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本公告及當中所述上市文件僅按香港聯合交易所有限公司證券上市規則（「上市規則」）規定刊發以供參考，並不構成任何證券的出售要約或招攬購買要約。本公告或當中所述任何內容（包括上市文件）概非任何合約或承諾的基礎。謹此說明，刊發本公告及當中所述上市文件不應視為根據發行人（定義見下文）或其代表就香港法例第32章《公司（清盤及雜項條文）條例》而言刊發的招股章程發售證券，亦並不構成就香港法例第571章《證券及期貨條例》而言邀請公眾人士訂立或要約訂立協議收購、處置、認購或包銷證券的廣告、邀請或文件。

本公告並非在美國出售發行人證券的要約，亦非招攬購買發行人證券的要約。本公告所述證券並無亦不會根據1933年《美國證券法》（經修訂）（「證券法」）或美國任何州的證券法登記，且不得在美國境內發售或出售，惟根據《美國證券法》豁免或在毋須遵守《美國證券法》的交易中進行者除外。本公告及其所載資料不得直接或間接於或向美國分發。本公告所述證券並無亦不會在美國公開發售。

**致香港投資者通知：**發行人及擔保人（定義見下文）確認，債券（定義見下文）僅供專業投資者（定義見上市規則）購買，並已按此基準在香港聯合交易所有限公司上市。因此，發行人及擔保人確認，債券並不適合香港的零售投資者投資。投資者務請審慎考慮所涉風險。

## 刊登發行通函

### **WuXi AppTec (HongKong) Limited** **藥明康德（香港）有限公司**

（於香港註冊成立的有限公司）

（「發行人」）

由



### **WUXI APPTEC CO., LTD.\*** **（無錫藥明康德新藥開發股份有限公司）**

（於中華人民共和國註冊成立的股份有限公司）

（股份代號：2359）

（「擔保人」）

**無條件及不可撤銷地擔保**  
**500,000,000美元於2025年到期之零息有擔保可轉換債券**

（股份代號：5265）

本公告乃根據香港聯合交易所有限公司(「香港聯交所」)上市規則第37.39A條刊發。

茲提述發行人於2024年10月21日所刊發債券於香港聯交所上市的通告。

請參閱本公告隨附日期為2024年10月16日的發行通函(「發行通函」)，內容有關500,000,000美元於2025年到期之零息有擔保可轉換債券(「債券」)。按發行通函所披露，債券僅供專業投資者(定義見上市規則第37章)購買，並已按此基準在香港聯交所上市。

發行通函並不構成在任何司法權區向公眾人士提呈發售任何證券的招股章程、通告、通函、小冊子或廣告，亦非邀請公眾人士提出認購或購買任何證券的要約，且刊發目的並非邀請公眾人士提出認購或購買任何證券的要約。

香港，2024年10月22日

截至本公告日期，發行人董事會成員包括陳民章博士、胡正國先生、楊青博士、吳皓先生及施明女士。

截至本公告日期，擔保人董事會包括執行董事李革博士、陳民章博士、胡正國先生、楊青博士及張朝暉先生；非執行董事童小幪先生及吳亦兵博士；以及獨立非執行董事盧韶華女士、俞衛博士、張新博士、詹智玲女士及馮岱先生。

\* 僅供識別

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular (the “Offering Circular”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Guarantor (each as defined in the attached Offering Circular) or from Citigroup Global Markets Limited ( the “Lead Manager”) as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

**Confirmation of Your Representation:** The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor and the Lead Manager that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”); (2) the e-mail address that you gave the Issuer and/or the Guarantor and to which this e-mail has been delivered is not located in the United States, its territories or possessions; (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission; (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a “connected person” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) of the Guarantor, which includes but is not limited to any director, chief executive or substantial shareholder of the Guarantor or any of its subsidiaries or any associate of any of them within the meaning of the Listing Rules; and (5) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Guarantor.

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

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

**THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT.**

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.**

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

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

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

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

**You are responsible for protecting against viruses and other destructive items.** If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**WuXi AppTec (HongKong) Limited**  
**藥明康德 (香港) 有限公司**  
(incorporated with limited liability in Hong Kong)  
(as “Issuer”)



**WUXI APPTec CO., LTD.\***  
**(無錫藥明康德新藥開發股份有限公司)**

(A joint stock company incorporated in the People’s Republic of China with limited liability)

(Stock Code: 2359)

(as “Guarantor”)

**U.S.\$500,000,000 Zero Coupon Guaranteed Convertible Bonds due 2025**  
**Issue Price: 100 per cent.**

U.S.\$500,000,000 Zero Coupon Guaranteed Convertible Bonds due 2025 (the “Bonds”) will be issued by WuXi AppTec (HongKong) Limited 藥明康德 (香港) 有限公司 (the “Issuer”), unconditionally and irrevocably guaranteed (the “Guarantee”) by WuXi AppTec Co., Ltd\* (無錫藥明康德新藥開發股份有限公司) (the “Guarantor”, or the “Company”).

The Bonds will constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1 (*Negative Pledge*) of the terms and conditions of the Bonds (the “Terms and Conditions” or the “Conditions”)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 3.1 (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and canceled) at any time on or after the 41<sup>st</sup> day after October 21, 2024 (the “Issue Date”) up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (as defined in the Terms and Conditions) (both days inclusive) into fully paid ordinary foreign shares with a par value of RMB1.00 each issued by the Guarantor which are traded in HK dollars on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (the “H Shares”) at an initial conversion price of HK\$80.02 per H Share with a fixed exchange rate of HK7.7655 to U.S.\$1.00. The conversion price is subject to adjustment in the circumstances described under “Terms and Conditions of the Bonds — Conversion”. The Closing Price (as defined in the Terms and Conditions) of the H Shares on the Hong Kong Stock Exchange on October 7, 2024 was HK\$69.00 per H Share.

The Bonds will be zero coupon and will not bear interest unless, upon due presentation thereof, payment of principal and premium (if any) is improperly withheld or refused.

Unless previously redeemed, converted or purchased and canceled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount on October 19, 2025 (the “Maturity Date”). On giving not less than 30 nor more than 60 days’ notice, the Issuer may redeem the Bonds in whole but not in part at their principal amount, if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (which shall for this purpose include any further bonds issued in accordance with Condition 15 (*Further Issues*) of the Terms and Conditions and consolidated and forming a single series therewith). The Bonds may also 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, at their principal amount in the event of certain changes or amendments relating to the People’s Republic of China (the “PRC”) or Hong Kong taxation, as further described in the Terms and Conditions, subject to the non-redemption option of each holder after the exercise by the Issuer of its tax redemption option as described in the Terms and Conditions. The holder of each Bond will also have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds at their principal amount on the Relevant Event Put Date (as defined in the Terms and Conditions) following the occurrence of a Relevant Event (as defined in the Terms and Conditions). See “Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation”.

The denomination of the Bonds shall be U.S.\$200,000 and integral multiples of U.S.\$100,000 in excess thereof.

The Guarantor will enter into a deed of guarantee (the “Deed of Guarantee”) with Citicorp International Limited (the “Trustee”) on or around the Issue Date. The Guarantor will undertake that it will (i) within 15 Registration Business Days after execution of the Deed of Guarantee, 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 for registration in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《跨境擔保外匯管理規定》) promulgated by SAFE on May 12, 2014 which came into effect on June 1, 2014 (the “Cross-border Security Registration”) and its operating guidelines issued by SAFE, (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline (being the day falling six (6) months after the Issue Date), and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee (as defined in the Terms and Conditions).

The Guarantor will undertake to file or cause to be filed with the China Securities Regulatory Commission (the “CSRC”) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined in the Terms and Conditions) (the “CSRC Post-Issuance Filings”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined in the Terms and Conditions)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) (“Professional Investors”) only; and (ii) the listing of, and permission to deal in, the H Shares issuable on conversion, and such permissions are expected to become effective on October 22, 2024 and when such H Shares are issued, respectively. 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, the Guarantor or the Guarantor and its subsidiaries (the “Group”), or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Investing in the Bonds and the Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of the Conversion Right attached to the Bonds, and there are various other risks relating to the Bonds, the Issuer, the Guarantor, their respective businesses and their respective jurisdiction of operations which investors should familiarize themselves with before making an investment in the Bonds. See “Risk Factors”.

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

The Bonds will initially be represented by a global certificate (the “Global Certificate”) in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depository on behalf of 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, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See “Summary of Provisions relating to the Bonds while in Global Form”.

The Bonds will not be rated.

*Sole Global Coordinator and Sole Bookrunner*



The date of this Offering Circular is October 16, 2024.

\* For identification purpose only

## IMPORTANT NOTICE

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

The Issuer and the Guarantor, having made all reasonable enquiries, confirm that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Group and to the Bonds and the Shares, which is material in the context of the issue and offering of the Bonds (the “**Offering**”) (including the information which, according to the particular nature of the Issuer, the Guarantor, the Group, the Bonds and the Shares, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the Group, and of the rights attaching to the Bonds and the Shares), (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor and the Group are in any material respect true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in all material respects in relation to the Issuer, the Guarantor, the Group, the Bonds and the Shares, the omission of which would in the context of the issue and offering of the Bonds make any statement in this Offering Circular misleading, (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts in relation to the Issuer, the Guarantor, the Group, the Bonds and the Shares and to verify the accuracy in all material respects of all such information and statements in relation to the Issuer, the Group, the Bonds and the Shares as contained in this Offering Circular, and (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Issuer and the Guarantor accept full responsibility for the information contained in this Offering Circular.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Bonds described in this Offering Circular and may not be reproduced, redistributed or made available in whole or in part to any other person for any purpose. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Citigroup Global Markets Limited (the “**Lead Manager**”), the Issuer or the Guarantor to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Lead Manager to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the European Economic Area (the “**EEA**”), the PRC, Hong Kong, Singapore and Japan, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to

any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

Each prospective investor acknowledges that it is purchasing the Bonds for its own account and not with a view to distribution thereof, and it is, or at the time of its purchase will be, the beneficial owner of the Bonds purchased and (i) outside the United States; and (ii) not an affiliate of the Issuer, the Guarantor or a person acting on behalf of such an affiliate. Each prospective investor acknowledges that its purchase of the Bonds is lawful under the securities laws of the jurisdiction in which such prospective investor accepts the offer to purchase the Bonds.

The completion of the Offering is subject to the satisfaction and/or waiver of customary conditions precedent and the Lead Manager may exercise its discretion to terminate the transaction for reasons set forth in the Subscription Agreement (as defined below). Each person receiving this Offering Circular represents and acknowledges that the Lead Manager will not be held liable for any damages as a result of non-completion of the Offering or for the exercise of such rights or discretion.

No person has been or is authorized to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Guarantee or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Guarantor, the Lead Manager, Citicorp International Limited as the trustee (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions) or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. Neither the delivery of this Offering Circular 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 or any of them since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates 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 authorized or is unlawful.

This Offering Circular is being furnished by the Issuer, the Guarantor, in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any

purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them has separately verified the information contained in this Offering Circular and none of them can give any assurance that such information is accurate, truthful or complete. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted, by the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or of any such information or for any other statement, made or purported to be made by the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Bonds or the giving of the Guarantee or the Shares. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, recommendation, representation or warranty, express or implied, by the Lead Manager, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, the Lead Manager, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each prospective investor agrees not to hold the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them responsible for any misstatements in or omissions from this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on any investigation or due diligence conducted by the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Guarantor and the Group and the merits and risks involved in investing in the Bonds.

In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the terms of the offering of the Bonds, including the merits and risks involved. Each prospective investor acknowledges that it has such knowledge and experience in financial, business and international investment matters such that it is capable of evaluating the merits and risks of investing in the Bonds, and understands that entering into the Offering involves a high degree of risk and that the Bonds are a speculative investment. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds. Each prospective investor acknowledges that the Shares are listed on the Hong Kong Stock Exchange and the Guarantor is therefore required to publish certain business and financial information in accordance with the rules and practices of the Hong Kong Stock Exchange, which includes, among other things, descriptions of the Group’s principal activities, and the balance sheets, income statements and cash flow statements and other information relating to the Group which is necessary to enable holders of the Shares and the public to appraise the position of the Issuer, the Guarantor and the Group, and each prospective investor

is able to obtain or access such information without undue difficulty. Nothing herein shall be construed as a recommendation to each such person to purchase the Bonds. To the fullest extent permitted by law, none of the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular.

Each of the Lead Manager, the Trustee and the Agents and each of their respective directors, officers, employees, agents, representatives, affiliates and advisers 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 Offering Circular or any such statement. None of the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them undertakes to review the Issuer's, the Guarantor's or the Group's business, financial condition, results of operations, prospects or affairs after the date of this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them.

The Trustee shall not be responsible or have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed (as defined in the Terms and Conditions), the Agency Agreement (as defined in the Terms and Conditions), the Deed of Guarantee or any other document entered into in connection with the Bonds and/or the Guarantee, and the Trustee shall be entitled to assume the accuracy and correctness thereof for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence in the Trust Deed, the Agency Agreement, the Deed of Guarantees or any such other agreement or document referred to above.

In connection with the offering of the Bonds, the Lead Manager and/or its affiliates, or affiliates of the Issuer and/or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer and/or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Lead Manager and/or its affiliates, or affiliates of the Issuer or the Guarantor, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors:** Prospective investors should be aware that in the context of this offering of the Bonds, the Lead Manager is “capital



market intermediaries” (the “**CMI**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on the CMI, which require the attention and cooperation of prospective investors.

The CMI may also be acting as “overall coordinator” (the “**OC**”) for this offering and are subject to additional requirements under the SFC Code.

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

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

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

## **Industry and Market Data**

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them and none of the Issuer, the Guarantor, the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of this offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, the Issuer and the Guarantor confirm that this information has been accurately reproduced and that, as far as the Issuer and the Guarantor are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Issuer’s, the Guarantor’s and the Group’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Issuer, the Guarantor or the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “seek”, “should”, “estimate” or similar expressions or the negatives thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Issuer’s, the Guarantor’s or the Group’s control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s, the Guarantor’s and the Group’s present and future business strategies and the environment in which the Issuer, the Guarantor or the Group will operate in the future. Important factors that could cause the Issuer’s, the Guarantor’s or the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- the Group’s operations and business prospects;
- business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which the Group operates;
- general economic, political and business conditions in locations where the Group operates;
- the Group’s financial condition, performance and results of operations;
- the Group’s capital expenditure plans;
- various business opportunities that the Group may pursue;
- availability of and changes to bank loans and other forms of financing;
- the Group’s ability to expand and manage its growth, both within the PRC and abroad;
- the Group’s dividend policy;
- changes to the regulatory environment, politics, operating conditions of and general outlook in the industries and markets in which the Group operates;
- possible disruptions to commercial activities due to natural and human-induced disasters, including, but not limited to, floods, earthquakes, epidemics, terrorist attacks and armed conflicts;

- the Group's expectation with respect to the ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of the Group's business;
- the actions of and developments affecting competitors of the Group;
- the actions of and development affecting the major customers and suppliers of the Group;
- certain statement in this Offering Circular with respect to overall market trends;
- changes in currency exchange control and rates; and
- other factors beyond the Group's control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*" and elsewhere in this Offering Circular. The Issuer and the Guarantor caution investors not to place undue reliance on these forward-looking statements which reflect its managements' view only as at the date on which it is made. None of the Issuer, the Guarantor, the Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

## DOCUMENTS INCORPORATED BY REFERENCE

The Group's consolidated statements of comprehensive income and consolidated statements of financial position as at December 31, 2022 and 2023 and for the years ended December 31, 2022 and 2023 have been extracted from the consolidated financial statements of the Group for the years ended December 31, 2022 and December 31, 2023 contained in the Guarantor's 2022 annual report ("**2022 Annual Report**") and the Guarantor's 2023 annual report ("**2023 Annual Report**"), respectively, which have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, and incorporated by reference in this Offering Circular. Such consolidated financial statements are prepared in accordance with the International Financial Reporting Standards ("**IFRSs**").

The Group's consolidated statements of comprehensive income and consolidated statements of financial position as at and for the six months ended June 30, 2024 have been extracted from the consolidated financial statements of the Group from the Guarantor's 2024 interim report ("**2024 Interim Report**"), which have not been audited but reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, and incorporated by reference in this Offering Circular.

The audited consolidated financial statements of the Group (including the related audit reports and the notes thereto) which are contained in pages 135 to 299 of the 2022 Annual Report and pages 123 to 262 of 2023 Annual Report and the unaudited but reviewed consolidated financial statements of the Group (including the related review reports and the notes thereto) which are contained in pages 72 to 125 of the 2024 Interim Report are incorporated by reference in this Offering Circular. Copies of the 2022 Annual Report, 2023 Annual Report and 2024 Interim Report are available and may be downloaded free of charge from the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

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

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## SUMMARY

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

### OVERVIEW

With operations spanning Asia, Europe, and North America, the Guarantor delivers a broad portfolio of services, empowering the global pharmaceutical and life sciences industries to drive breakthrough treatments to patients. Through its unique business models, the Guarantor’s integrated, end-to-end offerings, which encompasses chemistry drug CRDMO, biology discovery, preclinical testing, clinical research, and advanced therapies, help customers enhance productivity and deliver healthcare solutions more efficiently and cost-effectively.

As scientific innovations and technological advancements continue to shape the industry, the global demand for life-saving and cutting-edge pharmaceuticals grows, further driving demand for the Guarantor’s enabling services. Since its founding, the Guarantor has upheld its core value of serving as an enabler for the pharmaceutical and life sciences sectors. Today, it remains a trusted partner to its customers, consistently providing the necessary capacity and capabilities for new drug R&D and manufacturing. With deep gratitude for the long-term trust and support of its customers, the Guarantor is committed to continuously enhancing its capacity, improving operational efficiency, and supporting its partners in delivering life-saving medicines worldwide. Together, the Guarantor and its customers strive to fulfill their shared vision that “every drug can be made and every disease can be treated”.

The Guarantor’s success is attributed to its seasoned management team, led by founder, chairman, and CEO, Dr. Li, a pioneer in the pharmaceutical outsourcing industry. Dr. Li and the senior management team are driven by a deep commitment to transforming drug discovery and development, aspiring to position the Guarantor as a leader in the global healthcare ecosystem.

The Group recorded during the years ended December 31, 2022 and 2023, and the six months ended June 30, 2023 and 2024, with revenues of RMB39,354.8 million, RMB40,340.8 million, RMB18,871.3 million, and RMB17,240.9 million, respectively. Net profits for these periods were RMB8,902.6 million, RMB10,797.9 million, RMB5,356.9 million, and RMB4,280.8 million, respectively.

The Guarantor was listed on the Shanghai Stock Exchange on May 8, 2018, and on the Main Board of the Hong Kong Stock Exchange on December 13, 2018. As of June 30, 2024, the number of the Guarantor’s issued shares was 2,911,927,203, with 2,524,851,053 A Shares and 387,076,150 H Shares.

## **RECENT DEVELOPMENTS**

In September 2024, the Guarantor announced the repurchase of A Shares of the Guarantor for the third time in 2024 and the completion of repurchase on the websites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. The Guarantor has repurchased a total of 23,934,621 A Shares through bidding for the third time in 2024, which will all be subsequently cancelled, reducing the Guarantor's registered capital.

As at September 24, 2024, the scheme trustee of the 2024 Scheme implemented the acquisition of H Shares through on-market transactions in accordance with the instructions of the Guarantor, utilizing funds in an aggregate amount of HK\$1 billion. The number of H Shares purchased is 27,478,428 H Shares, representing approximately 0.94% of the total issued share capital of the Guarantor as at the date of this Offering Circular.

## **COMPETITIVE STRENGTHS**

The Guarantor believes that the below strengths have enabled it to succeed and stand out from its competitors:

- Leading global new drug R&D services platform with integrated end-to-end capabilities
- Continuously track leading scientific technologies and enable innovation through leading advantages
- Strengthening the Guarantor's platform through enhancing its capacities and scale construction by leveraging its deep knowledge of the industry and deep discovery of customer needs
- Strong, loyal and expanding customer base and continuing growth of the ecosystem in the healthcare field
- Experienced management team with vision and ambition

## **BUSINESS STRATEGIES**

The Guarantor's vision is to become a platform with the highest, broadest and deepest capabilities and technologies in the global healthcare industry, so that "every drug can be made and every disease can be treated". The Guarantor provides the global pharmaceutical industry with comprehensive and integrated new drug R&D and production services. Through empowering pharmaceutical, life science and medical device companies worldwide, the Guarantor is committed to promoting new drug development and delivering groundbreaking treatment solutions to patients. With the research focused and customer-oriented principle, the Guarantor helps customers improve R&D efficiency by offering cost-effective and efficient R&D services, bringing more quality new drugs to patients faster.

Today, the healthcare industry is entering an unprecedented golden era, where knowledge meets data, and technology meets healthcare. The future new drug R&D model will witness a new definition and profound reforms. A patient-centered healthcare innovation ecosystem is emerging. Driven by data and technology, more and more scientists, engineers, entrepreneurs, doctors and patients will participate



in all aspects of R&D and innovation. In the future, the Guarantor will always: (1) expand its service capacity and capabilities globally; (2) explore the field of cutting-edge technologies through internal innovation and external merge and acquisition, and empower customers with world-leading science and technology; (3) enhance customer stickiness, increase customer conversion rate and continuously acquire new customers; (4) introduce quality talent to support its rapid growth; and (5) strengthen ecosystem development and improve its platform.

In 2024, the Guarantor will continue to focus on capacity and scale building, based on the cutting-edge technology, and continuously improve its integrated empowerment platform, so that anyone or any company can realize their own innovative dreams through the WuXi AppTec platform.

## THE OFFERING

*The following summary contains basic information about the Bonds and is not intended to be complete. It does not contain all the information that is important to investors. For a more complete description of the Bonds, please refer to the section of this Offering Circular entitled “Terms and Conditions of the Bonds”. Phrases used in this summary and not otherwise defined shall have the meaning given to them in the section entitled “Terms and Conditions of the Bonds”.*

<b>Issuer</b> .....	WuXi AppTec (HongKong) Limited 藥明康德 (香港) 有限公司
<b>Guarantor</b> .....	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司)
<b>Bonds</b> .....	U.S.\$500,000,000 Zero Coupon Guaranteed Convertible Bonds due 2025 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Guarantor of a par value of RMB1.00 each at the initial conversion price of HK\$80.02 per H Share.  The issue of the Bonds was authorized by written resolutions of the Issuer passed on October 7, 2024 and the guarantee of the Bonds and the right of conversion into H Shares were authorized by the authorizations granted to the Board by the Shareholders at the annual general meeting of the Guarantor held on June 12, 2024 and the resolution of the Board passed on October 7, 2024.
<b>A Share(s)</b> .....	Ordinary domestic share(s) of RMB1.00 each issued by the Guarantor which are traded in Renminbi on the Shanghai Stock Exchange (Stock Code: 603259).
<b>H Share(s)</b> .....	Ordinary foreign share(s) with a par value of RMB1.00 each issued by the Guarantor which are traded in HK dollars on the Hong Kong Stock Exchange (Stock Code: 2359).
<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.
<b>Issue Price</b> .....	100 per cent. of the principal amount of the Bonds.
<b>Form and Denomination of Bonds</b> .	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 each and integral multiples of U.S.\$100,000 in excess thereof.
<b>Interest</b> .....	The Bonds will be zero coupon and will not bear interest.
<b>Issue Date</b> .....	October 21, 2024

**Maturity Date** . . . . . October 19, 2025

**Negative Pledge** . . . . . So long as any Bond remains outstanding, neither the Issuer nor the Guarantor will, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, to secure any Investment Securities or to secure any guarantee of or indemnity in respect of any Investment Securities unless, at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Investment Securities, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders. See “*Terms and Conditions of the Bonds — Covenants — Negative Pledge*”.

**Status** . . . . . The Bonds will constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1 (*Negative Pledge*) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

**Taxation** . . . . . All payments made by or on behalf of the Issuer (or, as the case may be, the Guarantor) in respect of the Bonds (or, in the case of the Guarantor, the Guarantee) will be made free from any set-off, counterclaim, restriction or condition and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. If the Issuer or the Guarantor (as the case may be) is required to make a deduction or withholding in respect of PRC tax in excess of the aggregate rate applicable on October 7, 2024, or any Hong Kong deduction or withholding is required, the Issuer or the Guarantor (as the case may be) shall pay such additional 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 circumstances specified in Condition 8 (*Taxation*) of the Terms and Conditions. See “*Terms and Conditions of the Bonds — Taxation*”.

**Conversion Right and Period** . . . . . Subject as provided in the Terms and Conditions, each Bond shall entitle the holder to convert such Bond into H Shares (the “**Conversion Right**”). Subject to and upon compliance with the Terms and Conditions (including without limitation Condition 5.1.4 (*Revival and/or survival after Default*) of the Terms and Conditions), the Conversion Right attaching to any Bond may be exercised, at the option of the Bondholder, at any time and or after 41st day after the Issue Date up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (both days inclusive) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than 10 working days (at the place aforesaid) prior to the date fixed for redemption thereof; provided that (i) no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Issuer to redeem or repurchase such Bond pursuant to Condition 7.4 (*Redemption for Relevant Events*) of the Terms and Conditions or during a Restricted Conversion Period (both dates inclusive) and (ii) the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as otherwise provided in the Terms and Conditions (the “**Conversion Period**”). See “*Terms and Conditions of the Bonds — Conversion — Conversion Right*”.

**Conversion Price** . . . . . The price at which H Shares will be issued upon conversion will initially be HK\$80.02 per H Share but will be subject to adjustment in the manner provided in Condition 5.3 (*Adjustments to Conversion Price*) of the Terms and Conditions and/or Condition 5.6 (*Adjustment upon Change of Control*) of the Terms and Conditions, as applicable. See “*Terms and Conditions of the Bonds — Conversion*”.

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

**Redemption for Taxation Reasons**

The 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 Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable), at their principal amount on the relevant redemption date, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 (*Taxation*) of the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after October 7, 2024, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. If the Issuer exercises its tax redemption right, each Bondholder shall have the right to elect that its Bonds shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, then subject as provided in the Terms and Conditions any payments due after the relevant date of redemption shall be made subject to any deduction or withholding of any taxation required to be deducted or withheld. See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Taxation Reasons*”.

**Redemption at the Option of the Issuer**

On giving not less than 30 nor more than 60 days’ notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), the Bonds may be redeemed by the Issuer in whole, but not in part, on the date specified in the Optional Redemption Notice at their aggregate principal amount if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (which shall for this purpose include any further bonds issued in accordance with Condition 15 (*Further Issues*) of the Terms and Conditions and consolidated and forming a single series therewith). See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer*”.

**Redemption for Relevant Events** . . . Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Put Date at their principal amount as at the Relevant Event Put Date.

A "**Relevant Event**" means the occurrence of either:

- (i) a Change of Control;
- (ii) the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange;
- (iii) the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days;  
or
- (iv) a No Registration Event.

See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Relevant Events*".

**Issuer and Shareholders Lock-up . .** The Issuer and the Guarantor have jointly and severally undertaken in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on their behalf will (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Ordinary Shares or securities of the same class as the Bonds or the Ordinary Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Ordinary Shares or securities of the same class as the Bonds, the Ordinary Shares or other instruments representing interests in the Bonds, the Ordinary Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Ordinary Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Manager between the date hereof and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds, or (ii) any Ordinary Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Guarantor or any of its subsidiaries pursuant to any employee share scheme or plan.

Dr. Ge Li, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang have executed a lock-up undertaking whereby they undertake that none of them or any person acting on behalf of any of them (be it through any acting-in-concert agreement or any voting proxy arrangement) will sell Ordinary Shares or enter into other transactions with the same economic effect for a period between the date of the Subscription Agreement and the date which is 90 days after the Issue Date) (both dates inclusive).



<b>Cross Default</b> .....	The Bonds may be accelerated in the event of (i) 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 (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) 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 present or future indebtedness in respect of 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 have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in any other currency. See “ <i>Terms and Conditions of the Bonds — Events of Default</i> ”.
<b>Events of Default</b> .....	The Bonds will contain events of default as further described in Condition 9 ( <i>Events of Default</i> ) of the Terms and Conditions. See “ <i>Terms and Conditions of the Bonds — Events of Default</i> ”.
<b>Further Issues</b> .....	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 the timing for complying with the requirements set out in the Terms and Conditions in relation to the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration and the timing of any subsequent notices relating thereto to the Trustee and the Bondholders) and so that such further issue shall be consolidated and form a single series with the Bonds. See “ <i>Terms and Conditions of the Bonds — Further Issues</i> ”.
<b>Clearing Systems</b> .....	The Bonds will be cleared through Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book entry transfer between their respective account holders.
<b>Governing Law</b> .....	The Bonds and any non-contractual obligations arising out of or in connection with the Bonds will be governed by, and construed in accordance with, English law.
<b>Legal Entity Identifier of the Issuer</b>	3003003PC38D5FJAU003

<b>Listing and Trading of the Bonds</b> . . . . .	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds to Professional Investors only and such permission is expected to become effective on October 22, 2024.
<b>Listing of Shares</b> . . . . .	The Shares are listed on the Hong Kong Stock Exchange. Application has been made to the Hong Kong Stock Exchange for the listing of the Shares issuable upon conversion of the Bonds (the “ <b>New Shares</b> ”).
<b>Trustee</b> . . . . .	Citicorp International Limited.
<b>Registrar</b> . . . . .	Citicorp International Limited.
<b>Principal Paying Agent, Principal Conversion Agent and Principal Transfer Agent (collectively, the “Principal Agent”)</b> . . . . .	Citibank, N.A., London Branch.
<b>Selling Restrictions</b> . . . . .	There are restrictions on the offer, sale and transfer of the Bonds in, among others, the United States, the United Kingdom, the EEA, the PRC, Hong Kong, Singapore and Japan. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “ <i>Subscription and Sale</i> ”.
<b>Global Certificate</b> . . . . .	For as long as the Bonds are represented by the Global Certificate and the Global Certificate is deposited with a common depository for Euroclear and Clearstream, payments of principal and premium (if any) in respect of the Bonds represented by the Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to Bondholders for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
<b>Use of Proceeds</b> . . . . .	See “ <i>Use of Proceeds</i> ”.

<b>Risk Factors</b> .....	For a discussion of certain factors that should be considered in evaluating an investment in the Bonds, see “ <i>Risk Factors</i> ”.
<b>ISIN</b> .....	XS2919099650
<b>Common Code</b> .....	291909965

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*Note:*

Concurrent with the offering, the Lead Manager may facilitate sales of existing H Shares notionally underlying the Bonds by buyers of the Bonds who wish to sell such H Shares in covered short sales to purchasers procured by the Lead Manager in order to hedge the market risk to which the buyers of the Bonds are exposed with respect to the Bonds that they acquire in the offering (the “**Concurrent Delta Placement**”).

## SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

*The following tables set forth the selected consolidated financial and other operating information of the Group as at and for the periods indicated.*

*The selected consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2023 set forth below have been extracted from the Group's consolidated financial statements as at and for the years ended December 31, 2022 and 2023, which have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the independent certified public accountant and incorporated by reference in this Offering Circular. The selected consolidated financial statements of the Group as at and for the six months ended June 30, 2023 and 2024 set forth below have been extracted from the Group's consolidated financial statements as at and for the six months ended June 30, 2024, which have not been audited but reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the independent certified public accountant and incorporated by reference in this Offering Circular.*

*The Group's unaudited but reviewed consolidated financial statements as at and for the six months ended June 30, 2023 and 2024 have been extracted from the Guarantor's 2024 Interim Report and have been prepared and presented in accordance with the IFRSs. The audited consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2023 have been extracted from the Guarantor's 2022 Annual Report and 2023 Annual Report, and have been prepared and presented in accordance with the IFRSs.*

*You should read the selected consolidated financial statements of the Group set forth below in conjunction with the consolidated financial statements of the Group, together with the accompanying notes, included in the 2022 Annual Report, 2023 Annual Report and the 2024 Interim Report. In evaluating the business of the Group, you should carefully consider the information provided in the section headed "Risk Factors" in this Offering Circular.*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>For the year ended December 31,</b>		<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
<b>Revenue</b> . . . . .	39,354,778	40,340,807	18,871,285	17,240,918
Cost of sales . . . . .	(24,848,257)	(23,968,335)	(11,315,600)	(10,540,028)
<b>Gross profit</b> . . . . .	14,506,521	16,372,472	7,555,685	6,700,890
Other income . . . . .	644,270	962,499	439,801	511,017
Other gains and losses . . . . .	1,211,731	1,350,277	1,061,153	208,384
Impairment losses under expected credit losses (“ECL”) model, net of reversal	(117,279)	(240,893)	(101,700)	(82,127)
Impairment losses of non-financial assets . . . . .	—	(67,400)	(42,880)	—
Impairment losses of goodwill. . . . .	(131,285)	(49,606)	—	—
Selling and marketing expenses . . . . .	(731,587)	(701,030)	(353,474)	(357,522)
Administrative expenses . . . . .	(2,943,833)	(2,994,946)	(1,326,482)	(1,277,485)
Research and development expenses . . .	(1,613,953)	(1,440,630)	(667,045)	(636,309)
<b>Operating profit</b> . . . . .	10,824,585	13,190,743	6,565,058	5,066,848
Share of results of associates . . . . .	(52,532)	(35,076)	(76,474)	115,818
Share of results of joint ventures . . . . .	6,261	(32,484)	7,695	(4,169)
Finance costs . . . . .	(159,837)	(193,581)	(101,066)	(128,943)
<b>Profit before tax</b> . . . . .	10,618,477	12,929,602	6,395,213	5,049,554
Income tax expense . . . . .	(1,715,866)	(2,131,731)	(1,038,317)	(768,708)
<b>Profit for the year/period</b> . . . . .	<u>8,902,611</u>	<u>10,797,871</u>	<u>5,356,896</u>	<u>4,280,846</u>
<b>Other comprehensive income (expense) for the year/period</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of financial statements of foreign operations . . . . .	467,611	177,454	376,967	267,522
Fair value loss on hedging instrument designated in cash flow hedges . . . . .	(174,503)	(90,533)	(890,635)	(252,788)
<b>Other comprehensive income (expense) for the year/period, net of income tax</b> . . . . .	<u>293,108</u>	<u>86,921</u>	<u>(513,668)</u>	<u>14,734</u>
<b>Total comprehensive income for the year/period</b> . . . . .	<u><b>9,195,719</b></u>	<u><b>10,884,792</b></u>	<u><b>4,843,228</b></u>	<u><b>4,295,580</b></u>

	<b>For the year ended December 31,</b>		<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
<b>Profit for the year/period attributable to:</b>				
Owners of the Company . . . . .	8,813,713	10,690,153	5,313,120	4,239,822
Non-controlling interests . . . . .	88,898	107,718	43,776	41,024
	<u>8,902,611</u>	<u>10,797,871</u>	<u>5,356,896</u>	<u>4,280,846</u>
<b>Total comprehensive income for the year/period attributable to:</b>				
Owners of the Company . . . . .	9,109,138	10,778,457	4,806,967	4,256,926
Non-controlling interests . . . . .	86,581	106,335	36,261	38,654
	<u>9,195,719</u>	<u>10,884,792</u>	<u>4,843,228</u>	<u>4,295,580</u>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<b>Earnings per share . . . . .</b>				
— Basic . . . . .	<u>3.01</u>	<u>3.64</u>	<u>1.81</u>	<u>1.46</u>
— Diluted . . . . .	<u>2.82</u>	<u>3.61</u>	<u>1.79</u>	<u>1.45</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At December 31,		As at June 30,
	2022	2023	2024
	RMB'000	RMB'000	RMB'000 (Unaudited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment . . . . .	23,444,883	25,844,429	26,033,921
Right-of-use assets . . . . .	1,857,486	2,348,338	2,358,122
Goodwill . . . . .	1,822,102	1,820,873	1,841,158
Other intangible assets . . . . .	926,331	906,676	876,645
Interests in associates . . . . .	1,135,669	2,180,396	2,356,443
Interests in joint ventures . . . . .	67,262	35,234	25,481
Deferred tax assets . . . . .	492,111	366,691	489,518
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .	8,954,330	8,626,009	8,939,253
Other non-current assets . . . . .	1,054,942	105,755	117,735
Biological assets . . . . .	937,985	1,012,478	1,097,914
	40,693,101	43,246,879	44,136,190
<b>Current Assets</b>			
Inventories . . . . .	3,952,560	2,886,094	3,291,610
Contract costs . . . . .	678,759	695,583	878,331
Biological assets . . . . .	1,037,275	1,154,553	1,061,993
Amounts due from related parties . . . . .	122,955	86,702	57,695
Trade and other receivables . . . . .	7,590,361	9,372,741	9,093,696
Contract assets . . . . .	1,048,155	1,234,394	1,200,831
Income tax recoverable . . . . .	15,989	17,526	4,888
Financial assets at FVTPL . . . . .	2,000	11,003	—
Derivative financial instruments . . . . .	135,636	414,035	—
Other current assets . . . . .	1,427,795	785,780	—
Pledged bank deposits . . . . .	1,837	1,610	1,603
Term deposits with initial term of over three months . . . . .	—	3,761,410	4,970,976
Bank balances and cash . . . . .	7,983,904	10,001,039	9,699,515
	23,997,226	30,422,470	30,261,138

	At December 31,		As at June 30,
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables . . . . .	7,253,439	7,333,527	6,777,385
Amounts due to related parties . . . . .	14,498	11,547	14,315
Derivative financial instruments . . . . .	115,443	501,871	659,741
Contract liabilities . . . . .	2,496,637	1,955,363	2,522,712
Bank borrowings . . . . .	3,874,120	3,721,645	2,919,266
Income tax payables . . . . .	517,797	991,891	520,251
Lease liabilities . . . . .	205,335	240,452	234,705
Other current liabilities . . . . .	22,092	—	—
	<u>14,499,361</u>	<u>14,756,296</u>	<u>13,648,375</u>
<b>Net Current Assets . . . . .</b>	<b><u>9,497,865</u></b>	<b><u>15,666,174</u></b>	<b><u>16,612,763</u></b>
<b>Total Assets Less Current Liabilities . . . . .</b>	<b><u>50,190,966</u></b>	<b><u>58,913,053</u></b>	<b><u>60,748,953</u></b>
<b>Non-current Liabilities</b>			
Bank borrowings . . . . .	279,086	687,017	2,892,344
Deferred tax liabilities . . . . .	440,462	530,107	596,899
Deferred income . . . . .	910,922	1,079,932	1,045,104
Lease liabilities . . . . .	983,819	1,098,552	1,119,845
Convertible bonds-debt component . . . . .	501,990	—	—
Convertible bonds-embedded derivative component . . . . .	147,934	—	—
Other long-term liabilities . . . . .	80	—	—
	<u>3,264,293</u>	<u>3,395,608</u>	<u>5,654,192</u>
<b>Net Assets . . . . .</b>	<b><u>46,926,673</u></b>	<b><u>55,517,445</u></b>	<b><u>55,094,761</u></b>
<b>Capital and Reserves</b>			
Share capital . . . . .	2,960,527	2,968,845	2,911,927
Reserves . . . . .	43,629,426	52,153,609	51,802,010
Equity attributable to owners of the Company	46,589,953	55,122,454	54,713,937
Non-controlling interests . . . . .	336,720	394,991	380,824
<b>Total Equity . . . . .</b>	<b><u>46,926,673</u></b>	<b><u>55,517,445</u></b>	<b><u>55,094,761</u></b>



## ADJUSTED NON-IFRS NET PROFIT ATTRIBUTABLE TO OWNERS OF THE GUARANTOR

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Group uses adjusted net profit attributable to owners as an additional financial measure. The Group defines adjusted non-IFRS net profit attributable to owners of the Guarantor as profit/(loss) for the year/period as set out in the table below. Adjusted non-IFRS net profit attributable to owners of the Guarantor is not an alternative to: (1) profit before income tax or profit for the year/period (as determined in accordance with IFRS) as a measure of the Group's operating performance, (2) cash flows from operating, investing and financing activities as a measure of the Group's ability to meet the Group's cash needs, or (3) any other measures of performance or liquidity.

The Group believes that the adjusted non-IFRS net profit attributable to owners of the Guarantor is useful for understanding and assessing underlying business performance and operating trends, and that the Group's management and investors may benefit from referring to the adjusted non-IFRS financial measure in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring and non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of the adjusted non-IFRS net profit attributable to owners of the Guarantor is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. Shareholders and potential investors should not view the adjusted non-IFRS net profit attributable to owners of the Guarantor on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

	For the year ended December 31,		For the six months ended June 30,	
	2022	2023	2023	2024
	<i>RMB million</i> (Unaudited)	<i>RMB million</i> (Unaudited)	<i>RMB million</i> (Unaudited)	<i>RMB million</i> (Unaudited)
<b>Net profit attributable to the owners of the Guarantor</b> . . . . .	8,813.7	10,690.2	5,313.1	4,239.8
<b>Add:</b>				
Share-based compensation expenses . . .	684.2	622.0	324.4	165.0
Issuance expenses of Convertible Bonds . . . . .	1.7	0.3	0.3	—
Fair value gain from derivative component of Convertible Bonds . . . . .	(508.6)	(40.2)	(40.2)	—
Foreign exchange related losses (gains) . . . . .	136.1	294.4	(336.5)	29.0
Amortization of acquired intangible assets from merge and acquisition . . .	56.7	57.9	28.5	27.0
Non-financial assets impairment and disposal losses . . . . .	131.3	129.1	42.9	—
Talent incentive and retention expenses funded by cash donation from shareholders . . . . .	69.7	151.5	—	—
<b>Non-IFRS net profit attributable to the owners of the Guarantor</b> . . . . .	<b>9,384.7</b>	<b>11,905.2</b>	<b>5,332.5</b>	<b>4,460.7</b>
<b>Add:</b>				
Realized and unrealized losses (gains) from venture capital investments . . . . .	20.8	(1,083.0)	(230.2)	(92.7)
Realized and unrealized share of (gains) losses of joint ventures . . . . .	(6.3)	32.5	(7.7)	4.2
<b>Adjusted non-IFRS net profit attributable to the owners of the Guarantor</b> . . . . .	<b>9,399.3</b>	<b>10,854.6</b>	<b>5,094.7</b>	<b>4,372.2</b>

*Note:* The discrepancies between the total and sums of amounts in the table above are due to rounding.

## DEFINITIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings.

“ <b>2020 Scheme</b> ”	the H Share award and trust scheme adopted by the Guarantor in accordance with the 2020 Scheme Rules on August 31, 2020
“ <b>2020 Scheme Rules</b> ”	the rules governing the operation of the 2020 Scheme (as amended from time to time)
“ <b>2021 Scheme</b> ”	the 2021 H Share award and trust scheme adopted by the Guarantor in accordance with the 2021 Scheme Rules
“ <b>2021 Scheme Rules</b> ”	the rules governing the operation of the 2021 Scheme as well as the implementation procedures (as amended from time to time)
“ <b>2022 Scheme</b> ”	the 2022 H Share award and trust scheme adopted by the Guarantor in accordance with the 2022 Scheme Rules
“ <b>2022 Scheme Rules</b> ”	the rules of the 2022 Scheme (as amended from time to time)
“ <b>2024 Scheme</b> ”	the 2024 H Share award and trust scheme adopted by the Guarantor in accordance with the 2024 Scheme Rules
“ <b>2024 Scheme Rules</b> ”	the rules of the 2024 Scheme (as amended from time to time)
“ <b>A Share(s)</b> ”	ordinary domestic shares of RMB1.00 each issued by the Guarantor which are traded in Renminbi on the Shanghai Stock Exchange
“ <b>Agency Agreement</b> ”	the paying, conversion and transfer agency agreement to be dated October 21, 2024 and to be entered into between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as principal paying agent, principal conversion agent and principal transfer agent (collectively in such capacities, the “ <b>Principal Agent</b> ”) and Citicorp International Limited as registrar (the “ <b>Registrar</b> ”) and the other paying agents, transfer agents and conversion agents appointed under it relating to the Bonds
“ <b>Articles of Association</b> ” or “ <b>Articles</b> ”	the articles of association of the Guarantor
“ <b>Board of Directors</b> ” or “ <b>Board</b> ”	board of Directors of the Guarantor
“ <b>Bondholder</b> ” or “ <b>Holder</b> ”	a holder of the Bonds

“ <b>Business Day</b> ” or “ <b>business day</b> ” . . .	any day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for normal banking business to the public
“ <b>Clearing Systems</b> ” . . . . .	Euroclear and Clearstream
“ <b>CSRC</b> ” . . . . .	China Securities Regulatory Commission
“ <b>Deed of Guarantee</b> ” . . . . .	the deed of guarantee to be dated October 21, 2024 and to be entered into between the Guarantor and the Trustee relating to the Bonds
“ <b>Director(s)</b> ” . . . . .	director(s) of the Guarantor
“ <b>Dr. Li</b> ” . . . . .	Dr. Ge Li (李革), the Guarantor’s chairman, chief executive officer, executive Director, one of the founding individuals
“ <b>EIT Law</b> ” . . . . .	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“ <b>FVTPL</b> ” . . . . .	fair value through profit or loss
“ <b>GAAP</b> ” . . . . .	Generally Accepted Accounting Principles
“ <b>Group</b> ” or “ <b>the Group</b> ” . . . . .	the Guarantor and its subsidiaries (or the Guarantor and any one or more of its subsidiaries, as the context may require)
“ <b>Guarantor</b> ” . . . . .	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, WuXi AppTec Ltd. (無錫藥明康德新藥開發有限公司) (formerly known as WuXi PharmaTech Co., Ltd. (無錫藥明康德組合化學有限公司)), was established under the laws of the PRC as an enterprise legal person in December 2000, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2359) and if the context requires, includes its predecessor
“ <b>H Share(s)</b> ” or “ <b>Shares</b> ” . . . . .	ordinary foreign shares with a par value of RMB1.00 each issued by the Guarantor which are traded in HK dollars on the Hong Kong Stock Exchange
“ <b>HK\$</b> ” or “ <b>HK dollars</b> ” . . . . .	Hong Kong dollars, the official currency of Hong Kong
“ <b>Hong Kong</b> ” . . . . .	the Hong Kong Special Administrative Region of the People’s Republic of China

<b>“IFRS”</b> .....	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
<b>“Issuer”</b> .....	WuXi AppTec (HongKong) Limited 藥明康德（香港）有限公司 is a company incorporated in Hong Kong on March 26, 2012. It is a wholly-owned subsidiary of the Guarantor
<b>“Listing Rules”</b> .....	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
<b>“Main Board”</b> .....	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
<b>“Model Code”</b> .....	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
<b>“NASDAQ”</b> .....	the National Association of Securities Dealers Automated Quotations Stock Market
<b>“NMPA”</b> .....	National Medical Product Administration (國家藥品監督管理局) (formerly known as China Food and Drug Administration), the authority responsible for approving drug and biologic products in China
<b>“NYSE”</b> .....	New York Stock Exchange
<b>“OECD”</b> .....	Organization for Economic Co-operation and Development, an intergovernmental economic organization founded to stimulate economic progress and world trade
<b>“Ordinary Shares”</b> .....	the H Shares, the A Shares and any fully-paid and non-assessable shares of any class or classes of the ordinary shares of the Guarantor authorized after the date of the issue of the Bonds which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor
<b>“PBOC”</b> .....	People’s Bank of China
<b>“PRC” or “China”</b> .....	for the purposes of this Offering Circular, the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan Region

“ <b>PRC GAAP</b> ”	generally accepted accounting principles of the PRC
“ <b>Registration Business Day</b> ”	a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing
“ <b>Regulation S</b> ”	Regulation S under the U.S. Securities Act
“ <b>RMB</b> ” or “ <b>Renminbi</b> ”	Renminbi, the lawful currency of the PRC
“ <b>SAFE</b> ”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局) or its local branch
“ <b>SFO</b> ”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“ <b>Shanghai Stock Exchange</b> ”	Shanghai Stock Exchange (上海證券交易所)
“ <b>State Council</b> ”	the State Council of the PRC (中華人民共和國國務院)
“ <b>Subscription Agreement</b> ”	the subscription agreement dated October 7, 2024, entered into between the Issuer, the Guarantor and Lead Manager
“ <b>Supervisors</b> ”	supervisor(s) of the Guarantor
“ <b>Trust Deed</b> ”	the trust deed to be dated October 21, 2024 and to be entered into between the Issuer, the Guarantor and the Trustee
“ <b>UK</b> ”	the United Kingdom
“ <b>U.S.</b> ” or “ <b>United States</b> ”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“ <b>U.S.\$</b> ”, “ <b>US\$</b> ”, “ <b>USD</b> ”, “ <b>U.S. dollars</b> ” or “ <b>US dollars</b> ”	United States dollars, the official currency of the United States of America
“ <b>WuXi PharmaTech</b> ”	WuXi PharmaTech (Cayman) Inc., a company incorporated under the laws of the Cayman Islands on March 16, 2007 with limited liability. Its shares were listed on the NYSE (stock code: WX), and were delisted from the NYSE on December 10, 2015
“ <b>YoY</b> ”	year-over-year
“ <b>%</b> ”	per cent.

In this Offering Circular, the terms “associate,” “subsidiaries” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Offering Circular have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Offering Circular in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

## GLOSSARY OF TECHNICAL TERMS

“ <b>absorption</b> ”	within the context of drug metabolism, the process by which drug compounds and other molecules move across cells and tissues such as the gastrointestinal tract into the circulatory system
“ <b>antibody</b> ”	also known as an immunoglobulin, is a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to identify and neutralize pathogens such as bacteria and viruses
“ <b>API</b> ”	active Pharmaceutical Ingredient, the component of a drug product that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect the structure or any function of the body
“ <b>biohazardous</b> ”	of or relating to the health risk posed by the possible release of a pathogen into the environment
“ <b>BLA</b> ”	Biologics License Application, a request made to the FDA for permission to introduce, or deliver for introduction, of a biological product into interstate commerce in the United States
“ <b>CDMO</b> ”	Contract Development and Manufacturing Organization, a CMO that, in addition to comprehensive drug manufacturing services, also provide process development and other drug development services in connection with its manufacturing services
“ <b>CMO</b> ”	Contract Manufacturing Organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive drug manufacturing services
“ <b>commercialization</b> ”	the stage in drug development when a new drug is approved and released to the market
“ <b>COVID-19</b> ”	the novel coronavirus pneumonia
“ <b>CRDMO</b> ”	Contract Research, Development and Manufacturing Organization
“ <b>CRO</b> ”	Contract Research Organization, a company focused on providing research and development services to companies in the pharmaceutical and agrochemical markets

“CTDMO”	Contract Testing, Development and Manufacturing Organization
“distribution”	in the context of DMPK, the process by which molecules are transported throughout the body
“DMPK”	Drug Metabolism and Pharmacokinetics, refers to studies designed to determine the absorption and distribution of an administered drug, the rate at which a drug takes effect, the duration a drug maintains its effects and what happens to the drug after being metabolized by the body
“DNA”	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
“drug discovery”	the process through which potential new medicines are identified and may involve a wide range of scientific disciplines, including biology, chemistry and pharmacology
“FDA”	the Food and Drugs Administration of the United States
“GLP”	Good Laboratory Practice, a quality system of management controls for research laboratories and organizations to try to ensure the uniformity, consistency, reliability, reproducibility, quality and integrity of chemical and pharmaceuticals non-clinical safety tests
“ <i>in vitro</i> ”	Latin for “in glass”; studies <i>in vitro</i> are conducted using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules
“ <i>in vivo</i> ”	Latin for “within the living”; studies <i>in vivo</i> are those in which the effects of various biological entities are tested on whole, living organisms as opposed to a partial or dead organism, or those done <i>in vitro</i> (“within the glass”), i.e., in a laboratory environment using test tubes, petri dishes etc.
“IND”	an experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
“metabolism”	the chemical processes that occur within a living organism in order to maintain life, comprising catabolism (breakdown of large molecules into components) and anabolism (the synthesis of smaller molecules into larger ones with specific structures, characteristics and purposes)



“ <b>molecule</b> ”	.....	an electrically neutral group of two or more atoms held together by chemical bonds
“ <b>nucleic acids</b> ”	.....	large biomolecules, essential for all known forms of life
“ <b>oligonucleotides</b> ”	.....	short DNA or RNA molecules that have a wide range of application in genetic testing, research and forensics, which can be synthesized in laboratories or found in nature
“ <b>oncology</b> ”	.....	the study and treatment of tumors
“ <b>pathogen</b> ”	.....	a bacterium, virus, or other microorganism that can cause disease
“ <b>peptide</b> ”	.....	Small fragments of proteins, composed of amino acids
“ <b>pharmacokinetics</b> ”	.....	the branch of pharmacology concerned with the movement of drugs within the body
“ <b>pharmacology</b> ”	.....	the branch of medicine concerned with the uses, effects, and modes of action of drugs
“ <b>preclinical</b> ”	.....	of or relating to a stage preceding a clinical stage
“ <b>RNA</b> ”	.....	ribonucleic acid, a molecule made up of one or more nucleotides that plays an essential biological role in coding, decoding, regulation, and expression of genes
“ <b>SMO</b> ”	.....	Site Management Organization, an organization that provides clinical trial related services to a CRO, a pharmaceutical company, a biotechnology company, a medical device company or a clinical site
“ <b>synthesis</b> ”	.....	the production of chemical compounds by reaction from simpler materials
“ <b>TIL</b> ”	.....	Tumor Infiltrating Lymphocyte
“ <b>validation</b> ”	.....	a process that involves performing laboratory tests to verify that a particular instrument program, or measurement technique is working properly and is capable of being relied upon

## **RISK FACTORS**

*Prospective investors of the Bonds should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Issuer, the Guarantor, the Group or the Bonds. Additional risks and uncertainties which the Issuer and the Guarantor are not aware of or that the Issuer and the Guarantor currently believe are immaterial may also adversely affect the Group's financial condition or results of operations. If any of the possible events described below occur, the Group's financial condition or results of operations could be materially and adversely affected. In such case, the Issuer and the Guarantor may not be able to satisfy their respective obligations under the Bonds, the Guarantee and investors could lose all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors.*

### **RISKS RELATING TO THE GUARANTOR'S BUSINESS AND INDUSTRY**

#### ***Risk of market demands decline in drug R&D services***

The Guarantor's business operation relies on expenditures and demands of the Guarantor's customers (including multi-national pharmaceutical companies, life science companies, start-ups, and scholars and non-profit research organizations, etc.) on outsourcing services, i.e., discovery, analytical testing, development and manufacturing of pharmaceuticals, advanced therapies and medical devices, etc. In the past, benefiting from continuous growth of the global pharmaceutical market and the increase of R&D budgets and the proportion of outsourcing services of the Guarantor's customers, the demands on the Guarantor's services from its customers continued to rise. The Guarantor's business operation could be adversely impacted if the industry growth slows down or percentages of outsourcing services decline. In addition, any merger, consolidation and budget adjustment of pharmaceutical players might also impact the Guarantor's customers' R&D expenditures and outsourcing demands, resulting in adverse impact on the Guarantor's business operation.

#### ***Risk of changes in regulatory policy of the industry***

The drug R&D services industry is heavily regulated by regulators including drug administrations in any nation or region where the Guarantor has established its presence, which typically regulate drug R&D services players through development of relevant policies, laws and regulations. The scope of regulation may cover various aspects such as technical specifications and standards and requirements for cross-border outsourcing services and production. Systems of policies, laws and regulations in the drug R&D services industry are well established in developed countries. In China, regulators such as the NMPA also have gradually developed and continuously refined relevant laws and regulations subject to market development. In case the Guarantor fails to timely adjust its operating strategy to adapt to changes of industrial policies and laws and regulations in the drug R&D services industry in corresponding nations or regions, potential adverse impact might be caused to the Guarantor's business operation.

### ***Risk of heightened competition in the drug R&D services industry***

Currently, competition in the global drug R&D services market is getting increasingly intense. The Guarantor's competitors in particular segments mainly include specialized CROs/CDMOs and in-house R&D department of large pharmaceutical companies, among which, most are large global pharmaceutical companies or R&D organizations, which may enjoy advantages over it in terms of financial strength, technological capabilities and customer base. Aside from the aforementioned incumbents, the Guarantor also faces competition from new entrants, which either have greater financial strength, more effective business channels or stronger R&D capabilities in respective segment. The Guarantor will face risk resulted from heightened competition in the pharmaceutical market and weakened competitive edge in case the Guarantor fails to enhance its overall R&D strength and other strengths in business competition.

### ***Business compliance risk***

The Guarantor has always attached great importance to the compliance of the Guarantor's business operation and gradually established a relatively complete internal control system, which requires the Guarantor's staff to abide by relevant laws and regulations and carry out business activities in accordance with relevant laws. Although the Guarantor has developed a comprehensive internal control and compliance approval system as well as standard operating procedures to ensure legitimacy and compliance of its daily operation, the Guarantor's business operation will be adversely impacted to a certain degree resulting from failure to obtain qualifications required for daily R&D, testing analysis and production, or to completing necessary approval and filing processes or to timely coping with any regulatory requirement put forward or added by the regulators due to ineffective supervision on subsidiaries or departments by the parent company and senior management in actual practices given the number of subsidiaries the Guarantor controls.

### ***Risk of global operation and change of international policy***

The Guarantor has built or acquired a number of companies to fuel its global business expansion and accumulated abundant experience of global operation over the years. During the six months ended June 30, 2024, the Guarantor's revenue from global operation accounted for a significant proportion of its main business revenue. Given that the Guarantor is required to abide by applicable laws and regulations of relevant nations and/or regions where it carries out business operations and rely on suppliers of raw materials, customers and technical service providers to ensure the Guarantor's orderly daily operation, the Guarantor's global operation may be impacted and subject to potential adverse impact in case any of the following circumstances occurs, including change of laws, regulations, industrial policies or political and economic environment of any nation or region where the Guarantor carries out business operation, or any other factors beyond its control such as international tension, war, trade sanction, or other force majeure.

There is a proposed legislation known as "Biosecure Act" pending at the U.S. Congress. On September 9, 2024, the U.S. House of Representatives voted to pass draft bill H.R.8333, which is the current House version of the Biosecure Act. Bill H.R.8333 includes a designation of the Guarantor as a "biotechnology company of concern". Such bill would restrict U.S. government agencies from using funding, loan or grant for the contracts that would use certain biotechnology equipment or services

from a designated biotechnology company of concern in carrying out such U.S. government-funded contracts. In spite of such proposed restriction, Bill. H.R.8333 includes a “grandfather” clause that allows a designated company to continue carrying out the U.S. government-funded contracts until 2032.

For the proposed Biosecure Act to become law, the U.S. Senate must also approve it and reconcile the differences between Bill S.3558 and the earlier Bill H.R.8333 voted by U.S. Senate Committee on Homeland Security and Government Affairs on March 6, 2024 (which is the current Senate committee version of the Biosecure Act). The Senate has not scheduled floor time to consider the proposed Biosecure Act and the legislative route forward is uncertain at this stage. The contents of the proposed Biosecure Act, including the reference to the Guarantor, remain subject to further review and potential changes. The Guarantor has been closely working together with its advisors to set the record straight and advocate for appropriate changes to the proposed legislation.

The Guarantor strongly disagrees with the preemptive and unjustified designation of the Guarantor as a named “biotechnology company of concern” in the proposed Biosecure Act without due process. The Guarantor fully complies with the laws and regulations in the countries and regions in which the Guarantor operates, and is working diligently to engage with U.S. policymakers and demonstrate that:

- the Guarantor does not have a human genomics business and does not collect human genomic data in any of its businesses.
- the Guarantor never transferred any data or intellectual property of U.S. customers to third parties without customers’ authorization.
- the Guarantor is not affiliated with any political party, government, or armed forces thereof.
- the Guarantor has not posed, does not pose and will not pose a national security risk to any country.
- the Guarantor has not been subject to any sanction by the U.S. government agencies.

By adhering to the Guarantor’s core value of “doing the right thing and doing it right”, the Guarantor has served as a trusted and valued partner in the global healthcare community. For more than twenty years the Guarantor has helped thousands of global customers with discovery, development, and manufacturing efforts to deliver innovative medicines that save and improve patients’ lives. The Guarantor remains committed to serving its customers and helping patients around the world.

***Risk of loss of key scientific staff***

The Guarantor’s key scientific staff is an important part of its core competence as well as foundation and key to its survival and growth. Maintenance of a stable team of key scientific staff and attraction of talents to join the Guarantor play a key role on its abilities to keep its leading position in the industry in terms of technological capabilities and continuity of its R&D and manufacturing services. Turnover of key scientific staff might occur if the Guarantor losses its competitive edge in terms of compensation, incentive mechanism on core technical staff fails to give its full play or human resources management/control or internal promotion system could not be effectively implemented, which will in turn adversely affect the Guarantor’s core competitiveness and sustainable profitability.

### ***Risk of failure in business expansion***

The Guarantor anticipates that its customers' outsourcing demands on drug R&D, commercial manufacturing and clinical development will increase on an ongoing basis. In order to continuously meet market demands and seize the growth opportunity, the Guarantor needs to invest a great deal of capital and resources and continue to push forward strengthening of its capabilities and expansion of scale globally. Adverse impact might be caused to the Guarantor's business, financial and operating performances and outlook in case its entry into new segment suffers unforeseeable delay due to delay in construction and regulatory issues, or the Guarantor needs to achieve its growth targets.

### ***Exchange rate risk***

Most of the revenue of the Guarantor's main business was settled in USD. If RMB appreciates significantly in the future, a portion of cost denominated in foreign currencies might be increased and the size of the Guarantor's customers' orders might be contracted due to the increase of price. In addition, the USD assets the Guarantor holds might cause foreign exchange loss when exchanged for RMB funds, which may directly impact its profitability as a result.

### ***Risk of material impact on value of the Guarantor's assets at fair value by market fluctuation***

Value of the Guarantor's assets or liabilities measured at fair value, such as equity interests in listed companies and non-listed underlying investment interests, and biological assets, are measured at the fair value at the end of each reporting period, with the changes in fair value recognized in current profit and loss. Among which, the Guarantor's equity interests in listed companies and other non-listed underlying interests are recorded as other non-current financial assets measured at fair value, the value of which could be greatly affected by market fluctuations. The Guarantor pays close attention to the trend of the share price on the investee listed companies with a view to making timely investment decisions with these investee companies. As the Guarantor's mark-to-market the fair value of certain of its investments on a periodic basis, the Guarantor expects the fair value of its financial assets at fair value, especially the value of shares in publicly-traded companies held by the Guarantor, may be significantly changed by capital market fluctuations which may cause significant fluctuations on its net profit and further affect its results.

### ***Risks of impact of emergencies and force majeure on the Guarantor's operation***

Emergent public health emergencies, earthquakes, typhoons and other force majeure events may affect the Guarantor's operation. In response to these situations, the Guarantor has developed business continuity plans to timely and systematically facilitate the resumption of the critical operations, functions, and technology in the pre-and post-crisis periods and during the crisis, ensuring that its business can continue to develop feasibly and steadily. However, if the Guarantor's business continuity plans fail to cope with the impact of relevant emergencies and force majeure events, it may have an adverse impact on its business, finance, operational performance and prospects.

***The Issuer has incurred losses in the past, and it may not be able to remain profitable or increase profitability in the future***

The Issuer has incurred losses in the past. For the year ended December 31, 2022, it recorded a loss for the year of U.S.\$31,963,577, although it recorded a profit of U.S.\$83,336,710 for the year ended December 31, 2023. The Issuer's ability to achieve profitability is affected by various factors, many of which are beyond its control. For example, the Issuer's primary business costs are settled in RMB. If the RMB appreciates significantly in the future, it may lead to an increase in some of the costs, thereby causing a decline in gross profits. At the same time, the conversion of the Issuer's U.S. dollar-denominated liabilities into RMB could result in exchange losses, which would further impact the profitability. While the Issuer plans to respond to these changes in a timely and effective manner, there can be no assurance that it will maintain profitability and it may experience losses again in the future.

***PRC economic and social conditions and government policies***

A significant portion of the Group's revenue is sourced from the PRC. Accordingly, the results of operations, financial condition and prospects of the Group are directly affected by the economic and legal developments in the PRC.

Any market and economic downturn, economic slowdown or geopolitical uncertainties in the PRC, its neighboring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. There can be no assurance that the PRC's economy or the global economy will continue to improve or maintain sustainable growth. In the event of an economic downturn, the Group's business, financial conditions and results of operations could be adversely affected.

The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also negatively affect the Group's operations. For example, the Group's financial condition and results of operations may be adversely affected by the PRC government's regulation over capital investments or any changes in tax regulations or foreign exchange rules and regulations that are applicable to the Group. For the past three decades, the PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Although the Company believes these reforms will have a positive effect on the Group's overall and long-term development, it cannot predict whether changes in the PRC's economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's current or future business, results of operations or financial condition. In addition, global economic uncertainty and the slowdown in the economic growth in certain countries, including the PRC, have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. The Group cannot predict whether or when such actions may occur, nor can the Group predict what ultimate impact, if any, such actions or any other governmental actions could have on its business, results of operations and financial conditions.

## **RISKS RELATING TO THE BONDS, THE GUARANTEE, THE SHARES AND THE OFFERING**

### ***The Bonds and the Guarantee will be effectively subordinated to all of the Issuer's and the Guarantor's secured debt***

The Bonds and the Guarantee will be general senior unsecured obligations. The Bonds and the Guarantee will be effectively subordinated to all the secured indebtedness of the Issuer and the Guarantor to the extent of the value of the assets securing such indebtedness. In addition, the Bonds and the Guarantee will, subject to some limitations, permit the Issuer and the Guarantor to incur additional secured indebtedness in connection with bank and other financing arrangements.

In the event of bankruptcy, liquidation, reorganization or other winding-up, the assets of the Issuer and the Guarantor that secure the secured indebtedness of the Issuer and the Guarantor will be available to pay obligations on the Bonds or under the Guarantee only after all secured indebtedness, together with accrued interest, has been repaid. If the Issuer or the Guarantor is unable to repay its secured indebtedness, its lenders could foreclose on substantially all the assets of the Issuer and the Guarantor which serve as collateral. Under such circumstances, the secured lenders of the Issuer or, as the case may be, the Guarantor would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the Bonds. Holders of the Bonds will participate in the proceeds of the liquidation of the remaining assets of the Issuer or, as the case may be, the Guarantor rateably with holders of the unsecured indebtedness of the Issuer or, as the case may be, the Guarantor that is deemed to be of the same class as the Bonds, and potentially with all of the other general creditors of the Issuer and or, as the case may be, Guarantor.

### ***Claims by holders of the Bonds are structurally subordinated to creditors of the subsidiaries of the Issuer and the Guarantor***

The ability of the Issuer and the Guarantor to make payments in respect of the Bonds and the Guarantee depends largely upon the receipt of dividends, distributions, interest or advances from their subsidiaries. The ability of the subsidiaries of the Issuer and the Guarantor to pay dividends and other amounts to the Issuer and the Guarantor may be subject to such subsidiaries' profitability and applicable laws. Payments under the Bonds are structurally subordinated to all existing and future liabilities and obligations of each of the subsidiaries of the Issuer and the Guarantor. Claims of creditors of such companies will have priority as to the assets of such companies over the Issuer, the Guarantor and its creditors, including holders of the Bonds.

### ***There may not be a liquid market for the Bonds, and Bondholders may not be able to sell their Bonds at an attractive price or at all***

The Bonds will be a new issue of securities for which there is currently no trading market. Although, application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds, the Issuer and the Guarantor cannot assure investors as to the liquidity of the Bonds, that an active trading market will develop, or that the Issuer and the Guarantor will be able to maintain a listing of the Bonds on the Hong Kong Stock Exchange. The Lead Manager is not obligated to make a market in the Bonds and any such market making, if commenced, may be discontinued at any

time at the sole discretion of the Lead Manager. Accordingly, there is no assurance that a liquid trading market for the Bonds will develop or be sustained. If an active trading market for the Bonds does not develop or is not sustained, the market price and liquidity of the Bonds may be adversely affected.

Even if an active trading market were to develop, the Bonds could trade at prices that might be lower than the initial offering price. Future trading prices of the Bonds will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar securities;
- the operating and financial results of the Issuer and the Guarantor;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- the market price of the Bonds; or
- changes in the Group's industry and competition; and general market and economic conditions.

Accordingly, Bondholders may not be able to sell their Bonds at an attractive price or at all, and may incur losses on their investments.

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

In certain circumstances, including giving of notice to the Issuer and the Guarantor pursuant to Condition 9 (*Events of Default*) of the Terms and Conditions and the taking of steps, actions or proceedings pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions, the Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if it is not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may affect when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed and/or the Terms and Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations 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.



***Bondholders will have no rights as holders of the Shares prior to conversion of the Bonds, but are subject to changes made with respect to the Shares***

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, Bondholders will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Upon conversion of the Bonds, these holders will be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record date occurs after the date of conversion. However, such Bondholders are subject to all changes affecting the Shares. For example, in the event that an amendment is proposed to the Guarantor's Articles requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Shares and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Shares after conversion.

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

Subject as provided in the Terms and Conditions, Conversion Right under the Terms and Conditions may only be exercised in certain limited circumstances (subject to any applicable fiscal or other laws or regulations and as further provided in the Terms and Conditions) from and including the 41st day after the Issue Date until the earlier of (a) the close of business on the date falling 10 working days prior to the Maturity Date; or (b) if the Bonds shall have been called for redemption by the Issuer before the Maturity Date, up to and including the close of business (at the place aforesaid) on a date no later than 10 working days (at the place aforesaid) prior to the date fixed for redemption. If the Conversion Right are not exercised by Bondholders during the Conversion Period, the Bonds will be redeemed at its principal amount on the Maturity Date unless the Bonds are previously redeemed, converted or purchased and canceled in accordance with the Terms and Conditions.

***Securities law restrictions on the resale and conversion of the Bonds and the resale of the Shares issuable upon their conversion may limit Bondholders' ability to sell the Bonds in the United States***

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

***The Issuer and the Guarantor will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which may be different from those applicable to companies in certain other countries***

The Issuer and the Guarantor will be subject to reporting obligations in respect of the Bonds to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to or may expect.

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

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

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

Under the EIT Law and its implementation rules, gains on the transfer of the Bonds may be subject to income tax under PRC tax laws if the Bonds be deemed as equity interests.

Under the EIT Law, a non-resident enterprise shall pay PRC enterprise income tax on its income sourced from inside the PRC, including the gains derived from the disposal of equity interests in a PRC enterprise. However, it is not clear whether the Bonds would be deemed as equity interests by the PRC taxation authorities. If the Bonds are deemed as equity interests by the PRC taxation authorities, any gains realized on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises would be subject to PRC enterprise income tax. 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 organization 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 realized on the transfer of the Bonds by non-resident PRC individual holders 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.

If a Holder, 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 Holders’ investment in the Bonds may be materially and adversely affected. See “*Taxation — PRC*”. Under the IIT Law, a “non-resident individual” means any non-resident PRC individual who is not residing in the PRC or who has resided in China for less than 183 days.

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

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

***The Issuer and the Guarantor may not have the ability to redeem the Bonds***

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

***The Bonds may be redeemed at the option of the Issuer, which may adversely affect the trading price and liquidity of the Bonds and may subject Bondholders to reinvestment risks***

Subject to certain conditions, the Bonds may be redeemed at the Issuer's option at their principal amount if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15 (*Further Issues*) of the Terms and Conditions), but prior to the Maturity Date. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer*". As a result, the trading price of the Bonds may be affected when this option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby exercise of the Issuer's option to redeem the Bond could have a material adverse effect on the trading price and liquidity of the Bonds. In addition, the Bondholders may not be able to reinvest the redemption proceeds at an effective interest rate and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

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

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

***The market value of the Bonds may fluctuate***

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

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

***Changes in interest rates may have an adverse effect on the price of the Bonds***

The Bonds will not bear interest. The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain.

***The return on the Bonds may decrease due to inflation***

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

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

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

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

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds which are complex financial instruments 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 the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

***Modification and waivers may be made in respect of the Terms and Conditions, the Deed of Guarantee and the Trust Deed by the Trustee without the consent of the holders of the Bonds***

The Terms and Conditions will contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions will further provide that the Trustee may, but shall not be obliged to, agree without the consent of the Bondholders to any modification of the Trust Deed, the Deed of Guarantee, the Bonds and/or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

In addition, the Trustee may also, without the consent of the Bondholders, agree to any modification (except as mentioned in the Trust Deed) and any waiver or authorization of any breach or proposed breach of the Bonds, the Trust Deed, the Deed of Guarantee or the Agency Agreement (other than a proposed breach, or a 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.

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

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

***Legal investment considerations may restrict certain investments***

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

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

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

***The Guarantor's subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor, its jointly controlled entities and associated companies***

The Guarantor depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Bonds. The ability of the Guarantor's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Guarantor cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Guarantor to make payments on the Bonds. These factors could reduce the payments that the Guarantor receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Bonds.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. The PRC subsidiaries, jointly controlled entities and associated companies of the Guarantor are also required to set aside a portion of their post-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends.

***If the Guarantor fails to complete registration with SAFE in connection with the Guarantee, there may be logistical and practical hurdles for cross-border payments under the Guarantee***

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds and under the Trust Deed. Such Guarantee will be contained in the Deed of Guarantee to be executed on the Issue Date. The Guarantor is required to submit the Guarantee to SAFE within 15 Registration Business Days upon the execution of the Deed of Guarantee for registration in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《跨境擔保外匯管理規定》) promulgated by SAFE. If the Guarantor fails to complete registration with SAFE, there may be logistical and practical 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 registration with SAFE in connection with the Guarantee prior to giving effect to any such remittance.

***There may be filing or other requirements of the CSRC or other PRC government authorities in relation to the issuance of the Bonds or further capital raise activities***

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines (together, the “**CSRC Filing Rules**”), which came into effect on March 31, 2023. The CSRC Filing Rules will regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. The CSRC Filing Rules state that, any post-listing follow-on offering by an issuer in an overseas market, including issuance of shares, convertible bonds and other similar securities, shall be subject to filing requirement within three business days after the completion of the offering. The Guarantor has been advised that it is required to go through filing procedures with the CSRC after the completion of this Offering of the Bonds and for its future offerings and listing of its securities in an overseas market under the CSRC Filing Rules for this offering. The CSRC Filing Rules provide that an overseas offering and listing, including the follow-on offering of convertible bonds, is prohibited under any of the following circumstances: if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller (the

“**Forbidden Circumstances**”). In addition, in the process of filing, where the issuer may be under any of the Forbidden Circumstances, the CSRC may solicit the opinions of the competent government authorities under the State Council.

The Guarantor will comply with applicable filing requirements as appropriate. However, the Guarantor cannot assure that it is able to meet such requirements, obtain such permit of filing from the relevant government authorities, or complete such filing in a timely manner or at all. In addition, it cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirements on the Guarantor. If it is determined that the Guarantor is subject to any approval, filing, other governmental authorization or requirements from the CSRC or other PRC government authorities, the Guarantor may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject the Guarantor to fines, penalties or other sanctions which may have a material adverse effect on its business and financial condition.

***The Guarantor is subject to risks related to PBOC’s changes in registration and reporting requirements***

On January 11, 2017, the PBOC issued the Circular of the People’s Bank of China on the Macro-prudence Management of Cross-border Financing in Full Aperture (the “**Cross Border Financing Circular**”, 中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知), which came into effect on January 11, 2017. The Cross Border Financing Circular established a mechanism aimed at regulating cross border financing activities conducted by domestic institutions, including domestic enterprises and financial institutions other than the governmental financing platforms and real estate enterprises, based on the capital or net asset of the borrowing entities using a prudent management principle on a macro nationwide scale. There is also uncertainty as to whether the Guarantor will fall under the scrutiny of the Cross Border Financing Circular.

Neither the PBOC nor SAFE has promulgated implementation rules of the Cross Border Financing Circular as at the date of this Offering Circular. The Guarantor cannot predict the registration and reporting process for the aforesaid regulations and the enforcement of the Cross Border Financing Circular is subject to further clarification from competent authorities.

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

The Conversion Price will be adjusted in the event that there is a consolidation, sub-division or reclassification, capitalization of profit or reserves, capital distributions, other dilutive events or upon change of control but only in the situations and only to the extent provided in “*Terms and Conditions of the Bonds — Conversion — Adjustments to Conversion Price*” and “*Terms and Conditions of the Bonds — Conversion — Adjustments upon Change of Control*”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the market price of the Ordinary Shares and therefore, adversely affect the market price of the Bonds.

***The conversion of some or all of the Bonds will dilute the ownership interest of existing shareholders***

The conversion of some or all of the Bonds will dilute the ownership interest of existing shareholders of the Guarantor. Any sales in the public market of the Shares issuable upon such conversion or exercise, or the perception that such sale may occur could adversely affect prevailing



market prices of the Shares and the Bonds. In addition, the existence of the Bonds may encourage short selling by market participants because the conversion of the Bonds could depress the market price of the Shares.

#### ***Enforcement of shareholder rights***

Currently, the primary sources of shareholder rights are the Guarantor's Articles of Association, the PRC Company Law, the PRC regulations and the listing rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, which, among other things, impose certain standards of conduct, fairness and disclosure on the Guarantor, its directors and its substantial shareholders. In general, these rights are not relatively as broad as those applicable to companies incorporated in the United States, the United Kingdom and many European countries. To the Guarantor's knowledge, there has not been any published report of judicial enforcement in the PRC by holders of H Shares of their rights under constituent documents of joint stock limited companies or the PRC Company Law or in the application or interpretation of the PRC or Hong Kong regulatory provisions applicable to PRC joint stock limited companies. Being under different legal systems, it is possible that the Guarantor's shareholders may not enjoy the full protections to which they may be entitled in a different jurisdiction.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom or most European countries, and therefore recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may not be assured.

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

As the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Guarantor, even if brought in other jurisdictions, would likely involve PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Bondholders are familiar. There is no assurance that investors in the Bonds will be able to receive the same protection under the insolvency laws of the PRC as those in their respective home jurisdictions.

#### ***Future issuances of the Ordinary Shares or equity-related securities may depress the trading price of the H Shares***

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

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

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

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

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

***A change in English law which will govern the Bonds may adversely affect Bondholders***

The Terms and Conditions will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change English law or administrative practice after the date of issue of the Bonds.

***It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against the Group or its management residing in the PRC***

The Terms and Conditions and the transaction documents will be governed by English law and the Issuer and the Guarantor will submit to the exclusive jurisdiction of the Hong Kong courts. However, most companies in the Group are incorporated in the PRC and a substantial amount of the Group’s assets and companies are located in the PRC. Therefore, investors may encounter difficulties in effecting service of process from outside PRC upon the Group or its management.

Moreover, due to the difference in legal systems, you may experience difficulties in effecting service of legal process and enforcing foreign judgments in the PRC, as the case in many other jurisdictions. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these non-PRC jurisdictions, as the case in many other jurisdictions, may be difficult.

On January 18, 2019, the Supreme People’s Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region

(關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**2019 Arrangement**”). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on January 29, 2024. In the PRC, the Supreme People’s Court promulgated a judicial interpretation to implement the 2019 Arrangement on January 26, 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after January 29, 2024.

Unlike other bonds issued in the international capital markets where holders of such bonds would typically not 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. Thus, the Bondholders’ ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People’s Court of the PRC for recognition and enforcement of the judgement, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People’s Court of the PRC consider that the enforcement of such judgment is contrary to the basic principles of laws of the PRC or the social and public interests of the PRC. While it is expected that the relevant People’s Courts of the PRC will recognize and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

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

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

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to completion and amendment 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.\$500,000,000 in aggregate principal amount of Zero Coupon Guaranteed Convertible Bonds due 2025 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) of WuXi AppTec (HongKong) Limited 藥明康德 (香港) 有限公司 (the “**Issuer**”) was authorized by written resolutions of the Issuer passed on October 7, 2024 and the guarantee of the Bonds and the right of conversion into H Shares (as defined in Condition 5.1.5) of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (the “**Guarantor**”) were authorized by resolutions of the board of directors of the Guarantor passed on 7 October 2024. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated October 21, 2024 (the “**Issue Date**”) and made between the Issuer, the Guarantor and Citicorp International Limited (the “**Trustee**”, which term shall, where the context so permits, include all other persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. The Issuer and the Guarantor have entered into a paying, conversion and transfer agency agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated October 21, 2024 with the Trustee, Citibank, N.A., London Branch as principal paying agent, principal conversion agent and principal transfer agent (collectively in such capacities, the “**Principal Agent**”) and Citicorp International Limited as registrar (the “**Registrar**”) and the other paying agents, transfer agents and conversion agents appointed under it (each a “**Paying Agent**”, a “**Transfer Agent**” or a “**Conversion Agent**” (as applicable) and together with the Registrar and the Principal Agent, the “**Agents**”) relating to the Bonds. For the avoidance of doubt, references to the “**Paying Agents**”, the “**Transfer Agents**” or, as the case may be, the “**Conversion Agents**” each include the Principal Agent. References to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, the registrar and the agents for the time being for the Bonds. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a deed of guarantee (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) to be dated on or about 21 October 2024 and made between the Guarantor and the Trustee. For so long as any Bond is outstanding, copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available (i) for inspection by the Bondholders (as defined in Condition 1.4) at all reasonable times during normal business hours (being between 9.00 a.m. and 3.00 p.m. from Monday to Friday (other than public holidays)) at the principal place of business in Hong Kong of the Trustee, being at the Issue Date at 40/F, Champion Tower, 3 Garden Road, Central, Hong Kong following prior written request and proof of holding and identity satisfactory to the Trustee or (ii) electronically to the requesting Bondholder from the Principal Agent following prior written request and proof of holding and identity to the satisfaction of the Principal Agent. 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 and the Deed of Guarantee and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

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

## 1 STATUS; GUARANTEE; FORM, DENOMINATION AND TITLE

### 1.1 Status

The Bonds constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 3.1, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

### 1.2 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 Guarantee constitutes direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1) unsecured obligations of the Guarantor.

### 1.3 Form and Denomination

The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 each and integral multiples of U.S.\$100,000 in excess thereof (an "**Authorised Denomination**"). A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

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

*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.*

### 1.4 Title

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 2. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered.

## **2 REGISTRATION AND TRANSFERS OF BONDS; ISSUE OF CERTIFICATES**

### **2.1 Register**

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

### **2.2 Transfers**

Subject to Conditions 2.5 and 2.6 and the terms of the Agency Agreement, a Bond may be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or of any of the Transfer Agents. No transfer of a Bond will be valid or effective unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person.

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

### **2.3 Delivery of New Certificates**

2.3.1 Each new Certificate to be issued upon a transfer of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's (failing which, the Guarantor's) expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar and each Transfer Agent.

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

2.3.3 For the purposes of this Condition 2.3, “**business day**” shall mean a day other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

## **2.4 Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties, assessments and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the Issuer may from time to time agree with the Registrar with the prior written approval of the Trustee or as the Registrar may promulgate with the prior written approval of the Trustee (and as initially set out in the Agency Agreement).

## **2.5 Restricted Transfer Periods**

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 5.2.1) has been delivered with respect to such Bond; or (iii) after a Relevant Event Put Exercise Notice (as defined in Condition 7.4) has been deposited in respect of such Bond, each such period being a “**Restricted Transfer Period**”.

## **2.6 Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available (free of charge to the Bondholder and at the Issuer’s (failing which, the Guarantor’s) expense) by the Registrar to any Bondholder following written request and satisfactory proof of holding and identity and is available for inspection following written request and proof of holding and identity satisfactory to the Registrar at all reasonable times during normal business hours at the specified office of the Registrar.

# **3 COVENANTS**

## **3.1 Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries (as defined below) will, create or permit to subsist any Security Interest upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, to secure any Investment Securities (as defined below) or to secure any guarantee of or indemnity in respect of any Investment Securities unless, at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Investment Securities, guarantee or indemnity or such

other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

### **3.2 Undertakings Relating to Cross-border Security Registration**

The Guarantor undertakes that it will (i) within 15 Registration Business Days after execution of the Deed of Guarantee, file or cause to be filed with SAFE the Deed of Guarantee for registration in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《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**”) and its operating guidelines issued by SAFE, (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee.

### **3.3 CSRC Post-Issuance Filings**

The Guarantor undertakes to file or cause to be filed with the CSRC (as defined below) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined below) (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined in Condition 3.4 below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

### **3.4 Notification of Completion of Cross-border Security Registration and Submission of the Initial CSRC Post-Issuance Filing**

The Guarantor shall:

3.4.1 (i) file or cause to be filed the CSRC Filing Report and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three Registration Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”);

3.4.2 within ten Registration Business Days after the later of (i) the submission of the Initial CSRC Post-Issuance Filing, and (ii) receipt of the registration certificate from SAFE (or any other document evidencing the completion of the Cross-border Security Registration issued by SAFE), provide the Trustee with (a) a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory (as defined in the Trust Deed) confirming (A) the submission of the Initial CSRC Post-Issuance Filing and (B) the completion of the Cross-border Security Registration; and (b) copies of the relevant documents evidencing (A) the Initial CSRC Post-Issuance Filing (if any) and (B) the SAFE registration certificate and other documents (if any) evidencing the completion of the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration (the documents in (a) and (b) of this Condition 3.4.2 together, the “**Registration Documents**”).



In addition, the Guarantor shall, within ten Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the submission of the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to monitor or assist with or ensure the Initial CSRC Post-Issuance Filing or the Cross-border Security Registration is submitted or completed, respectively, or to verify the accuracy, content, completeness, validity and/or genuineness of any Registration Documents or any certificates, confirmations or other documents in relation to or in connection with the Initial CSRC Post-Issuance Filing and/or the Cross-border Security Registration or to translate or procure the translation into English of the Registration Documents or any certificates, confirmations or other documents in relation to or in connection with the Initial CSRC Post-Issuance Filing or the Cross-border Security Registration or to review or verify the accuracy of any English translation thereof or to give notice to the Bondholders confirming the completion of the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration, and the Trustee shall not be liable to Bondholders or any other person for not doing so.

### 3.5 Definitions

For the purposes of these Conditions:

“**CSRC**” means the China Securities Regulatory Commission;

“**CSRC Filing Rules**” means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time;

“**CSRC Filing Report**” means the filing report of the Issuer in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules;

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

“**Investment Securities**” means any present or future indebtedness incurred outside the PRC in the form of, or represented by, bonds, debentures, notes, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other investment securities which represent indebtedness and are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside the PRC;

“**person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

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

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

“**Registration Deadline**” means the day falling six (6) months after the Issue Date;

“**SAFE**” means the State Administration of Foreign Exchange of the PRC or its local branch;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whom the first 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
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

## **4 INTEREST**

The Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal and premium (if any) is improperly withheld or refused. In such event, such unpaid amount shall bear interest at the rate of two per cent. per annum (both before and after judgment) until whichever is the earlier of (i) 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 (ii) the day falling seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be 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.

## **5 CONVERSION**

### **5.1 Conversion Right**

5.1.1 *Conversion Right and Conversion Period:* Subject as hereinafter provided and in accordance with the provisions of the Trust Deed, Bondholders have the right to convert their Bonds into H Shares credited as fully paid at any time during the Conversion Period referred to below.

Subject to and upon compliance with these Conditions, the right of a Bondholder to convert any Bond into H Shares is called the “**Conversion Right**”. The number of H Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the

Bond to be converted (translated into HK dollars at the fixed rate of HK\$7.7655 = U.S.\$1.00) (the “**Fixed Exchange Rate**”) by the Conversion Price (as defined in Condition 5.1.3) in effect on the Conversion Date (as defined in Condition 5.2.1). A Conversion Right may only be exercised in respect of an Authorised Denomination for one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of H Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

Subject to and upon compliance with these Conditions (including without limitation Condition 5.1.4), the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after 41st day after the Issue Date up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (as defined in Condition 7.1) (both days inclusive) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than 10 working days (at the place aforesaid) prior to the date fixed for redemption thereof; provided that no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Issuer to redeem or repurchase such Bond pursuant to Condition 7.4 or during a Restricted Conversion Period (both dates inclusive) (as defined below); provided further that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as hereafter provided in these Conditions (the “**Conversion Period**”).

In accordance with the below paragraphs of this Condition 5.1.1, exercise of Conversion Rights is restricted in relation to any Bond during the period (i) commencing on the date falling 30 days prior to a shareholders’ meeting of the Guarantor and ending on the date of that meeting; or (ii) commencing the date falling five working days prior to the record date set by the Guarantor for the purpose of distribution of any dividend and ending on such record date; or (iii) commencing on such date and for such period as determined by applicable law from time to time that the Guarantor is required to close its register (a “**Restricted Conversion Period**”).

If the Conversion Date in respect of a Bond would otherwise fall during a Restricted Conversion Period, such Conversion Date shall be postponed to the first H Share Stock Exchange Business Day (as defined in Condition 5.8) following the expiry of such Restricted Conversion Period.

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

For the purpose of this Condition 5.1.1, “**working day**” means a day other than a Saturday, Sunday or a public holiday on which commercial banks and foreign exchange markets are generally open for business in the city which the specified office of each of the Principal Agent and the Registrar is located, respectively.

5.1.2 *Fractions of H Shares*: Fractions of H Shares will not be issued on conversion and no cash payments or other adjustments will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that H Shares to be issued on conversion are to be registered in the same name, the number of such H Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of H Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of H Shares by operation of law or otherwise occurring after 7 October 2024 which reduces the number of H Shares outstanding, the Issuer will upon conversion of Bonds pay in cash in U.S. dollars (by means of a U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars or by transfer to a U.S. dollar account maintained by the payee, in either case in accordance with instructions given by the relevant Bondholder in the Conversion Notice) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 5.1.1, as corresponds to any fraction of a H Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds U.S.\$10.00 (which shall be determined using the Prevailing Rate on the Conversion Date).

5.1.3 *Conversion Price*: The price at which H Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$80.02 per H Share but will be subject to adjustment in the manner provided in Condition 5.3 and/or Condition 5.6, as applicable.

5.1.4 *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 5.1.1, if (i) the Issuer or the Guarantor (as the case may be) shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (ii) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events referred to in Condition 9 or (iii) any Bond is not redeemed on the Maturity Date in accordance with Condition 7.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders in accordance with Condition 16 and, notwithstanding the provisions of Condition 5.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

5.1.5 *Meaning of “Shares”*: As used in these Conditions, the expression (i) “**H Shares**” means ordinary foreign shares with a par value of RMB1.00 each issued by the Guarantor which are traded in HK dollars on the Hong Kong Stock Exchange; (ii) “**A Shares**” means ordinary domestic shares of RMB1.00 each issued by the Guarantor which are traded in Renminbi on the Shanghai Stock Exchange; and (iii) “**Ordinary Shares**” means the H Shares, the A Shares and any fully-paid and non-assessable shares of any class or classes of the ordinary

shares of the Guarantor authorised after the date of the issue of the Bonds which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

## 5.2 Conversion Procedure

5.2.1 *Conversion Notice*: Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering the relevant Certificate to the specified office of any Conversion Agent during its normal business hours (being 9:00 a.m. to 3:00 p.m., Monday to Friday on which commercial banks are generally open for business in the city of the specified office of the Conversion Agent) accompanied by a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current and being substantially in the form scheduled to the Agency Agreement) obtainable from any Conversion Agent, together with (i) the relevant Certificate; and (ii) certification by the Bondholder, in the form obtainable from any Conversion Agent, as may be required under the laws of the PRC, Hong Kong or any jurisdiction in which the specified office of such Conversion Agent is located. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such delivery is made after 3.00 p.m. on any business day or on a day which is not a business day, in each case in the place of the specified office of the Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next business day following such day. If such delivery is made during a Restricted Conversion Period, such delivery shall be deemed for all purposes of these Conditions to have been made on the H Share Stock Exchange Business Day following (in the place of the specified office of the Conversion Agent) the last day of such Restricted Conversion Period unless such date shall fall outside the Conversion Period.

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

A Conversion Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent.

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

5.2.2 *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities or party any taxes and duties, including capital, stamp, issue, excise, transfer, registration and other similar taxes and duties and transfer costs (“**Duties**”) in any applicable jurisdiction arising on conversion (other than any Duties payable in the PRC or Hong Kong or, if relevant, in the place of the Alternative Stock Exchange in respect of the allotment and issue of H Shares and listing of the H Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) on conversion, which shall be payable by the Issuer or the Guarantor, such Duties being the “**Issuer Duties**”) (such Duties and Issuer Duties are collectively known as “**Taxes**”). The Issuer (failing which, the Guarantor) will pay all other expenses arising from the issue of H Shares on conversion of the Bonds and all charges (together, the “**Conversion Expenses**”) of the Agents and the share transfer agent for the H Shares (the “**Share Transfer Agent**”). The Bondholder (and, if different, the person to whom the H Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities or party in settlement of Duties (other than the Issuer Duties) payable pursuant to this Condition 5.2.2 have been paid.

If the Issuer or the Guarantor shall fail to pay any Issuer Duties or Conversion Expenses, the relevant holder shall be entitled to tender and pay the same and the Issuer and the Guarantor, as a separate and independent stipulation, jointly and severally covenant to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

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

Neither the Trustee nor the Agents shall be responsible for determining whether such Taxes or Conversion Expenses are payable or the amount thereof and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor or any Bondholder to pay any such amount.

### 5.2.3 *Registration*:

- (i) As soon as practicable, and in any event not later than seven H Share Stock Exchange Business Days (excluding any H Share Stock Exchange Business Days that fall within a Restricted Conversion Period) after the Conversion Date, the Guarantor will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and certification and amounts payable by the relevant Bondholder deposited or paid as required by Conditions 5.2.1 and 5.2.2, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of H Shares in the Guarantor’s H share register and will, if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (“**CCASS**”), take all action reasonably necessary to enable the H Shares to be delivered through CCASS for so long as the H Shares are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at

the office of the Guarantor's share registrar in Hong Kong (currently 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) notified to Bondholders in accordance with Condition 16 or, if so requested in the relevant Conversion Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

- (ii) The delivery of the H Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated in Condition 5.2.3(i) will be deemed to satisfy the Issuer's obligation to pay any amounts under such converted Bonds. The person or persons designated in the Conversion Notice will become the holder of record of the number of H Shares issuable upon conversion with effect from the date he is or they are registered as such in the Guarantor's register of members for H shares (the "**Registration Date**"). The H Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the H Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set out in these Conditions, a holder of H Shares issued on exercise of the Conversion Rights shall not be entitled to any rights, distributions or other payments the record date or due date for the establishment of entitlement for which precedes the relevant Registration Date.
- (iii) If (a) the Registration Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 5.3 and/or Condition 5.6 (as applicable), and (b) the Conversion Date in relation to such exercise of the Conversion Right shall be before the date on which such adjustment to the Conversion Price becomes effective under the relevant Condition (any such adjustment, a "**Retroactive Adjustment**"), upon the relevant adjustment to the Conversion Price becoming effective under the relevant Condition, the Guarantor shall procure the issue to the converting Bondholder (in accordance with the instructions contained in the Conversion Notice (subject to any applicable laws or regulations)), such additional number of H Shares ("**Additional H Shares**") as, together with the H Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of H Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price under the relevant Condition had been made and become effective on or immediately prior to the relevant Conversion Date and in such event and in respect of such Additional H Shares, references in this Condition 5.2.3(iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

**5.3 Adjustments to Conversion Price**

Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows:

**5.3.1 Consolidation, Subdivision or Re-classification:** If and whenever there shall be an alteration to the nominal value of the H Shares as a result of consolidation, subdivision or re-classification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

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

Where:

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

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

Such adjustment shall become effective on the date the alteration takes effect.

**5.3.2 Capitalisation of Profits or Reserves:**

(i) If and whenever the Guarantor shall issue Ordinary Shares of any class credited as fully paid to the holders of such Ordinary Shares (“**Ordinary Shareholders**”) by way of capitalisation of profits or reserves, including Ordinary Shares of such class paid up out of distributable profits or reserves and/or share premium account (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

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

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

Such adjustment shall become effective on the date of issue of such Ordinary Shares or if a record date is fixed therefor, immediately after such record date; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail.



- (ii) In the case of an issue of Ordinary Shares of any class by way of a Scrip Dividend where the aggregate value of such Ordinary Shares by way of a Scrip Dividend as determined by reference to the Current Market Price on the date of announcement of the terms of such Scrip Dividend multiplied by the number of such Ordinary Shares issued exceeds 105 per cent. of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Scrip Dividend by the following fraction:

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

Where:

- A is the aggregate nominal amount of the issued Ordinary Shares of all classes immediately before such issue;
- B is the aggregate nominal amount of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such aggregate Current Market Price of the Scrip Dividend issued in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate nominal amount of such Scrip Dividend,

or by making such other adjustment as an Independent Financial Advisor shall certify to the Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Ordinary Shares or if a record date is fixed therefor, immediately after such record date; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of H Shares shall prevail.

**5.3.3 Capital Distributions:** If and whenever the Guarantor shall pay or make any Capital Distribution to the Ordinary Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 5.3.2 above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

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

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue multiplied by their respective Current Market Price per Ordinary Share of such class on the date on which the Capital Distribution is first publicly announced; and
- B is the Fair Market Value of the aggregate Capital Distribution.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or, if a record date is fixed therefor, immediately after such record date, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

In making any calculation pursuant to this Condition 5.3.3, such adjustments (if any) shall be made as an Independent Financial Advisor may consider appropriate to reflect (i) any consolidation or subdivision of the Ordinary Shares, (ii) issues of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event, (iii) the modification of any rights to dividends of Ordinary Shares or (iv) any change in the fiscal year of the Guarantor.

**5.3.4 Rights Issues of Shares or Options over Shares:** If and whenever the Guarantor shall issue Ordinary Shares of one or more classes to all or substantially all Ordinary Shareholders of such classes by way of rights, or issue or grant to all or substantially all Ordinary Shareholders of such classes by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares of such classes, in each case at a consideration less than 95 per cent. of the Current Market Price per H Share on the date of the first public announcement of the terms of the issues or grants, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues or grants by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before such announcement;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration (if any) receivable for the Ordinary Shares of such class issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Ordinary Shares of such class comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Ordinary Share of the class;

B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration (if any) receivable for the Ordinary Shares of such class issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Ordinary Shares of such class comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Ordinary Share of the class;

C<sub>1</sub> is the aggregate number of Ordinary Shares of one class issued or, as the case may be, comprised in the issue or grant; and

C<sub>2</sub> where applicable, is the aggregate number of Ordinary Shares of a second class issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Ordinary Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants, as the case may be; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of H Shares shall prevail.

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

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

Where:

A is the aggregate Ordinary Shares of all classes in issue multiplied by their respective Current Market Price per Ordinary Share on the date on which the terms of such issue or grant are publicly announced; and

B is the Fair Market Value of the aggregate securities, rights, options or warrants (as the case may be) attributable to the Ordinary Shares.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants, as the case may be, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the

above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the terms of such issue or grant is first publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Ordinary Shares in relation to such issue or grant is capable of being determined as provided herein.

**5.3.6 Issues at Less than Current Market Price:** If and whenever the Guarantor shall issue (otherwise than as mentioned in Condition 5.3.4 above) any Ordinary Shares (other than H Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Ordinary Shares) or issue or grant (otherwise than as mentioned in Condition 5.3.4 above) options, warrants or other rights to subscribe for, purchase or otherwise acquire Ordinary Shares of one or more classes, in each case at a consideration which is less than 95 per cent. of the Current Market Price per H Share on the date of announcement of the terms of such issues, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before the issue of such additional Ordinary Shares of such class or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares of such class;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares of such class would purchase at the Current Market Price per Ordinary Share of such class;
- B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares of such class would purchase at the Current Market Price per Ordinary Share of such class;
- C<sub>1</sub> is the aggregate number of Ordinary Shares of one class issued, or as the case may be, the maximum number of Ordinary Shares of such class to be issued on the exercise of such options, warrants or other rights at the initial exercise price or rate; and
- C<sub>2</sub> where applicable, is the aggregate number of Ordinary Shares of a second class issued, or as the case may be, the maximum number of Ordinary Shares of such class to be issued on the exercise of such options, warrants or other rights at the initial exercise price or rate.

References to additional Ordinary Shares in the above formula shall, in the case of an issue by the Guarantor of options, warrants or other rights to subscribe or purchase Ordinary Shares, mean such Ordinary Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price or rate on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or other rights; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail.

**5.3.7 Other Issues at less than Current Market Price:** Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 5.3.7, if and whenever the Guarantor or any of its Subsidiaries (otherwise than as mentioned in Condition 5.3.4, Condition 5.3.5 or Condition 5.3.6), or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds, which shall be deemed to exclude any further bonds issued pursuant to Condition 15) which by their terms of issues carry rights of conversion into, or exchange or subscription for, Ordinary Shares of one or more classes to be issued by the Guarantor upon conversion, exchange or subscription, in each case at a consideration which is less than 95 per cent. of the Current Market Price per H Share on the date of announcement of the terms of issues of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before such issue;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Ordinary Share of such class;
- B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Ordinary Share of such class;

C<sub>1</sub> is the maximum number of Ordinary Shares of one class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate; and

C<sub>2</sub> where applicable, is the maximum number of Ordinary Shares of a second class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

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

**5.3.8 Modification of Rights of Conversion etc.:** If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in Condition 5.3.7 (other than in accordance with the terms of such securities) so that the consideration per Ordinary Share of one or more classes (for the number of Ordinary Shares of such classes available on conversion, exchange, subscription, purchase or acquisition following the modification) is reduced and, in each case, is less than 95 per cent. of the Current Market Price per H Share on the date of announcement of the proposals for such modifications, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modifications by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

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

B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at the Current Market Price per Ordinary Share of such class or, if lower, the existing conversion, exchange subscription, purchase or acquisition price of such securities;

B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at the Current Market Price per Ordinary Share of such class or, if lower, the existing conversion, exchange subscription, purchase or acquisition price of such securities;

C<sub>1</sub> is the maximum number of Ordinary Shares of one class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 5.3.8 or Condition 5.3.7; and

C<sub>2</sub> where applicable, is the maximum number of Ordinary Shares of a second class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 5.3.8 or Condition 5.3.7.

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

**5.3.9 Other Offers to Ordinary Shareholders:** In respect of each class of Ordinary Shares, if and whenever the Guarantor or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Ordinary Shareholders of such class generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 5.3.4, Condition 5.3.5, Condition 5.3.6 or Condition 5.3.7), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

A is the aggregate Ordinary Shares in issue multiplied by their respective Current Market Price per Ordinary Share on the date on which the terms of such issue, sale or distribution of securities are first publicly announced; and

B is the Fair Market Value of the portion of the aggregate rights attributable to the Ordinary Shares.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities or, if a record date is fixed therefor, immediately after such record date or if later, the first date upon which the Fair Market Value of the relevant securities is capable of being determined as provided herein, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the

terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Ordinary Shares is capable of being determined as provided herein.

5.3.10 **Other Events:** If the Guarantor determines, in its sole discretion, that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 5.3, the Issuer or the Guarantor shall, at its own expense, consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination.

5.3.11 **Further Classes of Ordinary Shares:** In the event that the Guarantor has more than two classes of Ordinary Shares outstanding at any time, the formulae set out in this Condition 5.3 shall be restated to take into account such further classes of Ordinary Shares so that “ $B_1 + B_2$ ” and “ $C_1 + C_2$ ” shall become “ $B_1 + B_2 + B_3$ ” and “ $C_1 + C_2 + C_3$ ” and “ $B_3$ ” and “ $C_3$ ” shall have the same meaning as “ $B_1$ ” and “ $C_1$ ”, respectively, but by reference to a third class of Ordinary Shares and so on,

provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 5.3 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5.3 as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Ordinary Share value of any such adjustment shall not exceed the per Ordinary Share value of the dilution in the Ordinary Shareholders’ interest in the Guarantor’s equity caused by such events or circumstances.

## 5.4 Undertakings

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

- (i) it will use its commercially reasonable endeavours (a) to maintain a listing for the H Shares on the Hong Kong Stock Exchange, (b) to obtain and maintain a listing for all the H Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange and (c) if the Guarantor is unable to obtain or maintain such listing, to obtain and maintain a listing for all the issued H Shares on such Alternative Stock Exchange as the Guarantor may from time to time determine, and will forthwith give notice to the Bondholders in accordance with Condition 16 of the listing or delisting of the H Shares (as a class) by any of such stock exchange;



- (ii) it will pay the expenses of the issue and delivery of, and all expenses of obtaining listing for, H Shares arising on conversion of the Bonds (save for the Duties to be borne by any Bondholder as described in Condition 5.2.2);
- (iii) it will not make any reduction of its registered share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as permitted by law (including but not limited to repurchase or cancellation of its shares (a) pursuant to any share incentive or share option schemes of the Guarantor; (b) as a result of its shareholders' dissent to the Guarantor's merger or segregation in a shareholders' meeting and request the Guarantor to repurchase its shares; (c) for the protection of the interests of the Guarantor's shareholders; and (d) as permitted by laws and regulations and the Guarantor's articles of association) provided that the reduction results in an adjustment to the Conversion Price then in effect); and
- (iv) it will use all commercially reasonable endeavours to maintain the listing of the Bonds on the Hong Kong Stock Exchange.

5.4.2 In the Trust Deed, the Guarantor has undertaken with the Trustee, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders:

- (i) it will issue H Shares to Bondholders on exercise of Conversion Rights and ensure that at all times it has the ability to issue free from pre-emptive or other similar rights such number of H Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into H Shares to be satisfied in full and will ensure that all H Shares delivered upon conversion of the Bonds will be duly and validly issued as fully-paid and not subject to call for further funds; and
- (ii) it will not make any offer, issue or distribution or take any action the effect of which would be to reduce the Conversion Price below the par value of the H Shares of the Guarantor provided always that the Guarantor shall not be prohibited from purchasing its H Shares to the extent permitted by law.

5.4.3 The Issuer and the Guarantor have also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

## **5.5 Notice of Change in Conversion Price**

The Issuer (failing which, the Guarantor) shall give notice to the Hong Kong Stock Exchange, to the Trustee and each Conversion Agent in writing and to the Bondholders in accordance with Condition 16 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

## 5.6 Adjustment upon Change of Control

If a Change of Control (as defined in Condition 7.5.5(iii)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 16 and to the Trustee and the Agents in writing within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

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

Where:

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this Condition 5.6 shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this Condition 5.6;

Conversion Premium (“CP”) = 20.8 per cent. expressed as a fraction;

c = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

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

provided that the Conversion Price shall not be reduced pursuant to this Condition 5.6 below the level permitted by applicable laws and regulations from time to time (if any).

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

On the business day immediately following the last day of the Change of Control Conversion Period, the Conversion Price shall be re-adjusted to the Conversion Price in force immediately before the adjustment to the Conversion Price during the Change of Control Conversion Period.

## 5.7 Provisions Relating to Changes in Conversion Price

5.7.1 *Minor Adjustments*: On any adjustment, the resultant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent

adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to the Bondholders in accordance with Condition 16 and to the Trustee and the Agents in writing, in each case promptly after the determination thereof.

5.7.2 *Decision of an Independent Financial Advisor*: If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 5.3 or Condition 5.6 should be made, and following consultation between the Issuer, the Guarantor and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Issuer, the Guarantor, the Bondholders and the Trustee, save in the case of manifest error. Notwithstanding the foregoing, the per H Share value of any such adjustment shall not exceed the per H Share value of the dilution in the shareholders' interest in the Guarantor's equity caused by such events or circumstances.

5.7.3 *Minimum Conversion Price*: Notwithstanding the provisions of this Condition 5, the Guarantor undertakes that: (i) the Conversion Price shall not in any event be reduced to below the nominal or par value of the H Shares as a result of any adjustment hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable H Shares; and (ii) it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal or par value or any minimum level permitted by applicable laws or regulations.

5.7.4 *Reference to "fixed"*: Any references herein to the date on which a consideration is "fixed" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

5.7.5 *Multiple Events*: Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

5.7.6 *Upward/Downward Adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or re-classification of the H Shares as referred to in Condition 5.3.1. The Issuer or the Guarantor may at any time and for a specified period of time only, following notice being given to the Trustee in writing and to the Bondholders in accordance with Condition 16, reduce the Conversion Price, subject to Condition 5.7.3.

5.7.7 *Trustee Not Obligated to Monitor or Make Calculations*: Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation or determination (or verification thereof) in connection with the Conversion Price

and/or any adjustments to it, or any determinations, advice or opinions made or given in connection therewith and none of them will be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so or for any delay by the Issuer, the Guarantor or any Independent Financial Advisor in making any calculation or determination or any erroneous calculation or determination in connection with the Conversion Price.

*5.7.8 Employee Share Option Schemes:* No adjustment will be made to the Conversion Price when Ordinary Shares or other securities (including rights or options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees (including directors) of the Guarantor or any of its Subsidiaries pursuant to any employee share scheme or plan (and which employee share scheme or plan is in compliance with, if applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or, if applicable, the Stock Listing Rules of the Shanghai Stock Exchange or, if relevant, the listing rules of the Alternative Stock Exchange (“**Share Scheme Options**”) unless any issue or grant of Share Scheme Options (which, but for this provision, would have required adjustment pursuant to Condition 5) would result in the total number of Ordinary Shares which may be issued upon exercise of all Share Scheme Options granted during the 12-month period up to and including the date of such issue or grant representing, in aggregate, more than 2 per cent. of the average of the issued and outstanding Ordinary Shares during such 12-month period. For the avoidance of doubt, any Ordinary Shares issued in excess thereof, and only such Ordinary Shares issued in excess thereof, shall be subject to adjustment to the Conversion Price and taken into account in determining such adjustment as set out in Condition 5.3.

*5.7.9 Consideration Receivable:* For the purpose of any calculation of the consideration receivable or price pursuant to Condition 5.3.4, Condition 5.3.6, Condition 5.3.7 and Condition 5.3.8, the following provisions shall apply:

- (i) the aggregate consideration receivable or price for Ordinary Shares of a class issued for cash shall be the amount of such cash;
- (ii) (a) the aggregate consideration receivable for Ordinary Shares of a class to be issued on the conversion, exercise or exchange of any options, warrants or other rights or securities (or following any modification thereof) shall be deemed to be the consideration received or receivable by the Guarantor for any such options, warrants or other rights or securities (or following any modification thereof); (b) the aggregate consideration receivable for Ordinary Shares of a class to be issued on the exercise of rights of subscription attached to any such securities (or following any modification thereof) shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Guarantor for such securities (or following any modification thereof) which is attributed by the Guarantor to such rights of subscription or, if no part of such consideration is so attributed, to the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue or modification of such securities, plus in the case of each of (a) and (b) above, the additional minimum consideration (if any) to be received by the Guarantor on the conversion, exercise or exchange of such options, warrants or other rights or securities (or following any modification thereof), or on the exercise of such rights of

subscription; and (c) the consideration per Ordinary Share of a class receivable by the Guarantor on the conversion, exercise or exchange of, or on the exercise of such rights of subscription attached to, such options, warrants or other rights or securities (or following any modification thereof) shall be the aggregate consideration referred to in (a) or (b) above (as the case may be) divided by the number of Ordinary Shares of such class to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (iii) if the consideration or price determined pursuant to (i) or (ii) above of this Condition 5.7.9 (or any component thereof) shall be expressed in a currency other than HK dollars, it shall be converted into HK dollars at the Prevailing Rate on the relevant date;
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares of a class or securities or options, warrants or rights, or otherwise in connection therewith;
- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Guarantor or another entity;
- (vi) if as part of the same transaction, Ordinary Shares of a class shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Share shall be determined by dividing the aggregate consideration (determined as aforesaid and converted if and to the extent not in HK dollars, into HK dollars as aforesaid) by the aggregate number of Ordinary Shares so issued; and
- (vii) neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify any entitlement of any Bondholder to any amount payable upon or following the exercise of any Conversion Right and none of them will be responsible or liable to any Bondholder or any other person for any loss arising from any failure to do so.

## 5.8 Definitions

For the purposes of these Conditions:

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

“**Closing Price**” means, in respect of an Ordinary Share of a class for any Trading Day, the closing market price quoted by the principal stock exchange or securities market on which the Ordinary Shares of such class are then listed, admitted to trading or quoted or dealt in and, in the case of the A

Shares, shall (unless otherwise determined at the relevant time) mean the Shanghai Stock Exchange and, in the case of the H Shares, shall (unless otherwise determined at the relevant time) mean the Hong Kong Stock Exchange;

“**Current Market Price**” means, in respect of an Ordinary Share of a class on a particular date, the average of the daily Closing Price on each of the 10 consecutive Trading Days ending on and including the Trading Day immediately preceding such date and (if necessary) translated into HK dollars at the Prevailing Rate as at the relevant date; provided that:

- (A) for the purposes of determining the Current Market Price pursuant to Conditions 5.3.4 or 5.3.6 in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said 10 Trading Day-period (which may be on each of such 10 Trading Days) the Ordinary Shares of such class shall have been quoted ex-dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such 10 Trading Days) the Ordinary Shares of such class shall have been quoted cum-dividend (or cum- any other entitlement) then:
- (i) if the Ordinary Shares of such class to be issued or transferred and delivered do not rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Ordinary Shares of such class shall have been based on a price cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Shares of such class; or
  - (ii) if the Ordinary Shares of such class to be issued or transferred and delivered rank for the dividend or entitlement in question, the Closing Price on the dates on which the Ordinary Shares of such class shall have been based on a price ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Ordinary Shares of such class,
- (B) for the purpose of determining the Current Market Price of any Ordinary Shares of any class which are to be issued or may be issued pursuant to a Scrip Dividend pursuant to Condition 5.3.2(ii), if on any day during the said 10 Trading Day-period the Volume Weighted Average Price of the Ordinary Shares of such class shall have been based (A) on a price cum the Relevant Cash Dividend (and/or any other dividend or other entitlement which the Ordinary Shares of such class that may be issued pursuant to terms of such Scrip Dividend do not rank for), the Volume Weighted Average Price of an Ordinary Share of such class on any such day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the Relevant Cash Dividend (and/or such other dividend or other entitlement) (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Ordinary Share of such class entitled to the Relevant Cash Dividend (and/or such other dividend or other entitlement) or (B) on a price ex- the Relevant Cash Dividend, the Volume Weighted Average Price of an Ordinary Share of such class on any such day shall for the purposes of this definition be deemed to be the amount thereof (x) multiplied by the sum of one and the number of Ordinary Shares of such class which are to be issued or may be issued pursuant to such Scrip Dividend per Ordinary Share of such class entitled to the Relevant Cash Dividend and (y) reduced by the Fair

Market Value of the Relevant Cash Dividend (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Ordinary Share of such class entitled to the Relevant Cash Dividend; and

- (C) for any other purpose, if any day during the said 10 Trading Day-period was the ex-date in relation to any dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend (or other entitlement) per Ordinary Share of such class as at the date of first public announcement of the terms of such dividend (or other entitlement);

“**Capital Distribution**” means, on a per Ordinary Share basis,

- (i) any distribution of assets *in specie* by the Guarantor for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes, without limitation, an issue of Ordinary Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Ordinary Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 5.3.2(i) and a Scrip Dividend adjusted for under Condition 5.3.2(ii)); and
- (ii) any cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Guarantor for any financial period (whenever paid and however described), translated into HK dollars at the Prevailing Rate as at the effective date of the relevant adjustment to the Conversion Price,

*provided that* a purchase or redemption of Ordinary Shares by or on behalf of the Guarantor (or a purchase of Ordinary Shares by or on behalf of a Subsidiary of the Guarantor) shall not constitute a Capital Distribution, unless the weighted average price (before expenses) on any one day in respect of such purchases exceeds the Current Market Price of the Ordinary Shares by more than five per cent. either (a) on that date, or (b) where an announcement has been made of the intention to purchase Ordinary Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (a) or (b) of this definition, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Ordinary Shares purchased or redeemed exceeds the product of 105 per cent. of such Current Market Price and the number of Ordinary Shares so purchased or redeemed;

“**Fair Market Value**” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, provided that an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Ordinary Share of the relevant class shall be the amount of such cash Capital Distribution per Ordinary Share of such class

determined as at the date of announcement of such cash Capital Distribution and (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than HK dollars shall be translated into HK dollars (a) in the case of any cash Capital Distribution, at the average benchmark exchange rate between Renminbi and HK dollars expressed to be used in respect of such cash Capital Distribution and (b) in any other case at the Prevailing Rate on such date. In addition, in the case of provisos (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit;

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

**“H Share Stock Exchange Business Day”** means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) is open for the business of dealing in securities;

**“Independent Financial Advisor”** means an independent investment bank or licensed financial advisor or institution of international repute (acting as an expert) selected and appointed at its own cost by the Issuer or the Guarantor and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Advisor and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it;

**“Prevailing Rate”** means, in respect of any currency on any day, the spot exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined, provided that in the case of any cash Capital Distribution in respect of the H Shares, the “Prevailing Rate” shall be deemed to be the average benchmark exchange rate between Renminbi and HK dollars, calculated in the manner as announced by the Guarantor on the Hong Kong Stock Exchange from time to time, being as at the Issue Date the average of the medium rate of Renminbi to HK dollars as announced by the People’s Bank of China for five working days preceding (and including) the date on which such cash Capital Distribution are declared at the relevant annual general meeting;

**“Relevant Cash Dividend”** means the aggregate cash dividend or distribution declared by the Guarantor, including any cash dividend in respect of which there is any Scrip Dividend;

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



“**Scrip Dividend**” means Ordinary Shares of any class issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Ordinary Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 5.3.3 in respect of the amount by which the Current Market Price of the Ordinary Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 5.3.2);

“**Shanghai Stock Exchange**” means The Shanghai Stock Exchange;

“**Trading Day**” means in respect of an Ordinary Share of a class, a day when the principal stock exchange of such Ordinary Share is open for dealing business and, in the case of the A Shares, shall (unless otherwise determined at the relevant time) mean the Shanghai Stock Exchange and, in the case of the H Shares, shall (unless otherwise determined at the relevant time) mean the Hong Kong Stock Exchange; provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days; and

“**Volume Weighted Average Price**” means, in relation to an H Share for any H Share Stock Exchange Business Day, the order book volume-weighted average price of an H Share for such H Share Stock Exchange Business Day appearing on or derived from Bloomberg screen page “2359 HK Equity VAP” (or its successor page) or, if not available on any of such screens, from such other source as shall be determined in good faith and in a commercially reasonable manner, using a volume-weighted average method, to be appropriate by an Independent Financial Advisor, provided that for any H Share Stock Exchange Business Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an H Share in respect of such H Share Stock Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding H Share Stock Exchange Business Day on which the same can be so determined.

References to any issue or offer or grant to Ordinary Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Ordinary Shareholders, other than Ordinary Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

## **6 PAYMENTS**

### **6.1 Principal**

Payment of principal and interest (if any) will be made by transfer to the registered account of the Bondholder except in the case of any amount payable directly by the Issuer or the Guarantor (as the case may be) pursuant to Condition 5, where any amounts payable consequent upon the exercise of its Conversion Right by a Bondholder will be made by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars and mailed to the address of the Bondholder or by transfer to a U.S. dollar

account maintained by the payee, in either case in accordance with instructions given by the relevant Bondholder in its Conversion Notice. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

References in these Conditions, the Trust Deed and the Agency Agreement to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

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

## **6.2 Registered Accounts**

For the purposes of this Condition 6, a Bondholder’s registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the fifth Payment Business Day (as defined in Condition 6.6) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

## **6.3 Fiscal Laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 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 8) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

## **6.4 Payment Initiation**

Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of principal, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

## 6.5 Delay in Payment

Bondholders will not be entitled to any interest (if any) or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Bondholder is late in surrendering its Certificate (if required to do so).

## 6.6 Payment Business Day

In this Condition 6, “**Payment Business Day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks and foreign exchange markets are generally open for business in New York City and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

## 6.7 Rounding

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

## 6.8 Appointment of Agents

The initial Agents and their initial specified offices are listed below. The Issuer and the Guarantor reserve the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that the Issuer shall at all times maintain (i) a Principal Agent, (ii) a Registrar, (iii) a Transfer Agent (which may be the Principal Agent), (iv) a Conversion Agent (which may be the Principal Agent) and (v) such other agents as may be required by the stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

Notice of any changes in any Agent or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 16.

## 7 REDEMPTION, PURCHASE AND CANCELLATION

### 7.1 Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at its principal amount on 19 October 2025 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 7.2 or Condition 7.3 below (but without prejudice to Condition 9).

### 7.2 Redemption at the Option of the Issuer

7.2.1 The Issuer may, having given not less than 30 nor more than 60 days’ notice (an “**Optional Redemption Notice**”) to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15).

Upon the expiry of the Optional Redemption Notice, the Issuer will be bound to redeem the relevant Bonds at their principal amount.

7.2.2 Redemption under this Condition 7.2 may not occur within seven days of the end of a Restricted Transfer Period but otherwise may occur whenever the Conversion Right is expressed in these Conditions to be exercisable.

7.2.3 The Trustee and the Agents shall have no obligation to confirm whether the circumstances giving rise to a right for the Issuer to redeem under this Condition 7.2 have in any case arisen, and none of them shall be liable to the Bondholders or any other person for not doing so.

### **7.3 Redemption for Taxation Reasons**

7.3.1 At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount (the "**Tax Redemption Date**"), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 October 2024, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 7.3.1, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer (or, as the case may be, of the Guarantor), each of whom are also Authorised Signatories of the Issuer (or, as the case may be, of the Guarantor), stating that the obligation referred to in (i) above of this Condition 7.3.1 cannot be avoided by the Issuer (or, as the case may be, the Guarantor) having taken reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing, in form and substance satisfactory to the Trustee, to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer (or, as the case may be, the Guarantor) has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof, in which event the same shall be conclusive and binding on the Bondholders.

7.3.2 On the Tax Redemption Date, the Issuer shall redeem the Bonds at their principal amount, provided that redemption under this Condition 7.3 may not occur within seven days of the end of a Restricted Transfer Period, but otherwise may occur whenever the Conversion Right is expressed in these Conditions to be exercisable.

7.3.3 If the Issuer gives a notice of redemption pursuant to this Condition 7.3, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 8 shall not apply in respect of any payment of principal or interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 8 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax. For the avoidance of doubt, any Additional Tax Amounts which had been payable in respect of the Bonds as a result of the laws or regulations of the government of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax prior to 7 October 2024, will continue to be payable to such Bondholders. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. and 3.00 p.m. from Monday to Friday (other than public holidays)) a duly completed and signed notice of election, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date. Such notice of election, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

#### **7.4 Redemption for Relevant Events**

7.4.1 Following the occurrence of a Relevant Event (as defined in Condition 7.4.5(viii)), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount as at the Relevant Event Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. and 3.00 p.m. from Monday to Friday (other than public holidays)) a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent (a "**Relevant Event Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than 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 16. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above in this Condition 7.4.1.

7.4.2 A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. The Issuer shall redeem the Bonds which form the subject of the Relevant Event Put Exercise Notices delivered as aforesaid (subject to delivery of the relevant Certificates) on the Relevant Event Put Date.

7.4.3 None of the Trustee or the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred or may occur and none of them shall be liable to Bondholders or any other person for not doing so.

7.4.4 Not later than seven days after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event shall be delivered to Bondholders (in accordance with Condition 16) and to the Trustee and the Principal Agent in writing stating:

- (i) the Relevant Event Put Date;
- (ii) the date of such Relevant Event and, briefly, the events causing such Relevant Event;
- (iii) the date by which the Relevant Event Put Exercise Notice must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;
- (vi) briefly, the Conversion Right and the then current Conversion Price;
- (vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise their rights under this Condition 7.4 or their Conversion Right; and
- (viii) that a Relevant Event Put Exercise Notice, once validly given, may not be withdrawn without the Issuer's consent.

7.4.5 For the purposes of this Condition 7.4:

- (i) “**Affiliated Holders**” means, with respect to any specified natural person, any company, partnership, trust, foundation or other entity or investment vehicle for which such specified natural person retains sole voting and dispositive power with respect to the Ordinary Shares, as applicable, held by such company, partnership, trust, foundation or other entity or investment vehicle, and the trustees, legal representatives, beneficiaries and/or beneficial owners, but solely in such capacity, of such company, partnership, trust, foundation or other entity or investment vehicle;
- (ii) “**control**” means the acquisition or control of more than 50 per cent. of the voting rights of the registered share capital of the Guarantor or the right to appoint and/or remove all or the majority of the members of the Guarantor'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;
- (iii) a “**Change of Control**” occurs when:
  - (a) the Founding Individuals, collectively, together with any voting rights controlled directly or indirectly by the Founding Individuals, including through any voting proxy arrangement and/or acting-in-concert agreement, ceases to be the single largest holder of voting rights in the Guarantor;

- (b) other than Founding Individuals, any person or persons, acting together, acquires control of the Guarantor if such person or persons does not or do not have, and would not be deemed to have, control of the Guarantor on the Issue Date;
  - (c) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Guarantor or the successor entity; or
  - (d) one or more other persons acquires the legal or beneficial ownership of all or substantially all of the Guarantor’s registered share capital;
  - (e) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer;
- (iv) “**Founding Individuals**” means (a) Dr. Ge Li, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang and (b) each of the respective Affiliated Holders referred to in Condition 7.4.5(i);
  - (v) a “**Delisting**” occurs when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange;
  - (vi) an “**H Share Suspension in Trading**” means the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days;
  - (vii) a “**No Registration Event**” occurs when the SAFE Registration Documents are not provided to the Trustee by the Registration Deadline;
  - (viii) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Guarantor’s board of directors or any other governing board and does not include the Guarantor’s wholly-owned direct or indirect Subsidiaries;
  - (ix) a “**Relevant Event**” means the occurrence of either (a) a Change of Control; (b) a Delisting; (c) a H Share Suspension in Trading or (d) a No Registration Event; and
  - (x) “**voting rights**” means the right generally to vote at general meetings of shareholders of the Guarantor (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

## 7.5 Purchases

The Issuer, the Guarantor or any of their respective Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Bonds so acquired, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle them to convert the Bonds in accordance with these Conditions nor shall

such Bonds be deemed to be outstanding for the purposes of, among other things, calculating quorums at meetings of the Bondholders and exercising any voting rights with respect to such Bonds and Condition 9 and Condition 13.

## **7.6 Cancellation**

All Bonds which are repurchased, redeemed or converted or purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

## **7.7 Redemption Notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 7 will be irrevocable and will be given in accordance with Condition 16 specifying: (i) the Conversion Price as at the date of the relevant notice; (ii) the last day on which Conversion Rights may be exercised; (iii) the principal and/or premium (if any) payable; (iv) the date fixed for redemption; (v) the manner in which redemption will be effected; and (vi) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to these Conditions), the first in time shall prevail.

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable on redemption of the Bonds pursuant to this Condition 7 or have any duty to verify the accuracy, content, completeness, validity and/or genuineness of any certificates, confirmations or documents in relation to or in connection to any such redemption or the exercise of any right of redemption or to require redemption, and none of them shall be liable to the Bondholders or any other person for not doing so.

## **8 TAXATION**

**8.1** All payments made by or on behalf of the Issuer (or, as the case may be, the Guarantor) in respect of the Bonds (or, in the case of the Guarantor, the Guarantee) will be made free from any set-off, counterclaim, restriction or condition and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. Where such withholding or deduction is made by the Issuer or the Guarantor (as the case may be) by or within the PRC up to and including the aggregate rate applicable on 7 October 2024 (the “**Applicable Rate**”), the Issuer or the Guarantor (as the case may be) 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 the Guarantor (as the case may be) is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, or any Hong Kong deduction or withholding is required, in such event the Issuer or the Guarantor (as the case may be) 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 or the Guarantee:

8.1.1 to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC or Hong Kong, as the case may be, otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or

8.1.2 (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

**8.2** “**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

**8.3** References in these Conditions to principal, premium and interest (if any) shall be deemed also to refer to any additional amounts or premiums which may be payable under these Conditions or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed and the Deed of Guarantee.

**8.4** Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 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 third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest (if any) or other amount under or in respect of the Bonds or the Guarantee without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## **9 EVENTS OF DEFAULT**

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in any such case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and the Guarantor that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 5) if any of the following events (each an “**Event of Default**”) has occurred:

- 9.1** the Issuer or the Guarantor fails to pay the principal and premium (if any) on any of the Bonds; or
- 9.2** failure by the Guarantor to deliver the H Shares following conversion of a Bond; or
- 9.3** the Issuer or the Guarantor (as the case may be) does not perform or comply with one or more of its other obligations in the Bonds, the Trust Deed or the Deed of Guarantee which default is in the opinion of the Trustee incapable of remedy or, if capable of remedy in the opinion of the Trustee, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- 9.4** the Issuer or the Guarantor or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any Principal Subsidiary; or
- 9.5** (i) 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 (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) 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 present or future indebtedness in respect of 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 9.5 have occurred equals or exceeds U.S.\$50 million or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which such indebtedness become due and payable or is not paid or any such amount become due and payable or is not paid under any such guarantee or indemnity); or
- 9.6** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 30 days; or
- 9.7** an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer or 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 reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another Principal Subsidiary; or

- 9.8** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of their respective Subsidiaries over a material part of their respective property, assets or revenues 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 within 30 days; or
- 9.9** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Deed of Guarantee or the Trust Deed; or
- 9.10** 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 by the Issuer or the Guarantor (as the case may be) in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Bonds, the Deed of Guarantee or the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Deed of Guarantee and the Trust Deed admissible in evidence in the courts of the PRC or Hong Kong is not taken, fulfilled or done; or
- 9.11** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Issuer, the Guarantor or any Principal Subsidiary; or
- 9.12** the Guarantee of the Bonds is not (or is claimed by the Guarantor not to be) in full force and effect; or
- 9.13** 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 Condition 9.4, Conditions 9.6 to 9.8 (both inclusive) or Condition 9.11.

The Trustee and the Agents shall not be bound to take any steps to ascertain whether any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or fulfilment of any other conditions and/or the making of any determination would constitute an Event of Default has happened and none of them shall be responsible or liable to Bondholders or any other person for not doing so.

- 9.14** For purposes of this Condition 9, “**Principal Subsidiary**” means any Subsidiary of the Guarantor:
- (i) whose total revenue (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement is at least 10 percent of the consolidated total revenue as shown by the latest published audited income statement of the Guarantor and its consolidated Subsidiaries; or
  - (ii) whose gross profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement is at least 10 percent of the consolidated gross profit as shown by the latest published audited consolidated income statement of the Guarantor and its consolidated Subsidiaries, including for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

- (iii) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet are at least 10 percent of the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor and its Subsidiaries, including the investment of the Guarantor and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and of associated companies and after adjustment for minority interests;

*provided that*, in relation to paragraphs (i), (ii) and (iii) above of this definition:

- (a) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
  - (b) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total revenue, gross profit or total assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by or on behalf of the Guarantor;
  - (c) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Guarantor; and
  - (d) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) 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 accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; or
- (iv) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, whereupon the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall immediately become a Principal Subsidiary, provided that on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether or not such transferor Subsidiary or transferee Subsidiary would continue to be a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of (i), (ii) or (iii) above.

A certificate in English signed by an Authorised Signatory on behalf of the Guarantor stating that, in the opinion of the Guarantor, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties and the Bondholders, and the Trustee shall be entitled to rely conclusively upon such certificate without further investigation or query and without liability to the Bondholders or any other person.

## **10 PRESCRIPTION**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of default interest, if any) from the Relevant Date in respect thereof.

## **11 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

### **11.1 Meetings**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee. 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 if it is indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjournment of such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal in respect of the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify or cancel the Conversion Rights (except by unilateral and unconditional reduction in the Conversion Price) or the put options specified in Condition 7 or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding and/or an Electronic Consent (as defined in the Trust Deed) shall be as valid and effective as a duly passed Extraordinary Resolution.

### **11.2 Modification and Waiver**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 11.1 above and the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the

interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modification, waiver or authorisation will be notified by the Issuer or the Guarantor to the Bondholders as soon as practicable thereafter.

### **11.3 Interests of Bondholders**

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those in relation to any proposed modification, authorisation or, waiver) 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 consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 8 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## **12 REPLACEMENT OF CERTIFICATES**

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

## **13 ENFORCEMENT**

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

## **14 INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification, security and pre-funding of the Trustee and for its relief from responsibility including without limitation from taking proceedings to enforce payment unless indemnified and/or secured and/or prefunded of its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related (directly or indirectly) to the Issuer and/or the Guarantor and/or any entity related (directly or indirectly) to the Issuer and/or the Guarantor without accounting for any profit.

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

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deed of Guarantee or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor 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 or the Guarantor to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder 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 rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed or as otherwise provided for in the Trust Deed and/or the Conditions. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Relevant Event, Event of Default or Potential Event of Default has occurred or may occur or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions.

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 their respective Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **15 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the timing for complying with the requirements set out in these Conditions in relation to the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration and the

timing of any subsequent notices relating thereto to the Trustee and the Bondholders) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds shall be constituted by a deed supplemental to the Trust Deed.

## **16 NOTICES**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or published in a leading newspaper having general circulation in Asia and, so long as the Bonds are listed on the Hong Kong Stock Exchange and the rules of that stock exchange so require, published in a leading newspaper having general circulation in Hong Kong (which is expected to be the South China Morning Post). Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be.

*As long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions and such delivery shall be deemed to be valid for all purposes of the Conditions.*

## **17 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 is without prejudice to the rights of Bondholders as contemplated in Condition 13.

## **18 GOVERNING LAW AND JURISDICTION**

### **18.1 Governing Law**

The Bonds, the Trust Deed, the Agency Agreement and the Deed of Guarantee 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.

### **18.2 Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### **18.3 Agent for Service of Process**

Each of the Issuer and the Guarantor has irrevocably appointed in the Trust Deed an agent in Hong Kong to receive service of process in any Proceedings in Hong Kong.



#### **18.4 Waiver of Immunity**

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

The Bonds will be evidenced by a Global Certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream.

### **Promise to Pay**

Under the Global Certificate, the Issuer will promise to pay the Registered Holder (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Bonds) on such date or dates as the same may become repayable in accordance with the Terms and Conditions, the amount payable upon redemption under the Terms and Conditions in respect of the Bonds represented by the Global Certificate and (unless the Bonds represented by the Certificate do not bear interest) to pay interest in respect of such Bonds in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, in accordance with the Terms and Conditions.

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

### **Exchange of Bonds represented by Global Certificate**

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 (“**definitive Certificates**”) if either Euroclear or Clearstream (or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Bonds are cleared (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 at its own expense 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.

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

## **Conversion**

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

## **Notices**

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear and 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 Terms and Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

## **Transfers**

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

## **Cancellation**

On cancellation of any Bond represented by the Global Certificate that is required by the Terms and Conditions to be cancelled (other than upon its redemption), the details of such cancellation will be entered in the records of the relevant Clearing Systems in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System, as the case may be) and, upon any such entry being made, the principal amount of the Bonds recorded in the records of the relevant Clearing Systems and represented by the Global Certificate will be reduced by the aggregate principal amount of the Bonds so cancelled.

## **Meetings**

For the purposes of any meeting of Bondholders, each holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.\$100,000 in principal amount of the Bonds for which the Global Certificate is issued.

## **Bondholder's Redemption**

The Bondholder's redemption options in Condition 7.4 (*Redemption for Relevant Events*) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the relevant option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Terms and Conditions.

Notice of exercise received within the time limits specified in the Terms and Conditions by the Principal Agent from or on behalf of a holder of a book-entry interest in the relevant Bonds will be accepted by the Issuer as having been given by the holder as to the principal amount of Bonds in respect of which it is given (but without double counting), and whether or not the Global Certificate is presented for endorsement therewith.

## **Redemption at the Option of the Issuer**

The options of the Issuer provided for in Conditions 7.2 (*Redemption at the Option of the Issuer*) and 7.3 (*Redemption for Taxation Reasons*) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Bondholders and to Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Terms and Conditions.

## USE OF PROCEEDS

The net proceeds from this offering, after the deduction of fees, commissions and expenses payable in connection with this offering, will be approximately U.S.\$494.4 million, (i) approximately 70% of which is intended to be used for global expansion; (ii) approximately 20% of which is intended to be used for refinancing indebtedness; and (iii) approximately 10% of which is intended to be used for general corporate purposes.

## CAPITALIZATION OF THE GUARANTOR

As at June 30, 2024, the number of the Guarantor's issued shares was 2,911,927,203, among which 2,524,851,053 are A Shares and 387,076,150 are H Shares.

The following table sets forth the Group's unaudited consolidated capitalization as at June 30, 2024 and as adjusted to give effect to the issue of the Bonds before deduction of any fees, commissions and expenses. The table should be read in conjunction with the financial statements and the accompanying notes included in this Offering Circular.

	As at June 30, 2024			
	Actual		As adjusted	
	(RMB in millions)	(U.S.\$ in millions <sup>(1)</sup> )	(RMB in millions)	(U.S.\$ in millions <sup>(1)</sup> )
<b>Indebtedness:</b>				
<b>— current portion</b>				
Bank borrowings . . . . .	2,919.27	411.74	2,919.27	411.74
Lease liabilities . . . . .	234.71	33.10	234.71	33.10
Bonds to be issued <sup>(2)</sup> . . . . .	—	—	3,545.00	500.00
<b>— non-current portion</b>				
Bank borrowings . . . . .	2,892.34	407.95	2,892.34	407.95
Lease liabilities . . . . .	1,119.85	157.95	1,119.85	157.95
<b>Total indebtedness . . . . .</b>	<b>7,166.17</b>	<b>1,010.74</b>	<b>10,711.17</b>	<b>1,510.74</b>
<b>Equity</b>				
Share capital . . . . .	2,911.93	410.71	2,911.93	410.71
Reserves . . . . .	51,802.01	7,306.35	51,802.01	7,306.35
Non-controlling interests . . . . .	380.82	53.71	380.82	53.71
<b>Total shareholders' equity . . . . .</b>	<b>55,094.76</b>	<b>7,770.77</b>	<b>55,094.76</b>	<b>7,770.77</b>
<b>Total capitalization<sup>(3)</sup> . . . . .</b>	<b>62,260.93</b>	<b>8,781.51</b>	<b>65,805.93</b>	<b>9,281.51</b>

(1) Based on the exchange rate of RMB7.09 to U.S.\$1.00.

(2) The amount represents the aggregate principal amount of the Bonds to be issued, before deducting any underwriting commissions and other transaction costs and expenses payable in connection with the offering of the Bonds.

(3) Total capitalization represents the sum of the total indebtedness and total shareholders' equity.

Except as otherwise disclosed in this Offering Circular, there has been no material adverse change in the Group's consolidated capitalization and indebtedness since June 30, 2024.

## DESCRIPTION OF THE ISSUER

### Formation

The Issuer, WuXi AppTec (HongKong) Limited 藥明康德 (香港) 有限公司, is a company incorporated in Hong Kong on March 26, 2012. Its registered office is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong. The Issuer is a wholly-owned subsidiary of the Guarantor.

### Business Activity

The principal activities of the Issuer are rendering pharmaceutical research development service and selling pharmaceutical products.

### Share Capital

The Issuer's total amount of authorised share capital is HK\$4,814,158,160, which has been fully paid as at the date of this Offering Circular. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

### Financial Statements

Under the laws of Hong Kong, the Issuer is required to file with the Hong Kong Companies Registry its audited financial statements with its annual return for corresponding financial year. In addition, the Issuer is required to keep proper books of account as they are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions. The Issuer is also required to prepare its audited financial reports in accordance with the Terms and Conditions.

### Directors

The Directors of the Issuer are Hao Wu, Ming Shi, Minzhang Chen, Edward Hu and Steve Qing Yang.

## DESCRIPTION OF THE GUARANTOR

### OVERVIEW

With operations spanning Asia, Europe, and North America, the Guarantor delivers a broad portfolio of services, empowering the global pharmaceutical and life sciences industries to drive breakthrough treatments to patients. Through its unique business models, the Guarantor's integrated, end-to-end offerings, which encompasses chemistry drug CRDMO, biology discovery, preclinical testing, clinical research, and advanced therapies, help customers enhance productivity and deliver healthcare solutions more efficiently and cost-effectively.

As scientific innovations and technological advancements continue to shape the industry, the global demand for life-saving and cutting-edge pharmaceuticals grows, further driving demand for the Guarantor's enabling services. Since its founding, the Guarantor has upheld its core value of serving as an enabler for the pharmaceutical and life sciences sectors. Today, it remains a trusted partner to its customers, consistently providing the necessary capacity and capabilities for new drug R&D and manufacturing. With deep gratitude for the long-term trust and support of its customers, the Guarantor is committed to continuously enhancing its capacity, improving operational efficiency, and supporting its partners in delivering life-saving medicines worldwide. Together, the Guarantor and its customers strive to fulfill their shared vision that "every drug can be made and every disease can be treated".

The Guarantor's success is attributed to its seasoned management team, led by founder, chairman, and CEO, Dr. Li, a pioneer in the pharmaceutical outsourcing industry. Dr. Li and the senior management team are driven by a deep commitment to transforming drug discovery and development, aspiring to position the Guarantor as a leader in the global healthcare ecosystem.

The Group recorded during the years ended December 31, 2022 and 2023, and the six months ended June 30, 2023 and 2024, with revenues of RMB39,354.8 million, RMB40,340.8 million, RMB18,871.3 million, and RMB17,240.9 million, respectively. Net profits for these periods were RMB8,902.6 million, RMB10,797.9 million, RMB5,356.9 million, and RMB4,280.8 million, respectively.

The Guarantor was listed on the Shanghai Stock Exchange on May 8, 2018, and on the Main Board of the Hong Kong Stock Exchange on December 13, 2018. As of June 30, 2024, the number of the Guarantor's issued shares was 2,911,927,203, with 2,524,851,053 A Shares and 387,076,150 H Shares.



## COMPETITIVE STRENGTHS

The Guarantor believes that the below strengths have enabled it to succeed and stand out from its competitors:

### *Leading global new drug R&D services platform with integrated end-to-end capabilities*

The Guarantor is one of the few open service platforms for new drug R&D in the industry that has service capabilities covering the entire new drug R&D industry chain, and the Guarantor is expected to fully benefit from the rapid development of the global new drug R&D outsourcing services market. The Guarantor's integrated end-to-end new drug R&D service platform can meet diversified customers' demands in terms of technologies and coverage of services. In line with the scientific pattern of continuous development of new drug research and development projects from the early stage to the later stage, in the process of continuous advancement of customer projects, the Guarantor continues to expand its services from "follow the project" to "follow the molecule". At the early stage of new drug R&D, the Guarantor enables its customers with its expertise, and has won the trusts of numerous customers, and the Guarantor enjoys high reputation in the industry which allow it to obtain more business opportunities at the subsequent product development and commercialization stages, continuously driving the growth of its business. During the six months ended June 30, 2024, the Guarantor fully leveraged its global footprint and full industrial chain coverage to timely assist its customers in pushing forward their new drug R&D through global linkage, which gained wide recognitions from them. Going forward, the Guarantor will continue to enhance its capacity and expand its scale globally in order to enable pharmaceutical innovations worldwide more effectively.

### *Continuously track leading scientific technologies and enable innovation through leading advantages*

The Guarantor is committed to leveraging the latest scientific and technological discoveries to enable medical innovation in an effort to assist its customers in transforming new drug ideas into reality. With the Guarantor's leading service capability and scale in the industry, the Guarantor is positioned to integrate technological development and emerging R&D trends of the industry in the future and seize new development opportunities. With the continuous breakthroughs in new technologies, new mechanisms and new molecular types, and after years of development and accumulation, the Guarantor has adopted a number of industry-leading technologies and capabilities. The Guarantor's API platform continues to improve its R&D capabilities in flow chemistry, enzyme catalysis, crystallization and particle engineering process research. The capabilities of the Guarantor's formulation platforms have expanded from oral preparation to sterile injectable preparations, and the Guarantor will continue to conduct research on the formulation process of poorly soluble drugs and the development and application of new technologies such as spray drying, hot melt extrusion and lipid nanoparticles. In addition, the Guarantor has comprehensive R&D and production capabilities for highly active drugs, providing "end-to-end" services from active pharmaceutical ingredients to preparations, covering oral and injectable drugs. The capabilities of the Guarantor's WuXi TIDES platform fully utilize innovative technologies such as thin-film evaporation, tangential flow filtration (TFF)/precipitation and continuous flow purification to provide one-stop services covering drug discovery, CMC research and production for oligonucleotides, peptides and related chemical conjugated drugs. Looking forward, the Guarantor will continue to enhance the service capabilities of new molecular types, such as peptide, oligonucleotide, PROTAC, conjugate, and advanced therapies, to enable global medical innovation.

Moreover, the Guarantor puts efforts in exploring various cutting-edge technologies that can be applied to the new drug research and development process, and helps customers to improve their R&D efficiency, minimizing the entry barrier of pharmaceutical R&D. Leveraging the Guarantor's deep insights into industrial trends and emerging technologies, the Guarantor enables its customers to understand and study the latest scientific discoveries and convert them into potential commercial results.

*Strengthening the Guarantor's platform through enhancing its capacities and scale construction by leveraging its deep knowledge of the industry and deep discovery of customer needs*

The Guarantor has accumulated extensive industry experience after 20 years of rapid growth. The Guarantor provides services to leading global pharmaceutical companies, and establish deep partnerships with them. Throughout the cooperation, the Guarantor keeps abreast of the latest industry trends and accumulate experience in meeting customer needs. Through continuous capability and scale construction, as well as strategic mergers and acquisitions to enhance the Guarantor's business services, the Guarantor provides customers with more premium and comprehensive services.

The Guarantor continues to advance its design and construction of facilities, enhance its capabilities and capacities globally, and improve the efficiency of asset utilization. In January 2024, the total reactor volume of solid phase peptide synthesizers increased to 32,000L. In May 2024, the construction of the R&D and manufacturing site in Singapore officially started. The Guarantor's unique integrated CRDMO business model continues to meet customer demand. The Guarantor keeps investing in D&M capacity, and expects D&M Capex to increase more than 50% YoY in 2025.

In the future, with the continuous innovation of science and technology, customers' demand for high-quality capabilities and production capacity will continue to increase, and the Guarantor will provide integrated, end-to-end new drug research and development and production services to the global pharmaceutical and life science industries. The Guarantor will continue to strengthen its capabilities and scale to provide its customers with the best services.

*Strong, loyal and expanding customer base and continuing growth of the ecosystem in the healthcare field*

The Guarantor has a strong, diverse and loyal customer base, covering all of the top 20 pharmaceutical companies worldwide. As the number and types of the Guarantor's enabling platform continue to strengthen, the number of new and existing customers grows steadily. The Guarantor's enabling platform helps lower the entry barrier for new drug R&D, improve R&D efficiency, and support partners in achieving success, attracting more participants to join the new drug R&D industry. Throughout this process, the Guarantor continuously drives the development of new knowledge and technologies, improves R&D efficiency, reduces R&D costs, and the platform's innovative enabling capabilities continue to strengthen, forming a virtuous cycle ecosystem.

During the six months ended June 30, 2024, the Guarantor held the WuXi Global Forum and many Innovation Day Series activities, and top industry KOLs were invited to focus on the industry's future major challenges and opportunities, explore global innovation cooperation, and share the latest breakthroughs in the industry. The forums had over 4,000 registered attendees. During the six months ended June 30, 2024, the Guarantor also launched the "WuXi On Air" online activities, completing 25

live broadcasts involving 12 series, covering introductions to all five major operating segments of the Guarantor, reaching over 20 countries and regions, as well as 34 provincial administrative regions in China, with a total viewer count exceeding 100,000.

*Experienced management team with vision and ambition*

The Guarantor has an excellent management team with global vision and industrial strategic insight. The Guarantor's management team led by Dr. Li has extensive working experience in the medical industry, with strong execution ability, many years of investment and management experience in the medical industry and international vision. It also has relatively high reputation in the global life sciences field. The Guarantor's experienced and visionary management team enables the Guarantor to have a unique and sharp understanding of the global economic cycle and the overall development trend of the medical industry. Under the leadership of the Guarantor's management, the Guarantor is able to deeply understand market and industry development trends, policy changes and their impacts on customer needs, quickly adjust its business models, improve decision-making speed and flexibility to match customer needs, driving the rapid development of the business segments of the Guarantor and becoming a leader in the global healthcare ecosystem.

## **BUSINESS STRATEGIES**

The Guarantor's vision is to become a platform with the highest, broadest and deepest capabilities and technologies in the global healthcare industry, so that "every drug can be made and every disease can be treated". The Guarantor provides the global pharmaceutical industry with comprehensive and integrated new drug R&D and production services. Through empowering pharmaceutical, life science and medical device companies worldwide, the Guarantor is committed to promoting new drug development and delivering groundbreaking treatment solutions to patients. With the research focused and customer-oriented principle, the Guarantor helps customers improve R&D efficiency by offering cost-effective and efficient R&D services, bringing more quality new drugs to patients faster.

Today, the healthcare industry is entering an unprecedented golden era, where knowledge meets data, and technology meets healthcare. The future new drug R&D model will witness a new definition and profound reforms. A patient-centered healthcare innovation ecosystem is emerging. Driven by data and technology, more and more scientists, engineers, entrepreneurs, doctors and patients will participate in all aspects of R&D and innovation. In the future, the Guarantor will always: (1) expand its service capacity and capabilities globally; (2) explore the field of cutting-edge technologies through internal innovation and external merge and acquisition, and empower customers with world-leading science and technology; (3) enhance customer stickiness, increase customer conversion rate and continuously acquire new customers; (4) introduce quality talent to support its rapid growth; and (5) strengthen ecosystem development and improve its platform.

In 2024, the Guarantor will continue to focus on capacity and scale building, based on the cutting-edge technology, and continuously improve its integrated empowerment platform, so that anyone or any company can realize their own innovative dreams through the WuXi AppTec platform.

### *Platform Building*

On one hand, the Guarantor will further enhance the capabilities and scale of its R&D service platform as well as the asset utilization efficiency. The Guarantor continues advancing the construction of various facilities in Taixing, U.S. and Singapore, aiming to better serve the requirements of its global customers. On the other hand, the Guarantor will further explore advantages of the integrated end-to-end R&D services platform to strengthen customer conversion. With the continuous advancement of development projects of customers, the Guarantor will expand services offering by evolving from “following the project” to “following the molecule”.

### *Customer Strategy*

The Guarantor is committed to further improving customers’ satisfaction through providing high quality and efficient services and strict intellectual property protections for its customers. Moreover, the Guarantor will continue to add more new customers worldwide, in particular, long-tail customers, through diversified channels. The Guarantor will attract more participants to join the new drug R&D industry and enable more customers to succeed through ongoing reduction of entry barrier of the drug R&D industry.

### *Quality and Compliance*

The Guarantor has always adhered to the highest international quality standard and attached great importance to its compliance with relevant laws and regulations. The Guarantor has developed management systems concerning quality control, safety in production, intellectual property protection, international trade compliance, sales management, financial and accounting management, business continuity plan, etc. In 2024, the Guarantor will continue to refine and implement its standard operating procedure to prevent occurrence of accidents and facilitate sound growth of all segments.

### *Innovation and Development*

The Guarantor will continue to use the latest technology to enable global pharmaceutical innovation. The Guarantor has the global-leading new drug R&D platform and extensive experience of cutting-edge projects and closely followed the forefront of new drug R&D technological development. The Guarantor will continue to invest substantially in further improving service capabilities for new molecule types, such as peptide, oligonucleotide, PROTAC, conjugate, bi-specific antibody, advanced therapies, to capture new business opportunities and empower global pharmaceutical innovation. On such basis, the Guarantor puts efforts in exploring various cutting-edge technologies that can be applied to the new drug research and development process, and helps customers to improve their R&D efficiency, while minimizing the entry barrier of pharmaceutical R&D. The Guarantor will unswervingly promote digital transformation and the Guarantor is committed to fully utilizing data to guide efficiency improvement. On the basis of the digitalization pilot program of Shanghai SynTheAll Pharmaceutical Co., Ltd\* (上海合全藥業股份有限公司), the Guarantor will continue to expand the digitalization of other business units, and further upgrade and optimize existing data-based business value realization model.

### *Team of Talents*

The Guarantor will continue to introduce, foster and retain top talents within the industry. The Guarantor has taken specific initiatives including: (1) strengthening the reform of the reward, incentive and honor system by establishing a fair, transparent and result-oriented performance appraisal system; (2) providing concrete promotion opportunities; (3) providing technical and management trainings; and (4) offering market-oriented compensations to further improve its medium and long-term incentive mechanism.

### *Corporate Culture*

The Guarantor will continue to uphold its core value of “honesty and dedication, working together and sharing success; doing the right thing and doing things well”, and firmly implement its code of conduct of “customer first, honesty and integrity, ongoing improving, efficient implementation, cross-functional collaboration, transformation and innovation”, and enhance its core competitiveness.

### *Environment, Social and Governance (ESG)*

In 2024, the Guarantor officially joined the United Nations Global Compact (UNGC), pledging to support the UNGC’s ten principles in four areas (i.e., human rights, labor, environment and anti-corruption), and are committed to making the Global Compact and its principles part of the Company’s strategy, culture and daily operations. In recent years, the Guarantor has built an ESG data management system and continuously optimized processes to regularly track and follow up on the progress of important projects and goals in the ESG field. As an innovation enabler, a trusted partner of customers and a contributor to the global pharmaceutical and life sciences industry, the Guarantor is committed to environmental sustainability to meet the expectations of international customers and other stakeholders in the field of sustainable development. The Guarantor’s initiatives and performance in the field of sustainable development have been highly recognized by global ESG rating agencies for many years in a row. While deepening the Guarantor’s business and forging ahead, it will actively fulfill its commitments to all sectors and create greater value for society.

## **SERVICES AND CAPABILITIES**

### *Chemistry business*

The Group’s chemistry business integrates the chemistry business-related resources and capabilities, including WuXi STA (“合全藥業”) and the research chemistry services business units to offer new drug CRDMO services to customers. During the six months ended June 30, 2024, the small molecule drug discovery services (“R”) continues to generate downstream opportunities. Through the Guarantor’s “follow-the-customer” and “follow-the-molecule” strategies, the Guarantor established trusted partnerships with its customers globally, supporting the sustainable growth of its CRDMO business. The number of molecules converted from R to small molecule development and manufacturing (“D” & “M”) continued to grow. D&M services remains strong. Revenue of small molecule D&M services reached RMB7.39 billion during the six months ended June 30, 2024. Excluding COVID-19 commercial projects, revenue was down 2.7% YoY on top of the strong base of over 50% YoY growth in the first half of 2023, and full-year revenue is expected to maintain positive growth. Small molecule CDMO pipeline continued to expand. In the first half of 2024, 644 new molecules were added to the small molecule D&M pipeline. As of June 30, 2024, the Guarantor’s small

molecule D&M pipeline reached 3,319 molecules, including 67 commercial projects, 74 in phase III, 353 in phase II and 2,825 in phase I and pre-clinical stages, among which 14 commercial and phase III projects were added during the six months ended June 30, 2024. In May 2024, the Guarantor announced the groundbreaking of the new R&D and manufacturing site in Singapore. TIDES business (mainly oligo and peptides) sustains rapid growth. Revenue of TIDES grew strongly by 57.2% YoY to RMB2.08 billion. As of June 30, 2024, TIDES backlog grew by 147% YoY. The number of TIDES D&M customers increased 25% YoY to 151, and the number of TIDES molecules increased 39% YoY to 288. In January 2024, the total reactor volume of solid phase peptide synthesizers increased to 32,000L.

### ***Testing business***

The Group's testing business integrates the pre-clinical and clinical resources and capabilities, such as the Lab Testing Division, WuXi Clinical (“康德弘翼”) (clinical development services business) and MedKey (“藥明津石”) (site management organization business) to serve global customers for pharmaceutical, medical device, and in vitro diagnostic sectors. During the six months ended June 30, 2024, revenue of lab testing services was down 5.4% YoY to RMB2.12 billion. Among which, revenue from drug safety evaluation services was down 6.3% YoY due to market impact, while the Guarantor maintained an industry leading position in the Asia-Pacific region. During the six months ended June 30, 2024, the Qidong and Chengdu facilities both received the NMPA and Organization for Economic Co-operation and Development (OECD) GLP qualifications. The Suzhou facility was reviewed for the first time by the Japan Pharmaceuticals and Medical Devices Agency (PMDA) for on-site audit and successfully passed. New modality business continued to develop, while new vaccine capabilities continued to improve, and market share of nucleic acids, conjugates, and mRNA further expanded. Revenue of clinical CRO & SMO grew 5.8% YoY to RMB0.89 billion. Among which, SMO revenue grew 20.4% YoY, maintaining industry leading position in China. During the six months ended June 30, 2024, clinical CRO enabled the Guarantor's customers to obtain 14 IND approvals and SMO supported 31 new drug approvals for customers. SMO business continues steady growth, maintaining significant advantages in multiple therapeutic areas (cardiovascular disease, ophthalmology, rheumatology, central nervous system, endocrinology, medical aesthetics, and rare tumors etc.).

### ***Biology business***

The Group's biology business integrates the technologies in DNA-encoded library, biology, oncology and immunology to provide global customers with integrated drug discovery and research services. During the six months ended June 30, 2024, the Guarantor focused on improving capabilities related to new modalities. Revenue from new modalities grew 8.1% YoY, contributing 29.0% of biology business's revenue. Number of customers and projects served by the nucleic acid platform continued to increase. Cumulatively the Guarantor provided services to over 260 customers, and successfully delivered over 1,200 projects since 2021. The Guarantor proactively built capabilities to collaboratively develop membrane proteins and peptides, leading to remarkable increase in business volume of related protein production, screening and subsequent validation services. The Guarantor further integrated resources of the in vivo pharmacology platform, and continued to improve platform capabilities and efficiency. The Guarantor also fully leveraged the advantage of the one-stop service platform with in vitro and in vivo synergy to further gain market share in metabolic, cardiovascular and neurological areas, and the number of customers served grew over 30% YoY. During the six months ended June 30, 2024, the biology business continued to generate downstream opportunities and contributed over 20% of the Guarantor's new customers.

### ***Advanced Therapies CTDMO business***

The Group's advanced therapies CTDMO business capitalizes on global resources and capabilities to provide customers with integrated advanced therapies CTDMO services including process development, manufacturing and testing. The Guarantor continues to improve the Guarantor's CTDMO integrated enabling platform. As of June 30, 2024, the Guarantor provided development, testing and manufacturing services for 64 projects, including 2 commercial projects, 5 Phase III projects (2 projects in BLA preparation stage), 8 Phase II projects and 49 pre-clinical and Phase I projects, among which, the world's first innovative TIL-based therapy was approved by FDA during the six months ended June 30, 2024. The Guarantor is preparing for BLA filing to manufacture LVV used in a commercial CAR-T product. The Guarantor completed process performance qualification (PPQ), started post-PPQ manufacturing, and expect to file pre-approval submission (PAS) to FDA in the second half of 2024. Moreover, the Guarantor expects to complete PPQ in the second half of 2024 and file PAS to FDA in the first half of 2025 for a blockbuster commercial CAR-T product.

## **INVESTMENT**

### ***Investment on wealth management product***

The Guarantor adopted a prudent financial management approach towards its treasury policy and maintained a healthy financial position throughout the six months ended June 30, 2024. To better utilize surplus cash generated from operating and financing activities, the Guarantor has engaged in treasury management activities by investing in wealth management products issued by financial institutions of the PRC. All the short-term investments should have a proper tenor to match funding needs generated from operating and investing activities, with a view to strike a balance among principal guaranteed, liquidity and yield. As at June 30, 2024, the balance of current financial assets at FVTPL was nil.

### ***Investment in companies***

As part of the Guarantor's efforts to foster the ecosystem, the Guarantor has established joint ventures and made selective investments in a wide variety of companies within the healthcare ecosystem. The Guarantor primarily focus its investments in: (1) targets that fit into and support its existing value chain, (2) cutting edge technologies that it believes will advance the healthcare industry, (3) strategic long-term investments, and (4) venture capital funds, all of which would allow it to further access a wider variety of participants in the healthcare ecosystem while maintaining its position at the forefront of science. During the six months ended June 30, 2024, the Group's investments in joint ventures and associates amounted to a total of RMB12.2 million. The Guarantor continues to make investment in joint ventures and associates, so as to strengthen the Guarantor's synergy and promote the development of core business, access a broader customer base and enhance service ability. During the six months ended June 30, 2024, the Group's investments in other equities aside from joint ventures and associates amounted to a total of RMB270.1 million. The Group's investments of financial assets at FVTPL mainly include three categories, the movements of which during the six months ended June 30, 2024 are listed below:

In RMB million

	Listed companies	Fund investments	Non-listed companies	Total
Opening Balance . . . . .	483.9	1,541.7	6,600.5	8,626.0
Addition. . . . .	—	103.2	166.9	270.1
Fair value change during the six months ended June 30, 2024 . . .	(30.2)	91.7	(20.2)	41.3
Disposal of shares . . . . .	(125.5)	(10.7)	(10.5)	(146.6)
Dividends. . . . .	—	(20.8)	—	(20.8)
Foreign exchange effects. . . . .	12.0	27.0	130.3	169.3
<b>Ending Balance . . . . .</b>	<b>340.2</b>	<b>1,732.2</b>	<b>6,866.9</b>	<b>8,939.3</b>

*Note:* The discrepancies between the total and sums of amounts in the table above are due to rounding.

The following are some of the Group’s major investments in non-listed companies across several different areas in the healthcare industry as at June 30, 2024.

***Genesis Medtech Group Limited (“Genesis”)***

Genesis provides high-quality research, production and sales services on medical device. As at June 30, 2024, the fair value of the equity interests held by the Group in Genesis amounted to RMB1,642.5 million (representing 2.2% of the Group’s total assets).

Genesis aspires to become China’s largest medical technology company, an integrated platform with comprehensive product portfolio and extensive sales network with a business focus in the high-value medical device area. As at June 30, 2024, Genesis has over 1,517 employees and covers over 2,000 hospitals, of which more than 50% are Class III Grade A hospitals in China.

***iKang Healthcare Group (“iKang”)***

iKang is a leading medical examination and health management group in China, providing high-quality medical services including medical examination, disease detection, dental services, private doctors, vaccination and anti-aging. As at June 30, 2024, the fair value of equity interests held by the Group in iKang amounted to RMB486.9 million (representing 0.7% of the Group’s total assets).

iKang was formerly listed on NASDAQ Stock Exchange and subsequently privatized in January 2019. As at June 30, 2024, iKang operated 154 medical examination centers and 10 independent dental clinics in 59 cities. iKang also cooperated with over 800 medical institutions in over 200 cities in China to provide one-stop countrywide medical examination and health management services.



***Jiangsu Hanbon Science and Technology Co., Ltd. (“Hanbon”)***

Hanbon, a national key high-tech enterprise focusing on the chromatography-related products, contributes to providing professional chromatographic technology products and services to pharmaceutical and life science industries. As at June 30, 2024, the fair value of the equity interests held by the Group in Hanbon amounted to RMB289.8 million (representing 0.4% of the Group’s total assets).

Hanbon focuses on the field of chromatographic separation and purification products. Through independent research and development and long-term investment, it has built a rich chromatography product matrix and also launched two categories line of small molecule drug and large molecule separation and purification equipment for industrial production and laboratory research and development. It forms a full product system that can meet the needs of laboratory research and development to industrial production, and provides high-quality purification equipment and application solutions to domestic and foreign pharmaceutical companies.

***Cyagen (Suzhou) Biotechnology Co., Ltd. (“Cyagen”)***

Founded in 2011, Cyagen is a model animal CRO platform for scientific research and drug development. As at June 30, 2024, the fair value of the equity interests held by the Group in Cyagen amounted to RMB185.6 million (representing 0.2% of the Group’s total assets).

Cyagen is committed to providing a wide range of drug development services, including animal model libraries, model customization, breeding, aseptic mouse technology services, and phenotype function verification, to fully meet the needs of customers in basic research and new drug development for animal models. At the same time, Cyagen continues to enrich its product line, including platforms for target prediction and verification, virus vector development, evaluation model construction, and effectiveness evaluation.

***Boomray Pharmaceuticals Co., Ltd. (“Boomray”)***

Boomray is a company dedicated to the discovery and clinical development of radionuclide targeted drugs. The company primarily focuses on precision tumor diagnosis and treatment. As at June 30, 2024, the fair value of equity interests held by the Group in Boomray amounted to RMB170.3 million (representing 0.2% of the Group’s total assets).

Boomray focuses on the discovery and development of new generation of radionuclide drug conjugates (RDC). There are various potential FIC/BIC drug candidates in the pipeline, including diagnosis and therapeutic products for multiple solid tumors. The IND of Boomray’s PET-CT tracer, BR-02, for brain tumors has been approved by FDA and CDE, respectively. Multiple IITs for diagnosis and treatment of RDC are currently underway with clinical trails. In addition, Boomray has obtained the Radiation Safety License and established the in-house radio-labelling, pre-clinical studies and preliminary clinical supply capability. Boomray is developing multiple new targets RDCs and new isotope technology platforms.

## CUSTOMERS

The Guarantor provided services to customers in over 30 countries and regions through its 32 operating bases and subsidiaries worldwide. As an industry innovation enabler, the Guarantor grows together with its customers. In 2023, the Guarantor added over 1,200 new customers. Demand from customers across regions globally continued to grow. As of December 31, 2023, backlog grew 18% YoY excluding COVID-19 commercial projects. During the year ended December 31, 2023, the Group's revenue from US-based customers was RMB26.13 billion, excluding COVID-19 commercial projects, revenue grew 42% YoY; revenue from Europe-based customers grew 12% to RMB4.70 billion; revenue from China-based customers grew 1% to RMB7.37 billion; and revenue from other regions grew 8% to RMB2.14 billion. The Guarantor has built a large and growing customer base with very strong customer stickiness. During the year ended December 31, 2023, 98% of total revenue was generated from existing customers, reaching RMB39.63 billion, which grew 30% YoY excluding COVID-19 commercial projects. At the same time, the Guarantor's new customers have provided it with broader opportunities to continuously follow new technologies and new modalities, in addition to their revenue contribution of RMB0.71 billion. The Guarantor continued to execute its "long-tail" strategy and increase its support to large pharmaceutical companies. During the year ended December 31, 2023, revenue from the top 20 global pharmaceutical companies was RMB16.11 billion, which grew by 44% YoY excluding COVID-19 commercial projects. Revenue generated from all other customers maintained growth momentum and grew by 18% YoY to RMB24.23 billion. The Guarantor's unique positioning across the pharmaceutical development value chain drove its "follow-the-customer" and "follow-the-molecule" strategies and enhanced synergies across its business segments. During the year ended December 31, 2023, customers using services from multiple business units contributed RMB37.47 billion in revenue, growing by 27% YoY excluding COVID-19 commercial projects, accounting for an increased proportion of the Group's revenue at 93%.

During the year ended December 31, 2023, the Group's largest customers accounted for 11.75% of the Guarantor's total revenue. The Group's five largest customers accounted for 30.41% of the Group's total revenue.

## SUPPLIERS

Owing to the vast array of services, the Guarantor procures a wide variety of raw materials, such as experiment reagents, and equipment. The raw materials and equipment are generally available from various suppliers in quantities adequate to meet the needs of the Guarantor. Many of the suppliers offer both equipment needed for the Guarantor's integrated services and the corresponding raw materials. The Guarantor primarily sources its raw materials and equipment from a variety of suppliers that are located in China or have branches or subsidiaries in China. The Guarantor has maintained stable relationships with many of the key suppliers.

Top suppliers of the Guarantor generally ranged from specialized manufacturers with more than three decades of industry experience to PRC branches or subsidiaries of multinational companies. The Guarantor generally selects its suppliers based on a variety of factors, including their qualification, product selection, quality, reputation, pricing, quality management capabilities and overall services. The Guarantor regularly monitors and reviews the performance of the suppliers and conduct annual on-site audit for the key suppliers.

During the year ended December 31, 2023, the Group's largest suppliers accounted for 1.81% of the Guarantor's total purchase. The Group's five largest suppliers accounted for 8.11% of the Group's total purchase.

## **FACILITIES**

As of June 30, 2024, the Guarantor had 32 facilities in nine countries.

## **EMPLOYEES**

As at June 30, 2024, the Guarantor had a total of 38,134 employees. To maintain the high service standards, industry leading expertise and continuously meet customers' demands, the Guarantor will continue to recruit, train, promote and retain talented individuals.

The remuneration of the Guarantor's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The Guarantor provides regular trainings to its employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development course for management personnel. The Guarantor also has in place incentive schemes for its employees.

## **HEALTH, SAFETY AND ENVIRONMENTAL MATTERS**

The Guarantor's operations and facilities are subject to extensive environmental protection and health and safety laws and regulations, which govern, among other things, the generation, storage, handling, use and transportation of hazardous materials and the handling and disposal of hazardous and biohazardous waste generated at its facilities. These laws and regulations generally impose liability regardless of the negligence or fault of a responsible party, unless it has legally defined immunities. These laws and regulations also require the Guarantor to obtain permits from governmental authorities for certain operations.

The Guarantor has established departments in respect of environmental, health and safety, which is responsible for overseeing the implementation of the Guarantor's measures and procedures to ensure its compliance with the applicable environmental protection and health and safety laws and regulations and the health and safety of the employees. These measures and procedures include (i) developing and maintaining internal audit policies and procedures to monitor environmental health and safety and industrial hygiene, safety risk assessment procedures, a chemical safety management system, environmental health and safety training and assessment management system, environmental health and safety accident report and investigation management system (ii) conducting safety production training for all employees, (iii) conducting regular inspections of facilities, (iv) coordinating third party occupational health assessments and third party fire safety inspections, and (v) ensuring safety throughout experiments, through approvals of experiment plans and regular monitoring throughout the experiments.

## **CERTIFICATE, PERMITS AND LICENSES**

As at the date of this Offering Circular, the Guarantor was duly qualified to transact business, was in good standing and have obtained or made all substantial approvals, licences, consents, authorizations, permits, permissions, clearances, certificates, orders, concessions, qualifications, registrations, declarations, and/or filings.

## **INSURANCE**

In line with general market practice, the Guarantor maintains insurance policies as required by applicable PRC laws and regulations, including for example property insurance policies, employer's liability insurance, product liability and professional errors and omissions insurance, public liability insurance, and directors and officers liability insurance.

The Guarantor does not maintain key-man life insurance on any of the senior management or key personnel, or business interruption insurance. The insurance coverage may be insufficient to cover any claim for product liability, damage to the fixed assets of the Guarantor or employee injuries. Any liability or damage to, or caused by, the facilities or personnel of the Guarantor beyond the insurance coverage may result in the Guarantor incurring substantial costs and a diversion of resources.

## **LEGAL PROCEEDINGS**

The Guarantor may from time to time be involved in contractual disputes or legal proceedings arising out of the ordinary course of business or otherwise.

As at the date of this Offering Circular, there were no pending actions, suits or proceedings against or affecting the Guarantor or any other member of the Group or any of their respective properties, which if determined adversely to the Guarantor or any other member of the Group would individually or in the aggregate adversely affect the ability of the Guarantor or to perform its obligations under the Subscription Agreement, the Trust Deed, the Deed of Guarantee, the Agency Agreement or the Bonds, or which are otherwise material in the context of the issue, offering and distribution of the Bonds and, to the best of the Guarantor's knowledge (after due and careful enquiry), no such actions, suits or proceedings are threatened or contemplated.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### DIRECTORS

The following table sets forth the key information of the Directors of the Guarantor:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Dr. Ge Li (李革) . . . . .	57	chairman, chief executive officer and executive Director
Dr. Minzhang Chen (陳民章). . . . .	55	executive Director and co-chief executive officer
Mr. Edward Hu (胡正國) . . . . .	61	executive Director, vice chairman, global chief investment officer
Dr. Steve Qing Yang (楊青) . . . . .	55	executive Director and co-chief executive officer
Mr. Zhaohui Zhang (張朝暉) . . . . .	54	executive Director, vice president
Mr. Xiaomeng Tong (童小蒙) . . . . .	50	non-executive Director
Dr. Yibing Wu (吳亦兵) . . . . .	57	non-executive Director
Ms. Christine Shaohua Lu-Wong (盧韶華) . . . . .	55	independent non-executive Director
Dr. Wei Yu (俞衛) . . . . .	70	independent non-executive Director
Dr. Xin Zhang (張新) . . . . .	47	independent non-executive Director
Ms. Zhiling Zhan (詹智玲) . . . . .	61	independent non-executive Director
Mr. Dai Feng (馮岱) . . . . .	49	independent non-executive Director

The biographies of the Directors are set out below.

**Dr. Ge Li (李革)**, aged 57, is the chairman and chief executive officer of the Guarantor. From 1993 to 2000, Dr. Li was a founding scientist and director of research at Pharmacopeia Inc. in the United States. Since 2000, he has been serving in the Guarantor (including its predecessor), and has served in roles including the chairman, president and chief executive officer of the Guarantor. He also concurrently serves as the chairman and non-executive director of WuXi Biologics (Cayman) Inc. (stock code: 2269.HK).

Dr. Li obtained a bachelor's degree in chemistry from Peking University in the PRC. He also obtained a Ph.D. degree in organic chemistry from Columbia University in the United States.

**Dr. Minzhang Chen (陳民章)**, aged 55, is an executive Director and co-chief executive officer of the Guarantor. Dr. Chen has over 20 years of experience in new drug research and development and production management. Prior to joining the Guarantor, he served as the chief researcher of the chemistry department of Schering-Plough Research Institute (先靈葆雅研究所) and the head of the technical operation department of Vertex Pharmaceuticals Inc. Since 2008, he has been serving in the Guarantor (including its predecessor), and has served as a director and chief executive officer of SynTheAll Pharmaceutical, a subsidiary controlled by the Guarantor, and as vice president, co-chief executive officer and executive Director of the Guarantor.

Dr. Chen obtained a bachelor's degree in chemistry from Peking University (北京大學) in the PRC. He also obtained a Ph.D. degree in organic chemistry from University of Minnesota in the United States.

**Mr. Edward Hu (胡正國)**, aged 61, is the vice chairman and global chief investment officer of the Guarantor, chief executive officer of WuXi Advanced Therapies. From 1983 to 1985, Mr. Hu worked as an engineer at the scientific instrument factory of Hangzhou University. From 1988 to 1989, he was a manager at China Daheng Group, Inc. (中國大恒公司). From 1989 to 1990, he worked as an engineer at Jurid Bremsbrag GmbH in Germany. From 1996 to 1998, he served as a senior financial analyst of Merck in the United States. From 1998 to 2000, he was a business planning manager at Biogen Inc. (stock code: BIIB.NASDAQ) in the United States. From 2000 to 2007, he held various positions at Tanox, Inc. (stock code: TNOX.NASDAQ) in the United States, including chief financial officer, vice president of operations, senior vice president and chief operating officer. Since 2007, he has been serving in the Guarantor (including its predecessor), and has served in roles including standing vice president and chief operating officer, chief financial officer, co-chief executive officer, vice chairman, global chief investment officer of the Guarantor, and chief executive officer of WuXi Advanced Therapies. Mr. Hu also serves as a non-executive director of CStone Pharmaceuticals (stock code: 2616.HK). In the past three years, Mr. Hu was a director of CANbridge Pharmaceuticals Inc. (stock code: 1228.HK) and Ambrx Biopharma Inc. (stock code: AMAM.NYSE).

Mr. Hu obtained a bachelor's degree in physics from Hangzhou University, currently known as Zhejiang University (浙江大學), in the PRC. He also obtained a master's degree in chemistry and a master's degree in business administration from Carnegie Mellon University in the United States, respectively.

**Dr. Steve Qing Yang (楊青)**, aged 55, is an executive Director and co-chief executive officer of the Guarantor. From 1997 to 1999, Dr. Yang worked as a senior strategic consulting advisor of Strategic Decisions Group, a strategic consulting firm based in the United States. From 1999 to 2001, he served as a senior director of the corporate strategy and development at IntraBiotics, a United States biotech company. From 2001 to 2006, he was the head of the global research and development strategic management department and executive officer of Pfizer Inc. in the United States. From 2007 to 2010, he served as the president of research and development in Asia and vice president of global research and development of Pfizer Inc. (stock code: PFE.NYSE) in the United States. From 2011 to 2014, he was the vice president of Asia and Emerging Markets iMed Research and Development (亞洲及新興市場創新醫藥研發) of AstraZeneca (stock code: AZR.NYSE) in the United Kingdom. Since 2014, he has been serving in the Guarantor (including its predecessor), and has served as vice president and chief operating officer, chief business officer and chief strategy officer, co-chief executive officer and executive Director of the Guarantor.

Dr. Yang obtained a bachelor's degree from Michigan Technological University in the United States and a Ph.D. degree in pharmaceutical chemistry from University of California, San Francisco in the United States.

**Mr. Zhaohui Zhang (張朝暉)**, aged 54, is an executive Director, vice president and China chief operating officer of the Guarantor. From 1991 to 1993, he worked as an engineer at Wuxi Grinder Machinery Research Institute (無錫磨床機械研究所). From 1993 to 1995, he served as assistant to general manager of Jiangsu Yinling Group (江蘇省銀鈴集團). From 1995 to 1998, he was the vice president of Yinling Group (銀鈴集團), a United States company. From 1998 to 2000, he was the chief executive officer of Wuxi Qingye Investment Consultancy Limited (無錫青葉企業投資諮詢有限責任公司). Since 2000, he has been serving in the Guarantor (including its predecessor), and has served in roles including senior vice president of operations and domestic market, China chief operating officer and executive Director of the Guarantor.

Mr. Zhang obtained a bachelor's degree in mechanical and electrical engineering from Jiangnan University (江南大學) in the PRC and a master's degree in business administration from China Europe International Business School in the PRC.

**Mr. Xiaomeng Tong (童小幟)**, aged 50, is a non-executive Director of the Guarantor. From 1998 to 2000, he served as an investment analyst at Morgan Stanley & Co. International plc. From 2000 to 2008, he served as a managing director and joint head of Greater China District of General Atlantic. From 2008 to 2011, he served as a managing director and head of Greater China District of Providence Equity Partners. Since May 2011, he has been serving as a managing partner of Boyu Capital Advisory Company Limited (博裕投資顧問有限公司). Mr. Tong has concurrently been serving as an independent non-executive director of Alibaba Pictures Group Limited (stock code: 1060.HK).

Mr. Tong obtained a bachelor's degree in economics from Harvard University in the United States.

**Dr. Yibing Wu (吳亦兵)**, aged 57, is a non-executive Director of the Guarantor. From 1996 to 2008, he worked with McKinsey & Company, where he was a global senior director, senior partner, the head of Asia Pacific merger and acquisition practice and general manager of Beijing office. From 2008 to 2009, he served as the standing vice president of Legend Holdings Co., Ltd. From 2009 to 2013, he served as the president of CITIC Private Equity Funds Management Co., Ltd. Since October 2013, he has been serving as the chairman of China of Temasek International Pte. Ltd. Since January 2014, he has been serving as a director and general manager of Temasek Holdings Advisors (Beijing) Co., Ltd. Dr. Wu has concurrently been serving as a non-executive director of WuXi Biologics (Cayman) Inc. (stock code: 2269.HK).

Dr. Wu obtained a bachelor's degree in molecular biology from University of Science and Technology of China (中國科學技術大學) in the PRC and a Ph.D. degree in biochemistry and molecular biology from Harvard University in the United States.

**Ms. Christine Shaohua Lu-Wong (盧韶華)**, aged 55, was a senior chief financial officer, and she also has more than 15 years of experience working as the chief financial officer of listed companies. She is qualified as a certified public accountant in the United States. From 2007 to 2021, she held various senior management positions, including vice president of finance and chief financial officer at various listed companies, including WuXi PharmaTech (NYSE ticker before delisting: WX), Pactera Technology International Ltd. (NASDAQ ticker before delisting: PACT), Xueda Education Group (NYSE ticker before delisting: XUE), and WuXi Biologics (Cayman) Inc. (2269.HK). As a senior chief financial officer of listed companies, Ms. Lu-Wong is not only responsible for the overall financial operation and management, capital market and market value management and merger, acquisition and consolidation activities, but is also responsible for establishing and maintaining an appropriate and effective risk management and internal control system to help identify and assess risks in the process of business planning and strategy making, overseeing and implementing relevant risk mitigation plans, so as to assess and determine the nature and extent of acceptable risks while achieving the objectives of listed companies.

Ms. Lu-Wong obtained a bachelor's degree in foreign trade and economics from Guangdong University of Foreign Studies in July 1990 and a master's degree in business administration (accounting) from Golden Gate University in San Francisco in April 1994.

**Dr. Wei Yu (俞衛)**, aged 70, has more than 30 years of professional experience in the field of health management and policy research. Since 2019, he has been the executive dean of Shanghai Chuangqi Health Development Academy (上海創奇健康發展研究院). Dr. Yu has held senior research positions at various research universities as well as medical and health institutions, including Clemson University in the United States, Boston University, Stanford University, China Health Economics Association (中國衛生經濟學會) and Shanghai Shenkang Hospital Development Center (上海申康醫院發展中心). From 2006 to 2018, he worked as a professor, doctoral supervisor, executive vice president and dean at the School of Public Economics and Management of Shanghai University of Finance and Economics. He has been serving as an independent director of Tellgen Corporation (上海透景生命科技股份有限公司) (300642.SZ).

Dr. Yu obtained a bachelor's degree in electrical automation from Shanghai Hua Dong Textile College (上海華東紡織工學院) in January 1982. He also obtained a master's degree and doctor's degree in economics from Clemson University in the United States in August 1988 and August 1992, respectively.

**Dr. Xin Zhang (張新)**, aged 47, has been teaching at the School of Management of Fudan University since 2010. He has served as a lecturer, associate professor and deputy head of the Department of Accounting. His research focuses are corporate finance, sell-side analysis, international accounting and international finance. Dr. Zhang has rich professional knowledge and experience in accounting, and holds the senior title of associate professor in accounting. In the past three years, he served as an independent director of Keeson Technology Corporation Limited (麒盛科技股份有限公司) (603610.SH), Shanghai Film Co., Ltd. (上海電影股份有限公司) (601595.SH), and Shanghai Moon's Electric Co., Ltd. (上海鳴志電器股份有限公司) (603728.SH).

Dr. Zhang obtained a bachelor's degree in industrial foreign trade from Shanghai Jiao Tong University in July 1999, a master's degree in management science and engineering from Shanghai Jiao Tong University in March 2002 and a doctor's degree in finance from Queen's University in Canada in May 2010.

**Ms. Zhiling Zhan (詹智玲)**, aged 61, has been working as a principal lawyer at Shanghai Ryser & Associates Law Firm (上海瑞澤律師事務所) since August 2004. She has rich legal professional experience and practical experience. From 1987 to 1989, she taught in the Economic Law Teaching and Research Center of the Law Department of Renmin University of China (中國人民大學法律系經濟法教研室). From 1994 to 2004, she practiced at various reputable law firms, including Pestalozzi Law Firm in Zurich, Switzerland, and Baker & McKenzie in Hong Kong.

Ms. Zhan obtained a bachelor's degree in law from Wuhan University in July 1984 and a master's degree in law from Renmin University of China in July 1987. She obtained a master's degree in law from The University of Tokyo in Japan in March 1993, and studied Juris Doctor in the same year.

**Mr. Dai Feng (馮岱)**, aged 49, is an independent non-executive Director of the Guarantor. Mr. Feng is the co-founder and managing director of CareCapital Advisors Limited (松柏投資管理(香港)有限公司) since March 2015 and focus on investing and operating business in the oral hygiene industry. He also serves as directors in the portfolio companies of CareCapital, including the vice chairman of Carestream Dental LLC, a director of Huikou Dental Hospital Group (惠州市口腔醫院有限公司), and a director of the controlling shareholder of Neoss Limited. He has been the director of The Forsyth Institute (福賽斯牙科研究院) since February 2018 and the co-chairman of the board of International



Orthodontics Foundation Limited (國際正畸基金會) since December 2021. From April 2004 to December 2014, he served as associate, principal and managing director at Warburg Pincus Asia LLC. Mr. Feng also serves as an independent director of Sling Group Holdings Limited (森浩集團股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 08285).

Mr. Feng obtained a bachelor's degree in engineering sciences from Harvard University in June 1997.

## SUPERVISORS

Name	Age	Position
Mr. Harry Liang He (賀亮) . . . . .	58	chairman of the supervisory committee
Mr. Baiyang Wu (吳柏楊) . . . . .	60	supervisor
Ms. Minfang Zhu (朱敏芳) . . . . .	52	employee representative supervisor

The biographies of the supervisors of the Guarantor are set out below.

**Mr. Harry Liang He (賀亮)**, aged 58, has been serving as the chairman of the Supervisory Committee since March 2017. From 1991 to 1995, Mr. He served as a chemical analyst in the GTI Environmental Laboratory in California, United States. From 1996 to 2005, he served as a senior chemical testing engineer, data management manager and as an acting manager of the public works environment laboratory at Shaw Environmental & Infrastructure Inc in the State of California of the United States. From 2005 to 2023, he served in the Guarantor (including its predecessor), and served in roles including an assistant president, an executive director of the president's office, the deputy director of the operation department and the head of operations management of the Waigaoqiao site of the Guarantor, the head of supply chain risk control management team of the Guarantor's China risk control department, an executive director of the chief operating officer's office of the Guarantor.

Mr. He obtained a bachelor's degree in chemistry from Beijing University of Chemical Technology in the PRC.

**Mr. Baiyang Wu (吳柏楊)**, aged 60, has been serving as a Supervisor since August 2020. From 2000 to 2019, Mr. Wu served in the Guarantor (including its predecessor), as a senior manager of commercial development team, a senior manager of government affairs and policy research department of the Guarantor.

Mr. Wu obtained a bachelor's degree in mechanics from Peking University in the PRC.

**Ms. Minfang Zhu (朱敏芳)**, aged 52, has been serving as a Supervisor since March 2017. Since 2001, she has been serving in the Guarantor (including its predecessor), and has served in roles including a finance assistant manager, a finance manager, a finance senior manager, a human resources director of the Guarantor.

Ms. Zhu obtained an associate degree in financial management from Jiangsu Radio and Television University (江蘇廣播電視大學) in the PRC.

## SENIOR MANAGEMENT

The following table sets forth the key information of the senior management of the Guarantor:

Name	Age	Position
Dr. Ge Li (李革) . . . . .	57	chairman, chief executive officer and executive Director
Dr. Minzhang Chen (陳民章). . . . .	55	executive Director and co-chief executive officer
Mr. Edward Hu (胡正國) . . . . .	61	executive Director, vice chairman, global chief investment officer
Dr. Steve Qing Yang (楊青) . . . . .	55	executive Director and co-chief executive officer
Mr. Zhaohui Zhang (張朝暉) . . . . .	54	executive Director, vice president
Ms. Ming Shi (施明). . . . .	49	chief financial officer
Mr. Yuanzhou Zhang (張遠舟) . . . . .	36	board secretary and joint company secretary

The biographies of the senior management of the Guarantor are set out below.

**Dr. Ge Li (李革)**, see “— *Directors*” for details.

**Dr. Minzhang Chen (陳民章)**, see “— *Directors*” for details.

**Mr. Edward Hu (胡正國)**, see “— *Directors*” for details.

**Dr. Steve Qing Yang (楊青)**, see “— *Directors*” for details.

**Mr. Zhaohui Zhang (張朝暉)**, see “— *Directors*” for details.

**Ms. Ming Shi (施明)**, aged 49, is the chief financial officer of the Guarantor with effect from January 1, 2022. She joined the Group in April 2021 and has since then served as the senior vice president in finance of the Guarantor. She has had over 20 years of management experience in the fields of finance, business development and operations. Prior to joining the Group, Ms. Shi was the managing director of business development and chief financial officer of General Electric (“GE”) China. During her 15-year career at GE, she held several senior management roles in GE’s various divisions including the healthcare and advanced materials divisions. Ms. Shi has also previously worked at other multinational corporations earlier in her career, including at Ernst & Young Hua Ming LLP from 1997 to 2002.

Ms. Shi obtained a bachelor’s degree in international finance from the International Business School of Shanghai University (上海大學國際商學院). She is a member of the Chinese Institute of Certified Public Accountants and a graduate of GE’s Executive Financial Leadership Program (EFLP).

**Mr. Yuanzhou Zhang (張遠舟)**, aged 36, is the board secretary and joint company secretary of the Guarantor. Mr. Zhang served as a Management Trainee and a Relationship Manager of the Global Banking Department in HSBC Bank (China) Company Limited from June 2013 to April 2016. From May 2016 to September 2018, he served as a Vice President of the Investment Banking Department in CSC Financial Co., Ltd. Since October 2018, Mr. Zhang has served various positions in the Guarantor, including Investment Director of the Corporate Development and Investment Department, Senior Director of the Mergers and Acquisitions Department, the board secretary and joint company secretary.

Mr. Zhang obtained a Bachelor's degree in Economics from the Central University of Finance and Economics. He also obtained a Master's degree in Finance from the Olin Business School at Washington University in St. Louis in the United States.

## RECENT DEVELOPMENT

In September 2024, the Guarantor announced the repurchase of A Shares of the Guarantor for the third time in 2024 and the completion of repurchase on the websites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. The Guarantor has repurchased a total of 23,934,621 A Shares through bidding for the third time in 2024, which will all be subsequently cancelled, reducing the Guarantor's registered capital.

As at September 24, 2024, the scheme trustee of the 2024 Scheme implemented the acquisition of H Shares through on-market transactions in accordance with the instructions of the Company, utilizing funds in an aggregate amount of HK\$1 billion. The number of H Shares purchased is 27,478,428 H Shares, representing approximately 0.94% of the total issued share capital of the Company as at the date of this Offering Circular.

## MARKET PRICE INFORMATION

The H shares have been listed on Main Board of the Hong Kong Stock Exchange (Code: 2359) since the Guarantor's initial public offering on December 13, 2018. Prior to that time, there was no public market for the Guarantor's H Shares. The Guarantor's publicly traded domestic shares, or A Shares, are listed on the Shanghai Stock Exchange (Code: 603259) since May 8, 2018.

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

Year	Closing Share Price			
	H Shares		A Shares	
	High	Low	High	Low
	<i>(HK\$)</i>		<i>(RMB)</i>	
<b>2023</b>				
First quarter ended March 31,				
2023 .....	109.80	73.65	98.18	74.00
Second quarter ended June 30,				
2023 .....	89.90	61.35	86.18	61.82
Third quarter ended September 30,				
2023 .....	93.75	62.05	87.67	62.31
Fourth quarter ended December				
31, 2023 .....	102.20	76.65	90.88	71.25
<b>2024</b>				
First quarter ended March 31,				
2024 .....	79.95	36.85	74.89	46.18
Second quarter ended June 30,				
2024 .....	41.30	29.20	47.84	39.19
Third quarter ended September 30,				
2024 .....	54.60	27.60	52.36	36.87

## EXCHANGE RATE

### PRC

The PBOC sets and publishes on a daily basis a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2.0 per cent. against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On May 18, 2007, the PBOC enlarged, effective on May 21, 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0 per cent. on April 16, 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from July 21, 2005 to December 31, 2013. The PBOC authorized the China Foreign Exchange Trading Centre, effective since January 4, 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the following business day. On March 14, 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. On August 11, 2015, the PBOC announced to improve the central parity quotations of Renminbi against the U.S. dollar by authorizing market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. Following the announcement by the PBOC on August 11, 2015, Renminbi depreciated significantly against the U.S. dollar. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. The PRC government may adopt further reforms of its exchange rate system in the future.

The following table sets forth the noon buying rates for U.S. dollars in New York City for cable transfers payable in Renminbi as certified by the Federal Reserve Bank of New York for customs purposes for and as at the periods indicated as set forth in the H.10 statistical release of the Federal Reserve Board:

Period	Exchange Rates between Renminbi and U.S. Dollar			
	End	Average <sup>(1)</sup>	High	Low
		<i>(RMB per U.S.\$1.00)</i>		
2021 .....	6.37	6.44	6.57	6.34
2022 .....	6.90	6.75	7.30	6.31
2023 .....	7.10	7.09	7.34	6.70
2024				
January .....	7.17	7.17	7.20	7.14
February .....	7.20	7.19	7.20	7.18
March .....	7.22	7.20	7.23	7.18
April .....	7.24	7.24	7.25	7.23
May .....	7.24	7.23	7.25	7.21
June .....	7.27	7.25	7.27	7.24
July .....	7.22	7.26	7.28	7.22
August .....	7.09	7.15	7.24	7.09
September .....	7.02	7.08	7.12	7.01
October (through October 11) ..	7.07	7.04	7.08	7.02

Note:

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

## HONG KONG

The HK dollar is freely convertible into the U.S. dollar. Since 1983, the HK dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to U.S.\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "**Basic Law**"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the HK dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to U.S.\$1.00. The Hong Kong government has indicated its intention to maintain the link at that rate. Under the Basic Law, the HK dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the HK dollar will remain freely convertible into other currencies, including the U.S. dollar. However, the Guarantor cannot assure you that the Hong Kong government will maintain the link at HK\$7.80 to U.S.\$1.00, or at all.

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Hong Kong dollars and U.S. dollars. The exchange rates reflect the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board:

Period	Exchange Rates between Hong Kong dollar and U.S. Dollar			
	End	Average <sup>(1)</sup>	High	Low
		<i>(HK\$ per U.S.\$1.00)</i>		
2021 .....	7.80	7.77	7.80	7.75
2022 .....	7.80	7.83	7.85	7.77
2023 .....	7.81	7.83	7.85	7.79
2024				
January .....	7.82	7.82	7.83	7.81
February .....	7.83	7.82	7.83	7.82
March .....	7.83	7.82	7.83	7.82
April .....	7.82	7.83	7.84	7.82
May .....	7.82	7.81	7.82	7.80
June .....	7.81	7.81	7.82	7.80
July .....	7.81	7.81	7.81	7.81
August .....	7.80	7.80	7.82	7.79
September .....	7.77	7.79	7.80	7.77
October (through October 11) ..	7.77	7.77	7.77	7.77

*Note:*

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



## DIVIDENDS

The Board may declare dividends in the future after taking into account the results of operations, financial condition, cash requirements and availability of the Group and other factors as it may deem relevant at such time. The Guarantor may distribute dividends by way of cash, shares or a combination of cash and shares. Pursuant to the Articles of Association, except for special circumstances, when the Guarantor makes profits in the current year and the accumulated undistributed profit is positive, the Guarantor shall give priority to the distribution of cash dividends. The cumulative amount of the cash dividend distributed in the latest three years shall be at least 30% of the average annual distributable profits realized in the same period, and the amount of the cash dividend distributed in a year generally shall be at least 10% of the annual distributable profit realized in the same year. Any declaration and payment as well as the amount of dividends will be subject to the constitutional documents and the Laws of the PRC. Any proposed distribution of dividends shall be determined by the Board and must be approved by the shareholders, or approved by the Board under the authorization by shareholders. In addition, the Guarantor may declare interim dividends as the Board considers to be justified by the profit of the Group and overall financial requirements. No dividend shall be declared or payable except out of the profit and reserves of the Guarantor lawfully available for distribution. Any future declarations of dividends may or may not reflect the historical declarations of dividends of the Guarantor and will be at the discretion of the Board and subject to the approval or authorization of shareholders' meeting.

Future dividend payments will also depend upon the availability of dividends received from the subsidiaries of the Guarantor. The Laws of the PRC require that dividends be paid only out of distributable profits, which refer to after-tax profits calculated according to the PRC GAAP, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. In addition, as stipulated by the Articles of Association, distributable profits are recognized as net profit determined under the PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriation to statutory and other reserves that the Guarantor is required to make. As a result, the Guarantor and the PRC operating subsidiaries may not be able to pay a dividend in a given year if the Guarantor or the PRC operating subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS. Distributions from the subsidiaries of the Guarantor may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Guarantor or its subsidiaries may enter into in the future.

On June 12, 2024, 2023 profit distribution plan (“**2023 Profit Distribution Plan**”) of the Guarantor was approved at the 2023 annual general meeting of the Guarantor. Pursuant to the 2023 Profit Distribution Plan, a final dividend of RMB9.8974 per 10 shares (inclusive of tax) based on the record date for determining the shareholders' entitlement to 2023 Profit Distribution Plan was declared to both holders of A Shares and H Shares. The aggregated dividends amounted to RMB2,882,050,829.90.

## SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at June 30, 2024, the interests or short positions of the Directors, Supervisors and chief executive of the Guarantor in the Shares, underlying Shares and debentures of the Guarantor and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Guarantor and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Guarantor and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

#### Interests in Shares or Underlying Shares of the Guarantor

Name of Director and Chief Executive	Nature of Interest	Number and class of shares interested <sup>(1)</sup>	Approximate percentage of the Guarantor's issued share capital <sup>(7)</sup>
Dr. Ge Li <sup>(2)(3)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.3803%
	Beneficial owner; interests of spouse	770,172 H Shares (L)	0.0264%
Mr. Zhaohui Zhang <sup>(2)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.3803%
	Beneficial owner	108,327 H Shares (L)	0.0037%
Dr. Minzhang Chen	Beneficial owner	146,180 A Shares (L)	0.0050%
	Beneficial owner	291,201 H Shares (L)	0.0100%
Mr. Edward Hu <sup>(4)</sup>	Beneficial owner; interests of spouse	283,314 A Shares (L)	0.0097%
	Beneficial owner; interests of spouse	285,070 H Shares (L)	0.0098%
Dr. Steve Qing Yang	Beneficial owner	213,554 A Shares (L)	0.0073%
	Beneficial owner	261,253 H Shares (L)	0.0090%
Ms. Christine Shaohua Lu-Wong <sup>(5)</sup>	Interests of spouse	16,936 H Shares (L)	0.0006%
Ms. Ming Shi <sup>(6)</sup>	Beneficial owner	2,000 A Shares (L)	0.0001%
	Beneficial owner; interests of spouse	61,049 H Shares (L)	0.0021%

*Notes:*

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu as the actual controllers of the Guarantor, jointly held their interests through a total of 22 entities comprising corporations controlled by them, parties acting in concert with Dr. Ge Li and the proxy grantor.

- (3) The late Dr. Ning Zhao is the spouse of Dr. Ge Li and Dr. Ge Li is deemed to be interested in his spouse's interest.
- (4) Ms. Wendy J. Hu is the spouse of Mr. Edward Hu and Mr. Edward Hu is deemed to be interested in his spouse's interest.
- (5) Mr. Eric King Wai Wong is the spouse of Ms. Christine Shaohua Lu-Wong and Ms. Christine Shaohua Lu-Wong is deemed to be interested in her spouse's interest.
- (6) Mr. Weimin Jiang is the spouse of Ms. Ming Shi and Ms. Ming Shi is deemed to be interested in her spouse's interest.
- (7) As at June 30, 2024, the number of issued shares of the Guarantor was 2,911,927,203 (comprised of 2,524,851,053 A Shares and 387,076,150 H Shares), which has been used for the calculation of the approximate percentage.

#### **Interests in associated corporation (within the meaning of Part XV of the SFO)**

<u>Name of Director</u>	<u>Associated Corporation</u>	<u>Capacity/nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding interest</u>
Mr. Zhaohui Zhang	Shanghai SynTheAll Pharmaceutical Co., Ltd. (上海合全藥業股份有限公司)	Beneficial owner	162,417	0.0306%
Dr. Minzhang Chen	Shanghai SynTheAll Pharmaceutical Co., Ltd. (上海合全藥業股份有限公司)	Beneficial owner	22,453	0.0042%

Save as disclosed above and in the section headed "Share Incentive Schemes" in the 2024 Interim Report and to the best knowledge of the Directors, as at June 30, 2024, none of the Directors, Supervisors or the chief executive of the Guarantor has any interests and/or short positions in the Shares, underlying Shares or debentures of the Guarantor or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Guarantor and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Guarantor and the Hong Kong Stock Exchange.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES AND SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE GUARANTOR**

As at June 30, 2024, so far as it was known to the Directors or chief executive of the Guarantor, the following persons (other than the Directors and chief executive of the Guarantor) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Guarantor under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Guarantor under section 336 of the SFO:

<u>Name of Shareholder</u>	<u>Nature of Interest</u>	<u>Number and class of shares Interested<sup>(1)</sup></u>	<u>Approximate percentage of shares in relevant class of shares<sup>(9)</sup></u>	<u>Approximate percentage of the Guarantor's issued share capital<sup>(9)</sup></u>
Dr. Ge Li <sup>(2)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
Mr. Zhaohui Zhang <sup>(2)(3)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
Mr. Xiaozhong Liu <sup>(2)(4)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
G&C VI Limited <sup>(5)</sup>	Beneficial owner	143,015,795 A Shares (L)	5.66%	4.91%
G&C I Limited <sup>(5)</sup>	Interests of controlled corporation	143,015,795 A Shares (L)	5.66%	4.91%
G&C Limited <sup>(5)</sup>	Interests of controlled corporation	180,869,054 A Shares (L)	7.16%	6.21%
Qatar Investment Authority <sup>(6)</sup>	Interest in corporation	46,548,000 H Shares (L)	12.03%	1.60%
Al Rayyan Holding LLC <sup>(6)</sup>	Beneficial owner	38,198,400 H Shares (L)	9.87%	1.31%
Qatar Holding LLC <sup>(6)</sup>	Interest in corporation	38,198,400 H Shares (L)	9.87%	1.31%
JPMorgan Chase & Co	Interests of controlled corporation	9,657,432 H Shares (L)	2.49%	0.33%
		7,410,901 H Shares (S)	1.91%	0.25%
	Investment manager	1,519,532 H Shares (L)	0.39%	0.05%
	Person having a security interest in shares	216,721 H Shares (L)	0.06%	0.01%
	Approved lending agents	19,099,759 H Shares (P)	4.93%	0.66%

Name of Shareholder	Nature of Interest	Number and class of shares Interested <sup>(1)</sup>	Approximate percentage of shares in relevant class of shares <sup>(9)</sup>	Approximate percentage of the Guarantor's issued share capital <sup>(9)</sup>
BlackRock, Inc.	Interests of controlled corporation	20,197,158	5.22%	0.69%
		H Shares (L)		
		430,064	0.11%	0.01%
		H Shares (S)		
Computershare Hong Kong Trustees Limited <sup>(7)</sup>	Trustee	23,660,380	6.11%	0.81%
		H Shares (L)		
Morgan Stanley Capital Management, LLC <sup>(8)</sup>	Interest in corporation controlled	23,209,216	6.00%	0.80%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley Domestic Holdings, Inc. <sup>(8)</sup>	Interest in corporation controlled	23,209,216	6.00%	0.80%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley & Co. International plc <sup>(8)</sup>	Underwriter	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley International Holdings Inc. <sup>(8)</sup>	Interest in corporation controlled	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley International Incorporated <sup>(8)</sup>	Interest in corporation controlled	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley International Limited <sup>(8)</sup>	Interest in corporation controlled	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
Morgan Stanley Investments (UK) <sup>(8)</sup>	Interest in corporation controlled	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
MSDW Investment Holdings (US) LLC <sup>(8)</sup>	Interest in corporation controlled	23,040,000	5.95%	0.79%
		H Shares (L)		
		17,750,000	4.59%	0.61%
		H Shares (S)		
The Capital Group Companies, Inc.	Interest in corporation controlled	30,893,631	7.98%	1.06%
		H Shares (L)		

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*Notes:*

- (1) (L) — Long position; (S) — Short position; (P) — Lending pool
- (2) Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu as the actual controllers of the Guarantor, jointly held their interests through a total of 22 entities comprising corporations controlled by them, parties acting in concert with Dr. Ge Li and the proxy grantor.
- (3) Ms. Lei Zhang is the spouse of Mr. Zhaohui Zhang and is deemed to be interested in Mr. Zhaohui Zhang's interests in the Guarantor.
- (4) Ms. Guolian Zhang is the spouse of Mr. Xiaozhong Liu and is deemed to be interested in Mr. Xiaozhong Liu's interests in the Guarantor.
- (5) Dr. Ge Li indirectly wholly owns G&C VI Limited through his wholly own interests in G&C I Limited and G&C Limited. Under the SFO, Dr. Ge Li is deemed to be interested in the Shares held by G&C VI Limited.
- (6) DIC Holding LLC directly held 8,349,600 H Shares of the Guarantor. Qatar Investment Authority is the investment manager of DIC Holding LLC. AI Rayyan Holding LLC directly held 38,198,400 H Shares of the Guarantor. AI Rayyan Holding LLC was wholly controlled by Qatar Holding LLC. Qatar Holding LLC was wholly controlled by Qatar Investment Authority.
- (7) Computershare Hong Kong Trustees Limited was the scheme trustee for 2020 Scheme, 2021 Scheme, 2022 Scheme and 2024 Scheme.
- (8) Morgan Stanley & Co. LLC is wholly controlled by Morgan Stanley Domestic Holdings, Inc., which is controlled by Morgan Stanley International Incorporated and Morgan Stanley International Holdings Inc. each as to 10% of interest. Morgan Stanley & Co. International plc is wholly controlled by Morgan Stanley Investments (UK), which is wholly controlled by Morgan Stanley International Limited, which is wholly controlled by Morgan Stanley International Holdings Inc., which is controlled by MSDW Investment Holdings (US) LLC, and Morgan Stanley International Incorporated as to 18% of interest and by Morgan Stanley Domestic Holdings, Inc. as to 10% of interest. MSDW Investment Holdings (US) LLC is wholly controlled by Morgan Stanley International Incorporated, which is 10% controlled by Morgan Stanley Domestic Holdings, Inc., which is wholly controlled by Morgan Stanley Capital Management, LLC.
- (9) As at June 30, 2024, the number of issued shares of the Guarantor was 2,911,927,203 (comprised of 2,524,851,053 A Shares and 387,076,150 H Shares), which has been used for the calculation of the approximate percentage.

Save as disclosed above, to the best knowledge of the Guarantor, as at June 30, 2024, no person (other than the Directors, Supervisors and chief executives) had informed the Guarantor that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Guarantor which were required to be notified to the Guarantor under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Guarantor under section 336 of the SFO, or held any interests or short position in 5% or more of the respective types of capital in issue of the Guarantor.

## DESCRIPTION OF THE SHARES

*The following information is a summary of certain provisions of the Guarantor's Articles of Association and certain other information concerning the Guarantor. These statements are only a summary and qualified in their entirety by reference to the full Articles of Association of the Guarantor and Company Law of the People's Republic of China.*

After the establishment of the Guarantor, the Guarantor publicly issued 104,198,556 A Shares and 116,474,200 H Shares with the approval of the CSRC, which respectively listed on the Shanghai Stock Exchange on May 8, 2018 and the Main Board of Hong Kong Stock Exchange on December 13, 2018. The joint global coordinators of the listing of H Shares partially exercised the over-allotment option and the Guarantor further issued 5,321,200 H Shares.

After the completion of the above issuance of A Shares and H Shares, the total share capital of the Guarantor is 1,170,062,286 Shares, among which 1,048,266,886 are A Shares, representing 89.59 per cent., and 121,795,400 are H Shares, representing 10.41 per cent. of the total share capital of the Guarantor.

As at June 30, 2024, the Guarantor had completed several rounds of issuance and repurchase of H Shares and A Shares. As at June 30, 2024, the registered capital of the Guarantor was RMB2,952,726,521; the number of the Guarantor's issued shares was 2,911,927,203, comprising 2,524,851,053 A Shares, representing about 86.7% of its total issued shares, and 387,076,150 H Shares, representing about 13.3% of its total issued shares.

## TAXATION

*The following summary of certain PRC and Hong Kong 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 this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or any person acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds.*

*Persons considering the purchase of the Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Bonds.*

### PRC

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

### Income Tax

Pursuant to the EIT Law effective on January 1, 2008 and amended on December 29, 2018 and the Individual Income Tax Law of the PRC amended on August 31, 2018 and effective on January 1, 2019 (the “**IIT Law**”) and their implementation rules respectively, an income tax is imposed on the interests by way of withholding in respect of the bonds, and is paid by the Issuer (if such interests are regarded as income derived from sources within the PRC under the EIT Law or the IIT Law, as the case may be) to non-resident bondholders, including non-resident enterprises and non-resident individuals. The current rates of such income tax are 20% (for non-resident individuals) and 10% (for non-resident enterprises) of the gross amount of the interests, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

Under the EIT Law and its implementation rules, any gains realized 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 which is established under the laws of a jurisdiction other than the PRC, whose actual administrative organization is not in the PRC, and which has established offices or premises in the PRC or 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 realized on the transfer of the bonds by individual holders who are not



PRC citizens or residents will be subject to PRC individual income tax under the IIT Law and its implementation rules. If such gains are subject to PRC income tax, the 10% enterprise income tax rate and 20% individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

If the Issuer is not able to make payments under the Bonds, the Guarantor fulfils the payment obligations of the Guarantee and the PRC tax authority views such payment as an interest income arising within the territory of the PRC, the Guarantor might need to withhold PRC income tax on payments with respect to the Bonds to non-PRC resident enterprises bondholders at the rate of 10% and to non-PRC resident individuals bondholders at a rate of 20%, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

### **Value-add Tax**

According to the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (關於全面推行營業稅改徵增值稅試點的通知) (“**Circular 36**”), the entities and individuals providing services within the PRC shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. 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” refer to the activity of lending capital for another’s use and receiving the interest income thereon. It is not clear from the interpretation of Circular 36 whether the provision of loans to the Issuer could be considered as services provided within the PRC which could be regarded as the provision of financial services subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as resident enterprises under the EIT Law. PRC tax authorities could take the view that the Bondholders are providing loans within the PRC because the Issuer is treated as PRC tax residents. In which case, the issuance of the Bonds could be regarded as the provision of financial services within the PRC that is subject to VAT.

### **Stamp duty**

No PRC stamp duty will be chargeable upon the issue or transfer of the Bonds (as long as 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).

## **HONG KONG**

### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest (if any) 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 (if any) 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 (if any) 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 (if any) 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 (if any) 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 (if any) 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 or 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 addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

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.

## SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with Citigroup Global Markets Limited as the Lead Manager dated October 7, 2024 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Lead Manager, and the Lead Manager has agreed to subscribe and pay for the aggregate principal amount of the Bonds.

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

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

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer, the Guarantor and the Lead Manager are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

Each of the Issuer and the Guarantor has agreed in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on their behalf will (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any shares of the Guarantor or securities of the same class as the Bonds or the shares of the Guarantor or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the shares of the Guarantor or securities of the same class as the Bonds, the shares of the Guarantor or other instruments representing interests in the Bonds, the shares of the Guarantor or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the shares of the Guarantor, (c) enter into any transaction with the same economic effect as, or which

is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of shares of the Guarantor or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Manager between the date hereof and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds, or (ii) any shares of the Guarantor or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Guarantor or any of its subsidiaries pursuant to any employee share scheme or plan. In addition, Dr. Ge Li, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang have undertaken that none of them or any person acting on behalf of any of them (be it through any acting-in-concert agreement or any voting proxy arrangement) will (a) offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Relevant Shares (as defined in the Subscription Agreement) or securities of the same class as the Bonds or the Relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Relevant Shares or securities of the same class as the Bonds, the Relevant Shares or other instruments representing interests in the Bonds, the Relevant Shares or other securities of the same class as them; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Relevant Shares; or (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Manager between the date of the Subscription Agreement and the date which is 90 days after the closing date (both dates inclusive).

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMI (including private banks):** This notice to CMI (including private banks) is a summary of certain obligations the SFC Code imposes on CMI. The CMI may also be acting as OC for this offering and are subject to additional requirements under the SFC Code.

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

CMI is informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMI should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders. CMI should enquire with its investor clients regarding any orders which appear unusual or irregular. CMI should disclose the identities of all investors when submitting orders for the

Bonds (except for omnibus orders where underlying investor information may need to be provided to the OC when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI should not place “X-orders” into the order book.

CMI should segregate and clearly identify its own proprietary orders (and those of its group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer, the Guarantor. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

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

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

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

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

Underlying investor information in relation to omnibus order should be sent to ECM.Omnibus@citi.com.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OC; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OC. By submitting an order and providing such information to the OC, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OC and/or any other third parties as may be required by the SFC Code,

including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Lead Manager may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the Lead Manager with such evidence within the timeline requested.

## **GENERAL**

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

## **UNITED STATES**

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

The Bonds, the Guarantee and the Shares to be issued upon conversion of the Bonds are being offered and sold outside of the United States in reliance on Regulation S.

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

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

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

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

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

## **UNITED KINGDOM**

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of 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 or the Guarantee; 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**

The Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus”

as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

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

## **PRC**

The Lead Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan Region), except as permitted by applicable laws of the People’s Republic of China.

## **SINGAPORE**

The Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **JAPAN**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, the Lead Manager 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 organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.



## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream. The Legal Entity Identifier of the Issuer is 254900UYUS22SGHTR751. The Common Code of the Bonds is 284952065 and the International Securities Identification Number of the Bonds is XS2849520650.
2. **Authorizations:** The Issuer and the Guarantor have obtained all necessary consents, approvals and authorizations in connection with the issue of and performance of its obligations under the Bonds and the Guarantee. The issue of the Bonds was authorized by written resolutions of the Issuer passed on October 7, 2024 and the guarantee of the Bonds and the right of conversion into H Shares were authorized by the authorizations granted to the Board by the Shareholders at the annual general meeting of the Guarantor held on June 12, 2024 and the resolution of the Board passed on October 7, 2024. The Issuer and the Guarantor will execute and deliver each of the Trust Deed, the Deed of Guarantee (in the case of the Guarantor) and the Agency Agreement and perform its obligations thereunder, to issue, sell and deliver the Bonds as contemplated under the Subscription Agreement.
3. **No Material Adverse Change:** There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or otherwise), trading position, prospects, results of operations, business or general affairs of the Issuer or the Guarantor since June 30, 2024.
4. **Litigation:** The Guarantor may from time to time be involved in contractual disputes or legal proceedings arising out of the ordinary course of business or otherwise. As at the date of this Offering Circular, there were no pending actions, suits or proceedings against or affecting the Guarantor or any other member of the Group or any of their respective properties, which if determined adversely to the Guarantor or any other member of the Group would individually or in the aggregate adversely affect the ability of the Guarantor or to perform its obligations under the Subscription Agreement, the Trust Deed, the Deed of Guarantee, the Agency Agreement or the Bonds, or which are otherwise material in the context of the issue, offering and distribution of the Bonds and, to the best of the Guarantor's knowledge (after due and careful enquiry), no such actions, suits or proceedings are threatened or contemplated.
5. **Listing of Bonds:** 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 by way of debt issues to Professional Investors only and such permission is expected to become effective on October 22, 2024.
6. **Listing of Shares:** Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Bonds and such permission is expected to become effective when such Shares are issued.
7. **Available Documents:** As long as any of the Bonds are outstanding, copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement will be available (i) for inspection by the Bondholders at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. from Monday to Friday (other than public holidays)) following prior

written request and proof of holding and identity satisfactory to the Trustee at the principal place of business in Hong Kong of the Trustee, being at the Issue Date at 40/F, Champion Tower, 3 Garden Road, Central, Hong Kong, or (ii) electronically to the requesting Bondholder from the Principal Agent following prior written request and proof of holding and identity to the satisfaction of the Principal Agent and, in the case of the documents referred to below, copies may be obtained during normal business hours at the specified office of the Issuer at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong:

- Articles of Association of the Guarantor;
- copies of the audited consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2023;
- the Deed of Guarantee;
- copies of the unaudited but reviewed consolidated financial statements of the Group as at and for the six months ended June 30, 2024;
- the Agency Agreement; and
- the Trust Deed.

8. **Independent Auditors:** The Group's consolidated audited financial statements as at and for the years ended December 31, 2022 and 2023 have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong. The Group's unaudited but reviewed consolidated financial statements as at and for the six months ended June 30, 2023 and 2024 have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

The independent auditors of the Guarantor have agreed to the incorporation by reference in this Offering Circular of, and all references to, (i) their name, (ii) their audit reports on the consolidated financial statements of the Group for the years ended December 31, 2022 and 2023 and (iii) their review report on the consolidated financial statements of the Group for the six months ended June 30, 2024.

**ISSUER**

5/F, Manulife Place, 348 Kwun Tong Road  
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Wuxi, Jiangsu Province, PRC

**TRUSTEE**

**Citicorp International Limited**  
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3 Garden Road  
Central, Hong Kong

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PRINCIPAL TRANSFER AGENT**

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c/o Citibank N.A., Dublin Branch  
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**REGISTRAR**

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