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Munsun Capital Group Limited

麥盛資本集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1194)

**NOTICE TO BONDHOLDERS AND CONSENT SOLICITATION IN
RELATION TO
THE PROPOSED AMENDMENT OF
TERMS AND CONDITIONS AND TRUST DEED OF
HK\$1,028,000,000 7.25% CONVERTIBLE BONDS DUE 2018
(ISIN: XS0880097620)**

Reference is made to the Bond Announcement and the 2016 Consent Solicitation Announcements. For further details of the Bonds, please refer to the Bond Announcement. For further details of the 2016 Consent Solicitation and the proposals then to amend the Terms and Conditions and the Trust Deed, please refer to the 2016 Consent Solicitation Announcements.

BACKGROUND

The Company issued the Bonds on 4 February 2013 and effected the amendments to the Terms and Conditions pursuant to the 2016 Consent Solicitation as reflected in the First Supplemental Trust Deed. Pursuant to the existing Terms and Conditions, the Bonds will mature and be due for full payment inclusive of interest on 4 February 2018 and the total sum for such payment would amount to HK\$389,895,077.07. As it is expected that it would be difficult for the Company to fulfill its obligations in full on 4 February 2018, the Company proposes to further amend the Terms and Conditions of the Bonds which include: (i) extending the maturity of the Bonds to 4 August 2019, (ii) addition of a call option exercisable by the Company at any time on or after 4 October 2018 to and including 4 November 2018 (but subject to each Bondholder's right to retain a portion of its holding of Bonds) and removal of the Company's existing soft call, (iii) amending the interest rate to 8.5% per annum (such percentage subject to further increase to 11.0% per annum in certain circumstances), (iv) amending the Conversion Period in the Terms and Conditions so that the Conversion Right in respect of a Bond may be exercised at the option of the Bondholder at any time on or after 5 November 2018, (v) amending the initial Conversion Price in the Terms and Conditions to HK\$0.0618, and (vi) removal of the Conversion Price reset provision.

The New Proposals are designed to assist the Company in managing cash flows and as such the Company is inviting Bondholders to consider modifying the existing Terms and Conditions of the Bonds.

The Company proposes to request the Bondholders to agree to the New Proposals by way of passing a Written Resolution, and the Written Resolution will itself be subject to the subsequent approval of the shareholders of the Company, which will be sought at an SGM.

SGM

The New Proposals shall be subject to the approval of the Shareholders of the Company by way of ordinary resolution, which will be sought at the SGM, in which the Shareholders will be asked to approve (i) the adoption of the New Proposals and execution of relevant documents and (ii) the grant of the Specific Mandate for the Directors to issue not more than 5,100,000,000 new Shares. The Company will issue a circular to the Shareholders to set out further details of the New Proposals and the Specific Mandate so as to enable them to make an informed decision on whether to vote for or against the resolutions at the SGM.

PRINCIPAL TERMS OF THE NEW PROPOSALS

The Company is seeking the consent of Bondholders by way of a Written Resolution to the further amendments to the Terms and Conditions and the Trust Deed constituting the Bonds.

The amendments to the Terms and Conditions and the Trust Deed and proposal to Bondholders include the following:

- (a) Paying Bondholders the Principal Paydown Amount plus an amount equal to 20% of the Accrued Interest on the Settlement Date;
- (b) Extension of the maturity of the Bonds whereby the Company will redeem each Bond at its outstanding principal amount together with accrued and unpaid interest thereon on 4 August 2019;
- (c) Modification to the redemption right at the option of the Company, whereby:
 - (i) the Company may at any time on or after 4 October 2018 to, and including 4 November 2018, redeem all, but not some only, of the Bonds on the Payment Business Day specified in the Optional Redemption Notice as being the Optional Redemption Date at their outstanding principal amount together with accrued but unpaid interest to such date;
 - (ii) if the Company issues an Optional Redemption Notice, each Bondholder will have the right to elect that all or some only of such holder's Bond(s) (subject to partial redemption at the Partial Redemption Amount on a per Bond basis) shall not be redeemed (such Bonds in respect of which such election is made, the "**Retained Bonds**"), provided, however, that any such election must be made in increments of the Authorised Denominations;
 - (iii) on the Optional Redemption Date, all Retained Bonds will be partially redeemed at the Partial Redemption Amount, whereupon the outstanding principal amount of such Retained Bond shall be reduced by the Partial Redemption Amount for all purposes;
 - (iv) on the Optional Redemption Date, all Bonds other than Retained Bonds shall be redeemed in full by the Company at their outstanding principal amount together with accrued but unpaid interest to such date; and
 - (v) removal of the Company's existing right to early redemption (soft call right) exercisable after 4 February 2017;

- (d) Modification of the interest rate whereby the Bonds bear interest from and including 4 February 2013 to but excluding 4 February 2018 at the rate of 7.25% per annum and thereafter at 8.5% per annum, and in the event that the Company does not issue the Optional Redemption Notice, the interest rate shall increase to 11.0% per annum with effect from and including 4 November 2018;
- (e) Modification to the Conversion Period so that the Conversion Right in respect of a Bond may only be exercised at the option of the Bondholder at any time on or after 5 November 2018;
- (f) Reduction in the Conversion Price under the existing Terms and Conditions of the Bonds to HK\$0.0618; and
- (g) Removal of Conversion Price reset provision as set out at Condition 6(E) (*Conversion Price Reset*) in the existing Terms and Conditions of the Bonds.

PRINCIPAL TERMS OF THE BONDS AFTER NEW PROPOSED AMENDMENTS TAKE EFFECT

The principal terms of the Amended Terms and Conditions are summarised as follows:

Issuer:	Munsun Capital Group Limited
Bonds:	HK\$1,028,000,000 8.50% convertible bonds due 2019.
Form and Denomination of the Bonds:	The Bonds are issued in registered form and in the denomination of HK\$1,000,000 in nominal amount each and integral multiples thereof.
Interest:	The Bonds bear interest from and including 4 February 2013 to but excluding 4 February 2018 at the rate of 7.25% per annum and thereafter at 8.5% per annum, and in the event that the Company does not issue the Optional Redemption Notice, the interest rate shall increase to 11.0% per annum with effect from and including 4 November 2018.
Maturity Date:	4 August 2019

Negative Pledge:	So long as any Bond remains outstanding, the Company will not, and will ensure that none of its subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure (a) any Relevant Indebtedness (other than the Permitted Indebtedness), or (b) any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, 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 of the Bondholders.
Status of the Bonds:	The Bonds shall constitute direct, unconditional, unsubordinated and (subject to Condition 4 (Negative Pledge) of the Amended Terms and Conditions) unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.
Conversion Right and Period:	Subject to and upon compliance with the Terms and Conditions of the Bonds, the conversion right in respect of a Bond may be exercised, at the option of the Bondholder, at any time on or after 5 November 2018 up to the close of business on the date falling ten days prior to the Maturity Date (both days inclusive) or, if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to and including the close of business (at the place where the certificate evidencing the Bonds are deposited for conversion) on a date no later than seven days prior to the date fixed for redemption thereof or, if notice requiring redemption has been given by the holder of such Bond pursuant to the Terms and Conditions of the Bonds, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.

Conversion Price:	HK\$0.0618 per Share, subject to adjustments
Conversion Price Adjustments:	The Conversion Price will be subject to adjustment for, among other things, consolidation, subdivision or reclassification; capitalisation of profits or reserves; capital distributions; rights issues of Shares or options over Shares or other securities and issuance of options, issue at less than the Current Market Price, modification of conversion rights, other offers to Shareholders and other standard dilutive events. The Conversion Price is also subject to adjustment upon a change of Control in the Company. The Conversion Price shall not in any event be reduced to below the nominal or par value of the Shares as a result of any adjustment unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares.
Ranking of Conversion Shares:	The Conversion Shares, when issued upon conversion of the Bonds, will be fully paid and will in all respects rank pari passu with the fully paid Shares in issue on the date when the holder of record of the number of Shares issuable upon conversion is registered as such in the register of members of the Company.
Final Redemption:	Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Bonds, the Company will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Redemption for
taxation reasons:

The Bonds may be redeemed, at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders at their outstanding principal amount as at such date together with accrued but unpaid interest to such date, if (a) the Company satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Bermuda, Hong Kong or the PRC or 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 28 January 2013, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay additional tax amounts were a payment in respect of the Bonds then due

If the Company exercises its tax redemption right, each Bondholder shall have the right to elect that his Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Bond(s) redeemed in such circumstances, any payments due after the relevant date shall be made subject to any deduction or withholding of any tax required to be deducted or withheld.

Redemption at the
option of the
Company:

On giving an Optional Redemption Notice to the Trustee, the Principal Paying Agent and the Bondholders, the Company may at any time on or after 4 October 2018 to, and including 4 November 2018 redeem all, but not some only, of the Bonds on the Payment Business Day specified in the Optional Redemption Notice as being the Optional Redemption Date at their outstanding principal amount together with accrued but unpaid interest to such date.

If the Company issues an Optional Redemption Notice, each Bondholder will have the right to elect that all or some only of such holder's Bond(s) (subject to partial redemption at the Partial Redemption Amount on a per Bond basis) shall not be redeemed, provided, however, that any such election must be made in increments of Authorised Denominations. To exercise such a right, the relevant Bondholder must complete, sign and deposit at the specified office of the principal agent or any other agent a duly completed and signed notice of election (setting forth the principal amount of Bonds (in such Authorised Denominations) in respect of which the election is being made), in the form which will be set out in the Optional Redemption Notice to be issued by the Company, together with the bond certificate evidencing the Bonds to be redeemed, on or before the day falling 10 business days prior to the Optional Redemption Date.

On the Optional Redemption Date, (i) all Retained Bonds will be partially redeemed at the Partial Redemption Amount, whereupon the outstanding principal amount of such Retained Bond shall be reduced by the Partial Redemption Amount for all purposes; and (ii) all Bonds other than Retained Bonds shall be redeemed in full by the Company at their outstanding principal amount together with accrued but unpaid interest to such date.

Redemption at the option of the Bondholders upon delisting or change of Control:

When the Shares cease to be listed or admitted to trading or the Bondholders upon suspended for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange (or if the Shares are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in) or when there is a change of Control, the Bondholders will have the right at such holder's option, to require the Company to redeem all, but not some only, of such holder's Bonds at their principal amount together with accrued but unpaid interest to such date.

Further Issues: The Company 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 and so that such further issue shall be consolidated and form a single series with the Bonds.

COMPARISON OF CONVERSION PRICE

The modified conversion price of HK\$0.0618 represents:

- (1) a premium of approximately 0.7% to the Volume Weighted Average Price of HK\$0.0614 per Share as quoted on the Hong Kong Stock Exchange on the date of this announcement;
- (2) a premium of approximately 5.5% to the Volume Weighted Average Price of HK\$0.0586 per Share as quoted on the Hong Kong Stock Exchange for the last 5 consecutive Trading Days immediately prior to the date of this announcement;
- (3) a premium of approximately 5.3% to the Volume Weighted Average Price of HK\$0.0587 per Share as quoted on the Hong Kong Stock Exchange for the last 10 consecutive Trading Days immediately prior to the date of this announcement; and
- (4) a premium of approximately 4.9% to the Volume Weighted Average Price of HK\$0.0589 per Share as quoted on the Hong Kong Stock Exchange for the last 15 consecutive Trading Days immediately prior to the date of this announcement.

The Conversion Price was determined after arm's length negotiations between the Company and the Consent Solicitation Agent with reference to, among others, the then prevailing market price of the Shares.

EFFECT OF THE NEW PROPOSALS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming full conversion of the Bonds at the modified Conversion Price of HK\$0.0618 per Share, the Bonds will be convertible into 5,047,185,444 Shares, representing approximately 36.32% of the issued share capital of the Company as at the date of this announcement and approximately 26.64% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares upon the exercise of Conversion Rights attaching to the Bonds in full, and assuming that there being no other change to the share capital and shareholding structure of the Company from the date of this announcement. The analysis under scenario (ii) is shown for illustrative purposes only.

	As at the date of this announcement		Immediately upon the conversion of the Bonds in full into Shares at the Conversion Price of HK\$0.0618 each	
	Number of Shares	Approximate % of total Shares in issue	Number of Shares	Approximate % of total Shares in issue
Citic Guoan Group Limited (<i>Note 1</i>)	1,304,347,826	9.39	1,304,347,826	6.88
Liu Liyang (<i>Note 2</i>)	979,882,869	7.05	979,882,869	5.17
The Bank of New York Mellon Corporation (<i>Note 3</i>)	716,000,364	5.15	716,000,364	3.78
Zhang Lirui (<i>Note 4</i>)	266,313,590	1.92	266,313,590	1.41
Bondholders	—	—	5,047,185,444	26.64
Other public Shareholders	10,631,374,132	76.49	10,631,374,132	56.12
Total	<u>13,897,918,781</u>	<u>100.00</u>	<u>18,945,104,225</u>	<u>100.00</u>

Notes:

- (1) Road Shine Developments Limited is wholly-owned by Guoan (HK) Holdings Limited which is wholly-owned by Citic Guoan Group Limited. Road Shine Developments Limited is directly holding 1,304,347,826 Shares and Citic Guoan Group Limited is deemed to hold 1,304,347,826 Shares through its controlled interests in Road Shine Developments Limited.
- (2) Mr. Liu Liyang (“**Mr. Liu**”) is an executive Director and respectively holds 1,700,000 Shares by virtue of his personal interest and 978,182,869 Shares through Tai Ning Investment Holdings Limited (which is wholly and beneficially owned by Mr. Liu), representing approximately 0.01% and 7.04% of the total Shares in issue.
- (3) The Bank of New York Mellon had long positions in 716,000,364 Shares and 716,000,364 Shares in lending pool. Since The Bank of New York Mellon is wholly owned by The Bank of New York Mellon Corporation, The Bank of New York Mellon Corporation is also taken to be interested in the shares held by The Bank of New York Mellon.
- (4) Mr. Zhang Lirui is an executive Director.

SPECIFIC MANDATE TO ISSUE NEW SHARES

At the SGM, the Company will seek a Specific Mandate from the Shareholders to issue not more than 5,100,000,000 new Shares (representing approximately 36.70% of the issued share capital of the Company as at the date of this announcement), approximately 26.92% of the enlarged issued share capital immediately after conversion of the maximum number of Conversion Shares at the Conversion Price.

THE WRITTEN RESOLUTION

Notice will be given to the Bondholders on the date of this announcement pursuant to the Terms and Conditions for the purpose of considering, and if appropriate, passing the Written Resolution by no later than 5 January 2018 at 6:59 a.m. (Hong Kong time).

A resolution in writing signed by or on behalf of Bondholders holding not less than 90% of the aggregate principal amount of the Bonds who for the time being are entitled to receive a notice of a meeting in accordance with the provisions of the Trust Deed shall for all purposes be as valid as an extraordinary resolution passed at a meeting of the Bondholders convened and held in accordance with the provisions under the Trust Deed.

If passed, the Written Resolution will be binding upon all Bondholders, whether or not they exercised their right to vote in relation to the Written Resolution and subject to the conditions set out below.

SETTLEMENT CONDITIONS

The New Proposals will only take effect upon: (i) payment of the Principal Paydown Amount plus 20% of the Accrued Interest by the Company to the Bondholders; (ii) the passing of the Written Resolution by the Bondholders; (iii) the passing of the ordinary resolution of Shareholders approving the New Proposals and the Conversion Shares to be issued pursuant thereto; and (iv) no events having occurred between the date of this announcement and the Settlement Date which would require an adjustment to the Conversion Price in accordance with the Terms and Conditions. Therefore:

- (a) if the Written Resolution is passed, the Company will execute the Second Supplemental Trust Deed in relation to the New Proposals as soon as practicable after the passing of the Written Resolution and satisfaction of other settlement conditions; and

- (b) if the Written Resolution is rejected, the Company will not execute the Second Supplemental Trust Deed and none of the amendments contemplated by the New Proposals will be effected.

On the Settlement Date, Bondholders shall have the principal amount of each Bond held (a) further written down by HK\$131,099.58 per HK\$1,000,000 nominal amount of the Bond representing a reduction in respect of the Principal Paydown Amount and (b) written up by HK\$19,009.44 per HK\$1,000,000 nominal amount of the Bonds representing an increase in respect of 80% of the Accrued Interest. All Bondholders shall: (1) receive the Principal Paydown Amount plus an amount equal to 20% of the Accrued Interest, and (2) retain the Bonds as amended pursuant to the written Resolution, in an outstanding principal amount of HK\$543,407.78 per HK\$1,000,000 nominal value.

Interest on the Bonds outstanding following 4 February 2018 shall be calculated on the reduced outstanding principal amount per HK\$1,000,000 nominal amount of a Bond for the period from and including 4 February 2018 to but excluding the next Interest Payment Date.

The results of the notice of Written Resolution will be published on the websites of (1) the Company at <http://cpm.etnet.com.hk>, (2) the SGX-ST at www.sgx.com, and (3) Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

GENERAL INFORMATION ABOUT THE GROUP

The Group is principally engaged in mining and processing of gold ores and sales of gold products in the PRC and provision of financial services business in Hong Kong and the PRC, including asset management, securities brokerage, financing and advisory services.

REASONS FOR AND BENEFITS OF THE NEW PROPOSALS

The New Proposals are designed to assist the Company in managing cash flows. While the Company is committed to performing its obligations under the Bonds, the Directors believe that if the Written Resolution is not passed and the New Proposals cannot be implemented, it would be more difficult for the Company to fulfill its obligations in full on 4 February 2018.

The Directors consider that the interests of the Company, the Shareholders and the Bondholders may be materially and adversely affected if the New Proposals are not approved, and it follows that it would be in the interests of the Company, the Shareholders and the Bondholders to implement the New Proposals.

FUND RAISING IN THE PAST TWELVE MONTHS

The Group did not conduct any fund raising activity or issue of equity securities in the last twelve months immediately preceding the date of the date of this announcement.

APPLICATION FOR LISTING

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in the Conversion Shares. The Bonds are listed on the SGX-ST. The listing and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Company or the Bonds.

CONSENT SOLICITATION AGENT

Given the Directors consider that it is critical for the New Proposals to be approved (for reasons discussed above), the Company has appointed the Consent Solicitation Agent to identify Bondholders and solicit Bondholders' votes in favour of the Written Resolution. It is expected that the consent solicitation process will commence immediately after the Notice of the Written Resolution is given.

LISTING RULES IMPLICATIONS

The New Proposals will be subject to approval by the Shareholders and the grant of listing approval by the Hong Kong Stock Exchange in respect of the Conversion Shares issuable under the New Proposals. The Company will convene the SGM to seek the Shareholders' approval for the New Proposals and the Specific Mandate. Application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be issued by the Company under the New Proposals.

A circular containing, among others, (i) further details of the New Proposals; (ii) the Specific Mandate; (iii) the notice of SGM; and (iv) such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 15 January 2018.

There is no assurance that the Written Resolution or the ordinary resolutions at the SGM will be passed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

Term	Definition
“2016 Consent Solicitation”	the consent solicitation in relation to the amendments to the Bonds as referred to in the 2016 Consent Solicitation Announcements and completed on 16 March 2016
“2016 Consent Solicitation Announcements”	the announcements by the Company dated 21 December 2015, 23 December 2015, 7 January 2016, 9 January 2016, 19 January 2016, 25 January 2016, 28 January 2016, 4 February 2016, 23 February 2016, and 16 March 2016 in relation to the meeting of Bondholders and consent solicitation in relation to the Bonds in 2016
“Accrued Interest”	interest accrued in accordance with the Terms and Conditions from, and including, the last Interest Payment Date to, but excluding 4 February 2018
“Amended Terms and Conditions”	the amended Terms and Conditions as reflected in the Second Supplemental Trust Deed upon the implementation of the New Proposals
“Authorised Denominations”	the denomination of HK\$1,000,000 in nominal amount each and integral multiples thereof in registered form of the Bonds
“Board”	the board of Directors
“Bond Announcement”	the announcement by the Company dated 28 January 2013 in relation to the issue of the Bonds
“Bonds”	HK\$1,028,000,000 7.25% Convertible Bonds issued by the Company on 4 February 2013, as amended by the First Supplemental Trust Deed and to be amended by the Second Supplemental Trust Deed, of which HK\$376,255,804.17 remain outstanding
“Bondholders”	Holders of the Bonds as at the date hereof

“Capital Reorganisation”	the capital reorganisation of the Company’s share capital as announced on 12 October 2017 under which the par value of the Company’s shares shall be reduced from HK\$0.125 to HK\$0.005 per Share and which is anticipated to be completed on or around 2 January 2018
“Closing Price”	for the Shares for any Trading Day shall be the price published in the daily quotation sheet published by the Hong Kong Stock Exchange for such day
“Company”	Munsun Capital Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, and the ordinary shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Consent Solicitation Agent”	Daiwa Capital Markets Hong Kong Limited
“Control”	(a) the acquisition or holding of legal or beneficial ownership or control of more than 50% of the voting rights of the issued share capital of the Company, or (b) the right to appoint and/or remove all or the majority of the members of the Board 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
“Conversion Period”	the period during which each Bondholder is entitled to exercise his/her Conversion Right
“Conversion Price”	HK\$0.0618 per Share, subject to adjustments
“Conversion Right”	the right of each Bondholder to convert such Bonds into Shares as provided in the Terms and Conditions
“Conversion Shares”	the Shares to be issued on conversion of the Bonds

“Current Market Price”	the average of the daily VWAP of one Share on each of the 20 consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during such 20 Trading Day period the VWAP shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the VWAP shall have been based on a price cum-Dividend
“Director(s)”	directors of the Company or any one of them
“First Supplemental Trust Deed”	the supplemental trust deed amending the Trust Deed entered into between the Company and the Trustee on 4 February 2016
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Investment Bank”	an independent investment bank of international repute (acting as an expert) selected by the Company and notified in writing to the Trustee. If the Company fails to select an Independent Investment Bank when required by the Terms and Conditions, the Trustee may (at its absolute discretion) but it shall not be obliged to select the Independent Investment Bank
“Interest Payment Date”	4 February and 4 August each year
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maturity Date”	4 August 2019
“New Proposals”	the proposed amendments to the existing Terms and Conditions of the Bonds as amended by the Second Supplemental Trust Deed

“Optional Redemption Date”	at any time on or after 4 October 2018 to, and including, 4 November 2018 as specified in an Optional Redemption Notice
“Optional Redemption Notice”	not less than 37 nor more than 60 days’ irrevocable notice given to the Trustee the Principal Paying Agent, and the Bondholders in accordance with Condition 11 of the Amended Terms and Conditions at the option of the Company
“Partial Redemption Amount”	HK\$362,271.85 per HK\$1,000,000 nominal amount of Bonds
“Payment Business Day”	day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Principal Paying Agent is located
“Permitted Indebtedness”	has the meaning ascribed to it in the Terms and Conditions of the Bonds
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Principal Paydown Amount”	a redemption amount equal to HK\$131,099.58 per HK\$1,000,000 principal amount of the Bonds payable to each Bondholder in addition to the HK\$350,000 per HK\$1,000,000 principal amount paid on 16 March 2016
“Principal Paying Agent”	The Bank of New York Mellon, London Branch
“Relevant Indebtedness”	any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market (whether or not initially distributed by way of private placement) and which for the avoidance of doubt does not include bi-lateral loans, syndicated loans or club deal loans

“Second Supplemental Trust Deed”	the supplemental trust deed supplemental to and amending the First Supplemental Trust Deed to be entered into between the Company and the Trustee on the Settlement Date
“Securities Act”	the US Securities Act of 1933, as amended
“Settlement Date”	2 February 2018
“SGM”	the special general meeting of the Company due to be held on or around 31 January 2018 convened for the purpose of considering and, if thought fit, passing the ordinary resolution in respect of the New Proposals, as well as the granting of a specific mandate for the issuance of Conversion Shares
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	the ordinary share(s) with nominal value of HK\$0.125 each (prior to the Capital Reorganisation becoming effective) and HK\$0.005 each (after the Capital Reorganisation becoming effective) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with not more than 5,100,000,000 new Shares to be issued as Conversion Shares
“Terms and Conditions”	the terms and conditions of the Bonds as amended under the First Supplemental Trust Deed and from time to time
“Trading Day”	a day when the Hong Kong Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“Trustee”	The Bank of New York Mellon, London Branch

“Trust Deed”	the trust deed dated 4 February 2013 between the Company and the Trustee constituting the Bonds as amended by the First Supplemental Trust Deed and from time to time
“US” or “United States”	the United States of America
“US\$”	US dollars, the lawful currency of the US
“Volume Weighted Average Price” or “VWAP”	in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share published by or derived from Bloomberg (or any successor service) page 1194 HK Equity VWAP or such other source as shall be determined to be appropriate by an Independent Investment Bank on such Trading Day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined
“Written Resolution”	an extraordinary resolution of the Bondholders in writing to approve the New Proposals to be proposed and considered by the Bondholders
“%”	per cent.

By order of the Board
Munsun Capital Group Limited
LIU Liyang
Chairman

Hong Kong, 21 December 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. Liu Liyang, Mr. Zhang Lirui, Mr. Wang Baozhi, Mr. Yu Yong, Mr. Chen Sheng and Ms. Zang Dongling; and the Independent Non-Executive Directors of the Company are Mr. Wu Tai Cheung, Professor Xiao Rong Ge and Professor Zhang Tianyu.