONG KONG, WE WILL PROMPTLY APPOINT A SUBSTITUTE PROCESS AGENT AND NOTIFY THE BENEFICIARY OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

**APPENDIX A-1**  
**FORM OF DEMAND**

To: BANK OF JIANGSU CO., LTD. YANCHENG BRANCH (SWIFT: BOJSCNBN)  
ADDRESS:  
269 JIEFANG SOUTH ROAD  
YANCHENG CITY, JIANGSU PROVINCE  
CHINA

[DATE]

Dear Sirs

**RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN RESPECT OF THE U.S.\$55,000,000 2.40 PER CENT. CREDIT ENHANCED GUARANTEED BONDS DUE 2024 (THE “BONDS”) ISSUED BY DAFENG PORT HESHUN TECHNOLOGY COMPANY LIMITED (大丰港和顺科技股份有限公司) (THE “ISSUER”)**

The undersigned is a duly authorised person of The Bank of New York Mellon, London Branch or the Bank of New York, Hong Kong Branch which is hereby making a demand on behalf of The Bank of New York Mellon, London Branch as Trustee for itself and on behalf of the Bondholders (the “Beneficiary”) under your Irrevocable Standby Letter of Credit No. [NUMBER] (the “Irrevocable Standby Letter of Credit”). Capitalised terms used herein but not defined shall have the meanings given to them in the Irrevocable Standby Letter of Credit.

1. This Demand is made in connection with the following:
  - The Issuer has failed to comply with Condition 4(b) (the “Pre-Funding Condition”) in relation to pre-funding the amount that is required to be pre-funded under the Conditions and/or failed to provide the Required Confirmations (as defined in the Conditions) in accordance with the Pre-Funding Condition.
  - An Event of Default (as defined in the Conditions) has occurred and the Beneficiary, as Trustee for the Bondholders, has given notice to the Issuer that the Bonds are due and payable in accordance with the Conditions.
2. We hereby demand you to pay U.S.\$[AMOUNT] representing the aggregate of (i) interest accrued up to the date when the Bonds cease to bear interest pursuant to the Conditions, (ii) the principal amount of the outstanding Bonds and (iii) all fees, costs, expenses, indemnity payments and other amounts in connection with the Bonds, the Guarantee, the Trust Deed, the Agency Agreement, the Irrevocable Standby Letter of Credit and/or any other transaction documents relating to the Bonds which is due and now outstanding.
3. We hereby request you to pay the above amounts after you receive this Demand in accordance with the Irrevocable Standby Letter of Credit.
4. The proceeds of the drawing under this Demand are to be credited to the following account:

*[Insert account details]*

For and behalf of

---

[The Bank of New York Mellon, London Branch as Trustee] or [The Bank of New York Mellon, Hong Kong Branch as delegate of the Trustee]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ISSUER**

**Dafeng Port Heshun Technology Company Limited**  
Unit 1009, Exchange Tower  
33 Wang Chiu Road, Kowloon Bay  
Kowloon, Hong Kong

**GUARANTOR**

**Jiangsu Dafeng Harbor Holdings Limited**  
Floor 20-22, International Business Building  
Dafenggang Economic Development Zone  
Jiangsu Province, PRC

**TRUSTEE**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**TRANSFER AGENT AND REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg  
Branch**  
Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**LC PROCEEDS ACCOUNT BANK AND PRE-  
FUNDING ACCOUNT BANK**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
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