

IMPORTANT NOTICE

NOT FOR DISTRIBUTION INTO THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “Offering Circular”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer (as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD 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 REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY UNITED STATES ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of Your Representation:

In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to have represented to the Joint Lead Managers (as defined in the Offering Circular) and the Issuer (1) that you and any customers you represent are not, and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not, located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person. The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation by or on behalf of any of the Issuer or the Joint Lead Managers in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers are licensed brokers or dealers in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Joint Lead Managers, the Trustee or the Agents or any person who controls any of them or any director, officer, employee, representative, adviser, affiliate or agent of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You are responsible for protecting against viruses and other destructive items. 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.

The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the 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 document, 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.



Guangxi Communications Investment Group Corporation Ltd.

(廣西交通投資集團有限公司)

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

U.S.\$300,000,000 3.95 per cent. Bonds due 2025

Issue Price: 99.581 per cent.

The U.S.\$300,000,000 3.95 per cent. Bonds due 2025 (the "Bonds") will be issued by Guangxi Communications Investment Group Corporation Ltd. (廣西交通投資集團有限公司) (the "Issuer"), a company incorporated in the People's Republic of China (the "PRC") with limited liability.

The Bonds will bear interest on their outstanding principal amount from and including 12 July 2022 at the rate of 3.95 per cent. per annum. Interest on the Bonds is payable semi-annually in arrear in equal instalments on 12 January and 12 July in each year, commencing on 12 January 2023. Payments on the Bonds will be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax to the extent described under "Terms and Conditions of the Bonds — Taxation".

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (Negative Pledge) of the terms and conditions of the Bonds (the "Terms and Conditions")) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (Negative Pledge) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer will undertake that it will (i) within the prescribed timeframe submit or cause to be submitted an application for registration of the Bonds with SAFE (as defined below) pursuant to the Administrative Measures for Foreign Debt Registration and its operating guidelines, effective as at 13 May 2013 and amended on 4 May 2015 and Guidelines for Capital Account Foreign Exchange Business (2020 Edition) (資本項目外匯業務指引(2020年版)), and if applicable, the Circular of the People's Bank of China on Matters relating to the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (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(銀發[2017] 9號)) issued by the PBOC (as defined below) which came into effect on 12 January 2017 and any implementation rules, reports, certificates, approvals or guidelines as issued by SAFE or the PBOC, as the case may be, from time to time (the "Foreign Debt Registration"), (ii) use its best endeavours to obtain from SAFE a registration record or any other document evidencing the completion of the Foreign Debt Registration on or before the Registration Deadline (being the day falling 120 Registration Business Days (as defined in the Terms and Conditions) after the Issue Date (as defined below)), and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds.

In accordance with the Circular of the NDRC on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the "NDRC Circular") issued by the National Development and Reform Commission of the PRC (or its local counterparts, the "NDRC") on 14 September 2015 which came into effect on the same day, the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 19 April 2022 evidencing such registration and will undertake to file the requisite information and documents on the issuance of the Bonds with the NDRC within 10 Registration Business Days (as defined in the Terms and Conditions) after the Issue Date.

The PRC government (including the Guangxi Government and the Guangxi SASAC (each as defined below)) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds, the Trust Deed or the Agency Agreement in lieu of the Issuer. See "Risk Factors — Risks relating to the Group's Business — The PRC government (including the Guangxi Government and the Guangxi SASAC) does not have any payment, guarantee or other obligations under the Bonds, the Trust Deed or the Agency Agreement".

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem each Bond at its principal amount on 12 July 2025 (the "Maturity Date"). At any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined below) (which notice shall be irrevocable), the Issuer may redeem the Bonds in whole, but not in part, at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption, if, immediately prior to giving such notice, the Issuer satisfies the Trustee that the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 5 July 2022, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Following the occurrence of a Relevant Event (as defined in the Terms and Conditions), each holder of Bonds (each a "Bondholder") will have the right, at such Bondholder's option, to require the Issuer to redeem all, but not some only, of that Bondholder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. (in the case of a redemption for a Change of Control or a Rating Withdrawal) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with unpaid interest accrued to (but excluding) such Put Settlement Date. See "Terms and Conditions of the Bonds — Redemption and Purchase".

For a more detailed description of the Bonds, see "Terms and Conditions of the Bonds" beginning on page 54.

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

Investing in the Bonds involves risks. See "Risk Factors" beginning on page 12 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

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

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The SEHK has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Group or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and SEHK 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.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

Singapore SFA Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application will be made for the listing of the Bonds on the Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "MOX"), and together with the SEHK and the SGX-ST, the "Stock Exchanges".

This document is for distribution to professional investors (as defined in Section 11 of the Guideline on Provision and Distribution of Financial Products (Circular 033/B/2010-DSB/AMCM)) ("MOX Professional Investors") only. Investors should not purchase the Bonds in the primary or secondary markets unless they are MOX Professional Investors and understand the risks involved. The Bonds are only suitable for MOX Professional Investors.

The MOX 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 MOX Professional Investors only have been reproduced in this document. Listing of the Bonds on the MOX is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the quality of disclosure in this document.

The MOX takes no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The requirements in relation to the MOX Professional Investors above and in this Offering Circular shall be construed as relating to offers and sales of the Bonds in Macau only.

The Issuer was rated "Baa2" with a stable outlook by Moody's Investors Service, Inc ("Moody's") and "BBB" with a stable outlook by Fitch Ratings Ltd. ("Fitch"). The Bonds are expected to be rated "BBB" by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Bonds will be represented initially 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 12 July 2022 (the "Issue Date") with, a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Bank of China	CCB International	ICBC International	BOCOM International
Joint Lead Managers and Joint Bookrunners			
China International Capital Corporation	ICBC (Macau)	ICBC Singapore	CEB International
			China Minsheng Banking Corp., Ltd., Hong Kong Branch
Industrial Bank Co., Ltd. Hong Kong Branch	Zhongtai International	Guotai Junan International	CMB Wing Lung Bank

Offering Circular dated 5 July 2022

NOTICE TO INVESTORS

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

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

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries (together with the Issuer, the “**Group**”) and the Bonds which is material in the context of the issue and offering of the Bonds (including the information which is required by applicable laws and which, according to the particular nature of the Issuer, the Group and the Bonds, 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 and the Group and of the rights attaching to the Bonds); (ii) the statements contained in this Offering Circular are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer 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 relation to the Issuer, the Group or the Bonds, the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect; (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; (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 contained in this Offering Circular, in the light of the circumstances under which they were made, not misleading; and (vii) the statistical, industry and market-related data and forward looking statements included in this Offering Circular are based on or derived or extracted from sources which the Issuer believes to be accurate and reliable in all material respects.

The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Bank of China Limited, CCB International Capital Limited, ICBC International Securities Limited, BOCOM International Securities Limited, China International Capital Corporation Hong Kong Securities Limited, Industrial and Commercial Bank of China (Macau) Limited, Industrial and Commercial Bank of China Limited, Singapore Branch, CEB International Capital Corporation Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch, Zhongtai International Securities Limited, Guotai Junan Securities (Hong Kong) Limited and CMB Wing Lung Bank Limited (together, the “**Joint Lead Managers**”) or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this 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, Hong Kong, the PRC, Singapore, Japan and Macau and to persons connected therewith. For a description of certain further restrictions on offers, and resales of the Bonds, and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Bonds, investors represent and agree 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 other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group 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 authorised by the Issuer, the Joint Lead Managers, the Trustee (as defined in the Terms and Conditions) or the Agents (as defined in the Terms and Conditions) or their respective affiliates, directors, employees, agents, representatives, officers 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 or the Group since the date hereof or create any implication that the information contained herein is correct as at 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 Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer with its own tax, legal and business advisers as it deems necessary.

This Offering Circular is provided solely for the purpose of enabling the recipient to consider purchasing the Bonds. The investors or prospective investors should read this Offering Circular carefully before making a decision regarding whether or not to purchase the Bonds. This Offering Circular cannot be used for any other purpose and any information in this Offering Circular cannot be disclosed to any other person. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Bonds.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular and can give assurance that this information is accurate, truthful or complete. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers 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 any other information supplied in connection with the Bonds. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers 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 any of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors,

employees, agents, representatives, officers or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers 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 and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them or on their behalf in connection with the Issuer or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, employees, agents, representatives, officers 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 Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them.

None of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them are making any representation regarding the legality of an investment in the Bonds under any law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should consult his/her/its own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

***Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).*

IN CONNECTION WITH THIS OFFERING, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) OR ANY PERSON(S) ACTING ON BEHALF OF THE STABILISATION MANAGER MAY, SUBJECT TO ALL APPLICABLE LAWS, OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE(S) OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR

AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Any of the Joint Lead Managers and their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Group.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

WARNING

The contents of this Offering Circular have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of the Bonds. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts and statistics used throughout this Offering Circular have been obtained from, among other sources, based on internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed by the Issuer to be reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them makes any representation as to the correctness, accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains audited consolidated financial information of the Issuer as at and for the years ended 31 December 2019, 2020 and 2021, which has been derived from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2020 included elsewhere in this Offering Circular (the “**2020 Audited Financial Statements**”), including the auditor’s report and the notes thereto, and the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2021 included elsewhere in this Offering Circular (the “**2021 Audited Financial Statements**” and, together with the 2020 Audited Financial Statements, the “**Audited Financial Statements**”), including the auditor’s report and the notes thereto. The Audited Financial Statements have been audited by Da Hua Certified Public Accountants (Special General Partnership) (“**Da Hua**”) and were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC (the “**PRC GAAP**”).

The scope of consolidation of the Issuer’s consolidated financial statements changes from time to time. Please see “*Notes to Financial Statements — VII. Enterprise Merger and Consolidated Financial Statements*” of the 2020 Audited Financial Statements and “*Notes to Financial Statements — VII. Business combinations and consolidated financial statements*” of the 2021 Audited Financial Statements. In addition, MOF (as defined below) had promulgated certain new accounting standards and requirements in relation to financial statements. Please see “*Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in Accounting Policies*” of the 2020 Audited Financial Statements and “*Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in accounting policies*” of the 2021 Audited Financial Statements. As a result, the presentation of certain accounting items in the Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Issuer for the previous periods. As the scope of consolidation of the Issuer’s consolidated financial statements may change from time to time and MOF may promulgate new accounting standards and requirements in relation to financial statements from time to time, there can be no assurance that such changes in scope of consolidation or new accounting standards and requirements would not materially and adversely affect the Issuer’s accounting policies or the presentation of the Issuer’s consolidated financial statements.

PRC GAAP differs in certain respects from International Financial Reporting Standards (“**IFRS**”). See “*Summary of Certain Differences between PRC GAAP and IFRS*”.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the “**PRC**”, “**China**” and “**mainland China**” are to the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan), and all references to the “**United States**” and “**U.S.**” are to the United States of America, all references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China; all references to “**Renminbi**”, “**RMB**” and “**CNY**” are to the lawful currency of the PRC; all references to “**HKD**”, “**HK\$**” and “**HK dollars**” are to the lawful currency of Hong Kong, and all references to “**USD**”, “**U.S.\$**” and “**U.S. dollars**” are to the lawful currency of the United States of America. Historical amounts translated into Renminbi and/or HK dollars have been translated at historical rates of exchange. Such translations should not be construed as representations that the amounts referred to herein could have been or could be converted into Renminbi and/or HK dollars at those rates or any other rate at all. This Offering Circular contains translation of certain Renminbi amounts and HK dollar amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, where financial information in Renminbi has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of CNY6.3726 to U.S.\$1.00 (being the noon buying rate in New York City on 30 December 2021 as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York (the “**Noon Buying Rate**”). Further information regarding exchange rate is set forth in “*Exchange Rates*” in this Offering Circular. No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all.

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

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

In this Offering Circular, unless otherwise indicated or the context otherwise requires, references to:

- “**ASEAN**” refers to the Association of Southeast Asian Nations;
- “**GDP**” refers to gross domestic product;
- “**Guangxi**” refers to the Guangxi Zhuang Autonomous Region of the People’s Republic of China;
- the “**Guangxi Government**” refers to the People’s Government of Guangxi Zhuang Autonomous Region or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- the “**Guangxi SASAC**” refers to the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangxi Zhuang Autonomous Region;
- “**MOF**” refers to the Ministry of Finance of the People’s Republic of China;
- “**NDRC**” refers to the National Development and Reform Commission of the People’s Republic of China or its local counterparts;
- “**NDRC Circular**” refers to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015] 2044號)) issued by the NDRC;

- “**PBOC**” refers to the People’s Bank of China, the central bank of the People’s Republic of China;
- the “**PRC government**” refers to the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- “**SAFE**” refers to the State Administration of Foreign Exchange of the People’s Republic of China or its local branch;
- “**SAT**” refers to the State Administration of Taxation of the PRC;
- “**State Council**” refers to the State Council of the People’s Republic of China; and
- “**VAT**” refers to value-added tax.

FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. All statements other than statements of historical facts contained in this Offering Circular constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “target”, “believe”, “can”, “could”, “estimate”, “expect”, “aim”, “intend”, “may”, “plan”, “will”, “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, operating revenue and profitability, planned projects and other matters as they relate to the Issuer and/or the Group discussed in this Offering Circular regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer or by any third party) involve known and unknown risks, including those disclosed under the caption “*Risk Factors*”, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

The factors that could cause the actual results, performances and achievements of the Issuer, the Group or any member of the Group to be materially different include, among others:

- the Group’s ability to successfully implement its business plans and strategies;
- various business opportunities that the Group may pursue;
- financial condition, performance and business prospects of the Group;
- the Group’s capital expenditure plans and its ability to carry out those plans;
- access and cost of capital and financing;
- changes in the competition landscape in the industries where the Group operates;
- any changes in the laws, rules and regulations of the PRC government and the Guangxi Government and the rules, regulations and policies of the relevant governmental authorities relating to the Group’s business;
- general political and economic conditions, including those related to the PRC or Guangxi;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which the Group operates;
- fluctuations in prices of and demand for products and services that the Group provides;
- macroeconomic measures taken by the PRC government to manage economic growth;
- natural disasters, industrial action, terrorist attacks and other events beyond the Group’s control;
- changes in global economic conditions; and
- other factors, including those discussed in “*Risk Factors*”.

The Issuer cautions investors not to place undue reliance on these forward-looking statements which reflect its management's view only as at the date of this Offering Circular. The Issuer does not undertake any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any 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 and the actual results of the Issuer or the Group could differ materially from those anticipated in these forward-looking statements.

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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”, before making an investment decision.

DESCRIPTION OF THE GROUP

Overview

Established in July 2008, the Issuer is wholly-owned by the Guangxi SASAC and the Group is one of the largest state-owned enterprises in Guangxi in terms of asset value. In 2021, the Issuer was ranked 150th in the “2021 Top 500 Service Enterprises of China”. As at 31 March 2022, the Group had approximately 92 consolidated subsidiaries, including 76 wholly-owned subsidiaries, 16 controlled subsidiaries and 5 participating stock subsidiaries.

The Group plays a strategic role in the investment, construction, operation and management of the transportation infrastructure in Guangxi. The Group is principally engaged in the investment, operation, management and construction of toll expressways and highways in Guangxi, investment and construction of railways in Guangxi, sale of refined oil products, materials trading and other businesses such as real estate and financial services.

As at 31 December 2021, the Issuer had a share capital of CNY30.105 billion. For the years ended 31 December 2019, 2020 and 2021, the Issuer reported total operating income of approximately CNY48.04 billion, CNY47.29 billion and CNY59.25 billion, respectively, and net profit of approximately CNY0.71 billion, CNY0.17 billion and CNY1.04 billion, respectively.

Competitive Strengths

The Issuer believes that the Group has the following competitive strengths:

- The Group’s strategic role in the investment, construction, operation and management of the transportation infrastructure in Guangxi;
- Strong industry position in the refined oil products business segment;
- Strong government support (but not including credit support);
- Guangxi’s strategic location;
- Diversified business portfolio to provide stable return to the Group;
- Predictable and stable cash flows from the Group’s toll expressways and highways business segment;
- Diversified sources of funding;
- Favourable development prospects for the industries in which the Group operates; and
- Experienced management team with support from a dedicated team of staff.

Business Strategies

The Group's objective is to continue to fulfil its strategic role in the investment and construction of Guangxi's transportation infrastructure and the development of Guangxi's transportation industry as well as strengthen its operations in other businesses. Its long-term vision is to become one of the best transportation infrastructure investor and developer in the PRC and among ASEAN countries. The Issuer intends to implement the following strategies to achieve this objective:

- Continue to fulfil its role as the leading player in the construction of Guangxi's transportation infrastructure and the promotion of the development of the transportation industry in Guangxi;
- Further enhance the Group's market share in the refined oil products business segment;
- Continue to maintain prudent financial management and liquidity position; and
- Continue to build a professional management team.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary audited consolidated financial information of the Issuer as at and for the years ended 31 December 2019, 2020 and 2021 has been derived from the Audited Financial Statements, including the auditor's report and the notes thereto. The Audited Financial Statements have been audited by Da Hua and were prepared and presented in accordance with PRC GAAP.

The scope of consolidation of the Issuer's consolidated financial statements changes from time to time. Please see "Notes to Financial Statements — VII. Enterprise Merger and Consolidated Financial Statements" of the 2020 Audited Financial Statements and "Notes to Financial Statements — VII. Business combinations and consolidated financial statements" of the 2021 Audited Financial Statements. In addition, MOF had promulgated certain new accounting standards and requirements in relation to financial statements. Please see "Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in Accounting Policies" of the 2020 Audited Financial Statements and "Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in accounting policies" of the 2021 Audited Financial Statements. As a result, the presentation of certain accounting items in the Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Issuer for the previous periods. As the scope of consolidation of the Issuer's consolidated financial statements may change from time to time and MOF may promulgate new accounting standards and requirements in relation to financial statements from time to time, there can be no assurance that such changes in scope of consolidation or new accounting standards and requirements would not materially and adversely affect the Issuer's accounting policies or the presentation of the Issuer's consolidated financial statements.

PRC GAAP differs in certain respects from IFRS. See "Summary of Certain Differences between PRC GAAP and IFRS".

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the Audited Financial Statements including the auditor's reports and the notes thereto, which are included elsewhere in this Offering Circular.

The following tables set forth the summary consolidated financial information of the Issuer as at and for the periods indicated.

SUMMARY CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December		
	2019	2020	2021
	(CNY) (audited)	(CNY) (audited)	(CNY) (audited)
Total Operating Income	48,037,630,286.94	47,292,913,051.44	59,250,083,491.58
Including: Revenue from operations	47,650,018,225.56	46,903,766,473.44	58,816,905,021.17
Interest income	377,555,010.83	370,389,994.74	398,163,311.39
Handling charges and commission income	10,057,050.55	18,756,583.26	35,015,159.02
Total Operating Cost	48,417,313,917.13	48,537,707,153.45	58,267,247,549.92
Including: Operating costs	39,216,432,641.48	39,420,629,336.36	48,626,234,634.29
Interest expenses	6,654,896.28	23,783,419.36	38,843,417.61
Handling charges and commission expenses	119,478.02	235,846.25	355,728.01
Taxes and Surcharges	326,415,362.10	312,442,365.72	480,529,448.20
Sales expenses	1,076,770,453.56	1,153,851,024.09	730,220,848.27
Administrative expenses	1,323,849,454.08	1,373,683,990.47	1,608,130,104.38
Research and development costs	32,994,203.38	40,907,364.44	80,653,885.10
Finance expenses	6,434,077,428.23	6,212,173,806.76	6,702,279,484.06
Add: Other income	1,034,292,792.97	2,494,248,976.34	1,186,117,444.96
Investment income (“-” denotes losses)	1,303,235,263.81	769,941,654.82	1,772,208,094.58
Gains from changes in fair value (“-” denotes losses)	-4,811,883.68	-53,955,849.71	-48,536,442.34
Expected credit losses (“-” denotes losses)	5,371,492.62	-5,292,979.03	-1,395,483,855.35
Assets impairment losses (“-” denotes losses)	-498,928,155.50	-916,340,787.77	-350,941,996.57
Gains from disposal of assets (“-” denotes losses)	119,568,100.90	3,824,531.15	530,146.57
Profit from operations (“-” denotes losses)	1,579,043,980.93	1,047,631,443.79	2,146,729,333.51
Add: Non-operating income	45,669,696.11	61,548,437.23	89,751,899.38
Including: Government grant	5,876,178.31	7,673,291.54	13,793,710.67
Less: Non-operating expenses	33,586,116.53	42,401,513.54	39,706,621.64
Profit before tax (“-” denotes losses)	1,591,127,560.51	1,066,778,367.48	2,196,774,611.25
Less: Income taxes	882,718,601.07	898,183,439.69	1,157,592,168.37
Net profit for the year (“-” denotes losses)	708,408,959.44	168,594,927.79	1,039,182,442.88
(I) Classification according to attribute:			
Profit attributable to owners of the parent	219,827,150.38	-97,967,523.82	502,173,481.35
Minority interests	488,581,809.06	266,562,451.61	537,008,961.53
(II) Classification according to operation continuity:			
Net profit from continuing operations	708,408,959.44	168,594,927.79	1,038,925,804.65
Net profit from discontinued operations	-	-	256,638.23
Net of tax from other comprehensive income	346,105,196.79	236,581,854.76	3,554,425.93
Other comprehensive income (net of tax) attributable to shareholders of the company	261,126,083.56	233,829,876.58	(25,224,874.78)
(I) Other comprehensive income cannot be reclassified into the profit and loss	-	-	(14,615,278.89)
(II) Other comprehensive income that will be reclassified into the profit and loss	261,126,083.56	233,829,876.58	(10,609,595.89)
Other comprehensive income (net of tax) attributable to non-controlling interests	84,979,113.23	2,751,978.18	28,779,300.71
Total comprehensive income	1,054,514,156.23	405,176,782.55	1,042,736,868.81
Total comprehensive income attributable to owners (or shareholders) of the parent	480,953,233.94	135,862,352.76	476,948,606.57
Total comprehensive income attributable to minority interests	573,560,922.29	269,314,429.79	565,788,262.24

SUMMARY CONSOLIDATED BALANCE SHEET

	As at 31 December		
	2019	2020	2021
	(CNY) (audited)	(CNY) (audited)	(CNY) (audited)
Current assets:			
Currency Funds	10,994,279,033.31	16,243,548,261.02	20,053,464,444.87
Financial assets held for trading	—	—	115,572,705.92
Financial Liabilities Measured at Fair Value with Changes Accounted into Current Profit and Loss	692,404.58	2,271.30	—
Notes receivable	85,702,250.46	497,047,284.70	12,328,162.97
Accounts receivable	3,491,137,875.32	3,191,029,200.67	6,467,161,282.53
Financing of accounts receivable	—	—	468,202,786.38
Prepayments	983,073,550.14	790,818,404.21	863,532,028.25
Other receivables	23,731,188,452.97	29,557,621,614.22	32,319,896,234.96
Including: Dividend Receivable	871,444.45	2,079,866.75	106,664,462.68
Inventories	15,046,165,863.41	22,505,086,568.29	28,395,363,343.95
Contract assets	—	24,463,108.17	56,338,296.63
Non-current assets due within one year	622,148,394.94	1,780,206,848.29	1,707,829,124.86
Other current assets	3,387,467,954.01	5,157,458,063.04	7,171,989,400.44
Total current assets	58,341,855,779.14	79,747,281,623.91	97,631,677,811.76
Non-current assets:			
Loans and advances to customers	984,699,890.00	1,010,758,907.09	1,021,773,075.92
Debt investments	—	—	4,322,421,761.93
Available-for-sale financial assets	54,777,567,506.34	57,798,528,333.89	—
Other debt investments	—	—	94,247,004.42
Held-to-maturity investments	1,290,907,186.39	689,060,780.79	—
Long-term receivables	1,248,955,830.93	1,911,749,653.60	1,526,311,226.59
Long-term equity investments	3,816,055,269.06	4,139,755,117.23	3,863,331,756.38
Other equity investments	—	—	53,977,772,361.78
Other non-current financial assets	—	—	435,083,780.77
Investment property	4,699,410,115.86	6,260,565,184.00	6,500,281,837.15
Fixed assets	103,775,614,815.47	115,330,340,342.91	137,108,691,317.83
Construction in progress	123,453,190,201.26	130,421,185,146.65	168,644,792,093.64
Productive biological assets	32,236,178.35	—	87,997.34
Use right assets	—	—	271,301,196.93
Intangible assets	18,909,945,497.55	24,230,788,539.02	25,959,112,371.10
Development costs	22,541,313.10	23,268,733.64	29,798,495.93
Goodwill	165,262,208.76	57,236,647.50	1,124,077.08
Long-term deferred expenses	144,158,063.63	115,316,811.13	100,992,193.79
Deferred tax assets	557,797,004.12	624,521,039.83	711,043,780.52
Other non-current assets	14,816,633,858.38	18,309,562,281.57	33,139,806,596.54
Total non-current assets	328,694,974,939.20	360,922,637,518.85	437,707,972,925.64
Total assets	387,036,830,718.34	440,669,919,142.76	535,339,650,737.40

	As at 31 December		
	2019	2020	2021
	(CNY) (audited)	(CNY) (audited)	(CNY) (audited)
Current liabilities:			
Short-term loans	8,899,187,518.64	10,979,347,734.92	18,340,334,330.93
Borrowings from central bank	—	56,210,237.49	1,788,159,014.22
Placement from banks and other financial institutions	—	700,000,000.00	500,000,000.00
Notes payable	1,638,886,375.35	1,728,157,126.87	2,488,743,618.27
Accounts payable	3,781,493,875.85	4,591,030,565.04	7,020,637,370.13
Advances from customers	5,576,849,679.48	9,778,120,297.32	464,778,994.82
Contract liabilities	—	101,586,483.23	7,765,493,435.01
Financial assets sold under agreements to repurchase	—	1,608,612,394.72	695,600,000.00
Customer deposits and due to banks and other financial institutions	41,327,662.87	86,003,064.59	52,117,312.61
Employee benefits payable	647,760,191.86	647,534,930.03	646,503,611.32
Taxes payable	676,830,785.93	747,357,465.90	1,061,095,770.59
Other payables	11,644,414,711.01	12,942,953,075.34	11,151,021,361.14
Non-current liabilities due within one year	8,124,952,653.33	19,913,094,405.39	24,021,292,217.28
Other current liabilities	4,110,598,325.12	3,118,220,507.72	8,843,338,275.18
Total current liabilities	45,142,301,779.44	66,998,228,288.56	84,839,115,311.50
Non-current liabilities			
Long-term loans	142,384,648,268.36	167,704,872,395.41	213,737,848,328.44
Bond payable	31,511,849,776.20	29,670,542,734.70	30,599,677,780.84
Lease liabilities	—	—	424,170,870.55
Long-term payables	34,651,480,106.85	14,267,516,880.19	17,581,199,016.79
Provisions	43,483,936.26	36,213,327.35	36,740,306.26
Deferred income	1,370,607,506.67	1,816,103,496.39	1,487,831,758.49
Deferred tax liabilities	2,310,923,128.55	2,361,162,395.07	2,418,671,296.67
Other non-current liabilities	—	47,011,430.57	288,200,973.04
Total non-current liabilities	212,272,992,722.89	215,903,422,659.68	266,574,340,331.08
Total liabilities	257,415,294,502.33	282,901,650,948.24	351,413,455,642.58
Owners' (or Shareholders') equity:			
Share capital	30,105,000,000.00	30,105,000,000.00	30,105,000,000.00
State-owned capital	30,105,000,000.00	30,105,000,000.00	30,105,000,000.00
Net share capital	30,105,000,000.00	30,105,000,000.00	30,105,000,000.00
Other equity instruments	2,870,094,339.62	18,980,355,849.05	28,713,403,018.86
Capital reserves	70,828,161,916.26	78,907,171,193.91	85,997,569,770.13
Other comprehensive income	271,690,730.87	505,520,607.45	335,445,709.61
Specific reserve	6,207,866.93	11,499,083.68	12,642,988.55
Surplus reserves	788,691,059.19	909,847,432.98	1,043,635,056.21
General risk provisions	145,629,621.78	146,382,508.81	158,989,821.49
Undistributed profits	2,753,950,749.02	2,285,811,712.35	2,528,425,927.80
Total owners' (or shareholders') equity attributable to the parent	107,769,426,283.67	131,851,588,388.23	148,895,112,292.65
Minority interest	21,852,109,932.34	25,916,679,806.29	35,031,082,802.17
Total owners' (or shareholders') equity:	129,621,536,216.01	157,768,268,194.52	183,926,195,094.82
Total liabilities and owners' (shareholders') equity:	387,036,830,718.34	440,669,919,142.76	535,339,650,737.40

THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Summary of Provisions relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see “Terms and Conditions of the Bonds” in this Offering Circular.

Issuer	Guangxi Communications Investment Group Corporation Ltd. (廣西交通投資集團有限公司).
The Bonds	U.S.\$300,000,000 3.95 per cent. Bonds due 2025.
Issue Price	The Bonds will be issued at 99.581 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Issue Date	12 July 2022.
Interest	The Bonds will bear interest on their outstanding principal amount from and including 12 July 2022, at the rate of 3.95 per cent. per annum, payable semi-annually in arrear in equal instalments on 12 January and 12 July in each year, commencing on 12 January 2023.
Maturity Date	12 July 2025.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Events of Default	The Bonds will contain certain events of default as further described in Condition 9 (<i>Events of Default</i>) of the Terms and Conditions.

Cross-Default

The Bonds will be subject to a cross-default provision in respect of present or future indebtedness for or in respect of any moneys borrowed or raised or any guarantee and/or indemnity thereof of the Issuer or of any of its Subsidiaries in aggregate equals or exceeds U.S.\$50,000,000 or its equivalent in any other currency. See Condition 9(c) (*Cross-Default*) of the Terms and Conditions.

Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 5 July 2022, the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, then the Issuer shall pay such additional amounts (the “**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 such Additional Tax Amounts shall be payable in the circumstances as set out in Condition 8 (*Taxation*) of the Terms and Conditions.

Final Redemption

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

Redemption for Relevant Events

Following the occurrence of a Relevant Event, the Bondholder will have the right, at such Bondholder option, to require the Issuer to redeem all, but not some only, of such Bondholder at 101 per cent. (in the case of a redemption for a Change of Control or a Rating Withdrawal) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with unpaid interest accrued to (but excluding) the Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions.

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

- (i) (a) the Guangxi Government and (b) any other person directly or indirectly Controlled by the central government of the PRC, together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person(s), except where such Person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are, directly or indirectly, wholly owned by the Guangxi Government.

A “**Rating Withdrawal**” occurs when at any time the Issuer fails to maintain at least one Credit Rating for so long as any Bond remains outstanding.

A “**No Registration Event**” occurs when the Registration Conditions (as defined in the Terms and Conditions) are not satisfied on or before the Registration Deadline.

Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with any unpaid interest accrued to (but excluding) the date fixed for redemption) if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (A) the Issuer has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 5 July 2022; and

(B) such obligation cannot be avoided by the Issuer 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 would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

Further Issues

The Issuer is at liberty from time to time without the consent of the Bondholders to create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the timing for complying with the Registration Conditions, the completion of the Foreign Debt Registration and the NDRC Post-issue Filing) and so that the same shall be consolidated and form a single series with the outstanding Bonds as further described in Condition 15 (*Further Issues*) of the Terms and Conditions.

Trustee

The Bank of New York Mellon, London Branch.

Principal Paying Agent

The Bank of New York Mellon, London Branch.

Registrar and Transfer Agent

The Bank of New York Mellon SA/NV, Dublin Branch.

Clearing Systems

The Bonds will be represented initially by the Global Certificate, which will be registered in the name of a nominee of, and deposited on or about the Issue Date with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.

Clearance and Settlement

The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 249922277 and ISIN XS2499222771.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the Holders (as defined in the Terms and Conditions) shall be validly given by the 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 Terms and Conditions.

Governing Law and Jurisdiction

English law. Hong Kong courts with exclusive jurisdiction.

Listing

Application will be made to SEHK for the listing of, and permission to deal in, the Bonds on SEHK by way of debt issues to Professional Investors only and it is expected that dealing in, and listing of, the Bonds on SEHK will commence on 13 July 2022. A confirmation of the eligibility for the listing of the Bonds has been received from SEHK.

Application will also be made to the MOX for the listing of by way of debt issues to MOX Professional Investors only and it is expected that dealing in, and listing of, the Bonds on the MOX will commence on 13 July 2022. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds.

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

Selling Restrictions

The Bonds have not been and will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See “*Subscription and Sale*”.

Ratings

The Issuer was rated “Baa2” with a stable outlook by Moody's and “BBB” with a stable outlook by Fitch. The Bonds are expected to be rated “BBB” by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Legal Entity Identifier

3003003J0WIQZ3V5HL84.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Issuer, the Group, its business, the market in which the Group operates, PRC laws and regulations may differ from the laws and regulations in other countries. Some risks may be unknown to the Issuer and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations or prospects of the Issuer or the Group or the value of the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

The Issuer does not represent that the statements below regarding the risk factors of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP'S BUSINESSES

The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic activity in Guangxi.

The Group's businesses are concentrated in Guangxi. Therefore, its business, financial condition, results of operations and prospects have been, and will continue to be, heavily dependent on the social conditions, local government policies and level of economic activity in Guangxi.

There has been a slowdown in the overall growth of the PRC's and Guangxi's economic development in recent years. It is difficult to predict how the economic development of Guangxi will be affected by a slowdown in the growth of the PRC economy. As such, there can be no assurance that the level of economic development in Guangxi will continue to be maintained at the past rate of growth, if at all. The Group may not be able to establish or invest in any new businesses outside Guangxi in the future and the Issuer expects that the Group's future business and operations will continue to be concentrated in Guangxi. If economic growth slows, adverse changes in social conditions or local government policies arise or any severe natural disasters or catastrophic events occur in Guangxi, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group's business, financial condition, results of operations and prospects are subject to effects of global economic events.

The Group's business, financial condition, results of operations and prospects are affected by general global economic conditions. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. The United Kingdom's exit from the European Union has resulted in volatility in global financial markets, and it is expected to create mid-to long-term economic uncertainty to not only the economies of the United Kingdom and the European Union but also globally. In addition, the U.S. government's policies may create uncertainty for the global economy and financial markets. The United States and the PRC have been involved in controversy over trade barriers that have triggered the implementation or proposed implementation of tariffs on certain imported products into the two countries. Geopolitical events such as recent military conflicts in Ukraine, continued tensions in the Middle East and the Korean peninsula, as well as the escalation of tensions between the United States and the PRC over trade policies, political and other issues could significantly undermine the stability of the global economy and financial markets.

The ongoing COVID-19 pandemic has adversely affected the global economy and financial markets. The COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have an adverse effect on consumer confidence and the general economic conditions which the Group's business is subject to. Despite the roll-out of mass vaccination programmes, significant COVID-19 related restrictions, including those in response to the relatively recent outbreaks of the Delta variant and subsequently the Omicron variant, have continued and in some instances, have been significantly tightened, in a number of countries. The COVID-19 pandemic continues to affect many countries globally and there remains significant uncertainty as to when the pandemic will end and whether governments will implement further travel restrictions or other restrictive measures to contain the COVID-19 pandemic. The resultant disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the affected countries may result in an economic slowdown in such economies which, if prolonged, could cause a global recession. There have been resurgences of COVID-19 outbreak in multiple cities in the PRC, and the local governments re-imposed certain quarantine and other restrictive measures. There can be no assurance that the COVID-19 pandemic will not further escalate in the PRC or elsewhere. As the situation of the COVID-19 pandemic is still evolving, the heightened uncertainties surrounding the pandemic may pose a material adverse impact on the Group's business, financial condition, results of operations and prospects.

While central banks of various countries have implemented stimulus packages and national governments have proposed or adopted various forms of economic relief to contain the economic impacts of the COVID-19 pandemic and stabilise the markets, there can be no assurance that such monetary and fiscal policy measures will have the intended effects or that a global economic downturn will not occur or market volatilities will not persist. There can be no assurance that changes in the economic, social and political conditions in the PRC or the global economy would not have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Please see “— *The extent to which the COVID-19 pandemic will impact the Group's business, financial condition, results of operations and prospects is uncertain and cannot be predicted.*” and “— *The Group's operations are subject to force majeure events, natural disasters and outbreaks or pandemic of contagious diseases and other disasters.*” below for further information.

The outlook for the global economy and financial markets remain uncertain. The PRC economy is sensitive to global economic conditions, and it is impossible to predict how the PRC economy will develop in the future and whether it may slow down due to a global crisis or experience a financial crisis. In addition, instability in the global economy may materially and adversely affect the markets in which the Group operates, which may lead to a decline in the general demand for the Group's services and products. If economic conditions were to worsen or if the economic recovery fails to continue or if an economic slowdown were to return, the Group may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding and, in addition, there can be no assurance that the Group will be able to raise finance at a reasonable cost, or at all. The Group may also be subject to solvency risks of banks and of its counterparties in its financial arrangements and contracts. Therefore, changes in the economic, social and political conditions in the PRC or the global economy could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not make decisions, take action or invest or operate in businesses or projects that are always in the Group's best interests or that aim to maximise the Group's profits as the Guangxi Government can exert significant influence.

The Issuer is wholly-owned by the Guangxi SASAC and accordingly the Guangxi Government is able to exert significant influence on the Group's major business decisions and strategies, including the scope of its activities, investment decisions and dividend policy.

There can be no assurance that the Guangxi Government would always take action that is in the Group's best interests or that aims to maximise the Group's profits. The Guangxi Government may use its ability to influence the Group's business and strategy in a manner which is beneficial to Guangxi as a whole but which may not necessarily be in the Group's best interests. The Guangxi Government may also change its policies, intentions, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment as well as its projections of population and employment growth in Guangxi and any such change may have a material effect on the Group's business and prospects. Any amendment, modification or repeal of existing policies of the Guangxi Government could result in a modification of the existing regulatory regime which in turn could have a material adverse effect on the Group's financial condition and results of operations.

The PRC government (including the Guangxi Government and the Guangxi SASAC) does not have any payment, guarantee or other obligations under the Bonds, the Trust Deed or the Agency Agreement.

As at the date of this Offering Circular, the Issuer is wholly-owned by the Guangxi SASAC. The PRC government (including the Guangxi Government and the Guangxi SASAC) as the ultimate shareholder of the Group only has limited liability in the form of its equity contribution in the Group. As such, the PRC government (including the Guangxi Government and the Guangxi SASAC) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知 (財金[2018]23號) (the "**MOF Circular**") promulgated on 28 March 2018 and took effect on the same day, the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) (the "**Joint Circular**") promulgated on 11 May 2018 and took effect on the same day and the Circular of the General Office of the National Development and Reform Commission on Relevant Requirements for Record-filing and Registration of Issuance of Foreign Debts by Local State-owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知 (發改辦外資[2019]666號)) ("**Circular 666**") promulgated on 6 June 2019 and took effect on the same day.

According to the MOF Circular, (i) state-owned financial enterprises are prohibited from providing financing in any form for local governments and their departments directly or through local state-owned enterprises ("**SOEs**") and public institutions and other indirect channels or increasing loans provided to local government financing platform companies ("**LGFV**") in violation of regulations that include the new Budget Law of the People's Republic of China (the "**New Budget Law**"), which took effect on 29 December 2018, and Circular 43, except in the case of purchasing local government debt; (ii) state-owned financial enterprises shall ensure that the capital raised for financing SOEs, LGFV or public-private partnership construction projects is lawfully sourced and that the financing satisfies all required capital ratios; (iii) state-owned financial enterprises when providing agency services to local SOEs are obliged to evaluate the financial capabilities of the entity seeking to raise capital and the source of the funds such as when a local SOE issues domestic or overseas notes. As for the sources of income from debt-issuing enterprises involved in the arrangement of financial funds, state-owned financial enterprises shall carry out due diligence investigations and carefully verify that the arrangement complies with all applicable laws and regulations; and (iv) documents including offering circulars shall not disclose information that can implicitly or explicitly indicate the government's endorsement of the local SOE's capital-raising, such as local financial revenues and expenditures and government debt information, or conduct misleading publicity that implies an association with the government's credit. According to the Joint Circular, any enterprise that intends to issue medium-and long-term debt outside of the PRC is prohibited from doing so for the purpose of funding public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads,

non-toll bridges, non-operating water conservancy facilities, not-charged pipe network facilities and other public interest assets. The Joint Circular also reaffirms the restrictions in the MOF Circular that offering circulars shall not disclose information that can implicitly or explicitly indicate the government's endorsement of the new debt or conduct misleading publicity that implies an association with the government's credit. According to Circular 666, local state-owned entities, as independent legal persons, shall bear the responsibility for repaying foreign debts. Local governments shall not directly repay or promise to repay the foreign debts of local state-owned entities with financial funds. Local governments shall not provide guarantee for the foreign debts of local state-owned entities. Circular 666 also sets forth that the proceeds of the issue of foreign debts from the financing vehicles of local governments shall be used for repayment of existing middle-term or long-term debt due in the next year. These circulars do not, however, prohibit the PRC government from providing support (in various forms such as capital injection and subsidies, but excluding the injection of any kind of public assets and land reserves) to the Group during its ordinary course of business in compliance with PRC laws and regulations.

The repayment obligations under the Bonds remain the sole obligation of the Issuer and all obligations under the Bonds, the Trust Deed and the Agency Agreement shall solely be fulfilled by the Issuer as an independent legal person. In addition, any ownership or control by the PRC government (including the Guangxi Government and the Guangxi SASAC) does not necessarily correlate to, or provide any assurance as to, the Issuer's financial condition.

The PRC government, the Guangxi Government and the Guangxi SASAC have no obligation to pay any amount under the Bonds. Investments in the Bonds are relying on the credit risk of the Issuer. In the event the Issuer does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Issuer and its assets, and not any other person including the PRC government, the Guangxi Government, the Guangxi SASAC or any other local or municipal government. As the MOF Circular, the Joint Circular and Circular 666 are relatively new and given the limited volume of published decisions related to these circulars, the interpretation and enforcement of these laws and regulations involve uncertainties.

The ownership and control by the PRC government does not provide assurance on the Group's financial condition.

Although the Issuer is a state-owned enterprise, the ownership and control by the PRC government (including the Guangxi Government and the Guangxi SASAC) as the Issuer's ultimate shareholder and controller does not necessarily correlate to, or provide any assurance as to, the Issuer's or the Group's financial condition. Therefore, a potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate the risks before making an investment decision.

A reduction or discontinuance of government support could materially and adversely affect the business, financial condition and results of operations of the Group.

The Group has in the past received significant support (but not including credit support) from the PRC government for its business operations in the form of fiscal subsidies, capital contributions, asset transfers and preferential tax treatment to support its investment and operation of those businesses. For the years ended 31 December 2019, 2020 and 2021, the Group received fiscal support from the PRC government of approximately CNY7.52 billion, CNY24.42 billion and CNY18.99 billion, respectively. Please refer to "Description of the Group — Competitive Strengths — Strong government support (but not including credit support)" for further details.

There can be no assurance that the Guangxi Government or the PRC government will continue to provide support to the Group or that the fiscal subsidies, capital contributions, asset transfers, preferential tax treatment or other types of government support will not be adjusted or terminated due to changes in government policy or otherwise. If the favourable fiscal subsidies, capital contributions, asset transfers, preferential tax treatment or other incentives or support which are currently available to the Group are reduced or eliminated in the future, the viability of the Group's businesses may be affected and the financial condition and results of operations of the Group will be materially and adversely affected.

PRC regulations on the administration of financing platforms of local governments may have a material impact on the Group's business model and sources of financing.

The Group's results of operations and financial condition may be affected by changes in the regulation of the PRC government concerning local government debts and the financing platforms of local governments. In September 2014, the State Council of the PRC released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (國務院關於加強地方政府性債務管理的意見) (“**Circular 43**”) with an aim to control a significant increase in local government debts and associated risks in the PRC's banking system. Circular 43 generally prohibits local governments to incur “off-balance” indebtedness to finance the development of government projects and other public interest projects with the proceeds of the borrowings incurred by financing platforms that the relevant local governments own or control.

MOF, together with the NDRC, PBOC, China Securities Regulatory Commission, the China Banking Regulatory Commission (which was merged with the China Insurance Regulatory Commission to form the China Banking and Insurance Regulatory Commission in April 2018) and the Ministry of Justice of the PRC, released the Notice concerning Further Regulation of Local Government Borrowing and Financing Conduct (關於進一步規範地方政府舉債融資行為的通知) to emphasise the principles and policies set out in Circular 43 in April 2017.

The PRC government issued the MOF Circular, effective on 28 March 2018, which aims to increase the responsibility of the PRC state-owned financial institutions to investigate into the financial independence and liquidity level of the local government financing vehicles that they assist in fundraising. On 11 May 2018, the Joint Circular was released which reiterates the PRC government's position to isolate the debt of local government financing vehicles from the relevant local government and to control the increase of the local governments' debt. The Joint Circular requires companies that plan to borrow medium and long-term foreign debt to establish a sound and standardised corporate governance structure, management decision-making mechanism and financial management system. It further requires that the assets owned by such companies should be of good quality and clear ownership and it is forbidden to include public interest assets in corporate assets. See “— *The PRC government (including the Guangxi Government and the Guangxi SASAC) does not have any payment, guarantee or other obligations under the Bonds, the Trust Deed or the Agency Agreement*”.

The PRC government may continue to release new policies or amend existing regulations to control the increase in local government debts in China. There is no assurance that the Group's financing model and business model will not be materially affected by future changes in the regulatory regime concerning the financing platforms of local governments.

The Group's business and results of operations may be heavily influenced by governmental decisions and actions at various levels, over which the Group has no control and which may not be in the Group's best interest.

The Group collaborates with the PRC government, in particular the Guangxi Government and the Guangxi SASAC. Many aspects of the Group's business are heavily influenced by government decisions and actions at various levels. Depending on the decisions and actions taken by governmental authorities, the Group's business and results of operations could fluctuate from period to period and may be adversely impacted.

The Group operates in multiple industries and markets and is exposed to business, market and regulatory risks relating to different industries and markets.

The Issuer has a number of portfolio companies operating in multiple industries and markets. As such, the Group is exposed to business, market and regulatory risks relating to different industries and markets, and may from time to time expand its businesses to new industries, markets and geographic areas in which it has limited operating experience. It needs to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it can succeed in its businesses.

In addition, due to the large number of the Group's portfolio companies, successful operation of the Group requires an effective management system. As the Group continues to grow its businesses and expand into various industries, the Group's operations may become more complex, which would increase the difficulty of implementing its management system.

The Issuer may provide direct funding, guarantees and other support to certain of its portfolio companies from time to time. If a portfolio company defaults on any borrowings lent or guaranteed by the Issuer, the Issuer will not receive the repayment as planned or the relevant lender may exercise its right under the guarantee to demand repayment from the Issuer. The occurrence of either of these types of events may result in a funding shortage at the Issuer level and may materially and adversely affect the Issuer's ability to provide financial support to its other portfolio companies. If the Issuer's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant portfolio companies may be materially and adversely affected, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be unsuccessful in integrating and managing future investments and/or acquisitions and there are risks associated with any material acquisitions by the Group.

The Group may from time to time consider investment and acquisition opportunities that may complement its core business portfolio and capabilities, and assist in expanding the market share of its core business operations. For example, as a result of the reorganisation pursuant to the Notice about Advice on Related Items of the Strategic Reorganisation of Guangxi Communications Investment Group Corporation Ltd. and Guangxi Railway Investment Group Co., Ltd. issued by the Guangxi SASAC, Guangxi Railway Investment Group Co., Ltd. ("**Guangxi Railway Investment**") became a wholly-owned subsidiary of the Issuer. The ability of the Group's operations to grow by investments in and/or acquisitions of its target businesses is dependent upon, and may be limited by, the availability of attractive projects, its ability to agree commercial, technical and financing terms to the satisfaction of the Group and to obtain required approvals from relevant regulatory authorities.

Such investments and/or acquisitions may expose the Group to potential difficulties that could prevent it from achieving the strategic objectives for the investments and/or acquisitions or the anticipated levels of profitability from the investments and/or acquisitions. These difficulties include:

- diversion of management's attention from the Group's existing businesses;
- increases in the Group's expenses and working capital requirements, which may reduce its return on invested capital;
- difficulty of expanding into markets in different geographic locations and challenges of operating in markets and industries that the Group does not have substantial experience in;
- increases in debt, which may increase the Group's finance costs as a result of higher interest payments;
- exposure to unanticipated contingent liabilities to acquired businesses; and

- difficulties in integrating acquired businesses or investments into the Group's existing operations, which may prevent it from achieving, or may reduce, the anticipated synergies.

In addition, where the Group invests in joint ventures, it may not have management control over its investments and there can be no assurance that such joint ventures will operate smoothly or successfully, if at all. There can also be no assurance that joint venture partners will act in a way which is consistent with the interests of the Group and be able and willing to fulfil their obligations under the relevant joint venture or other agreements.

There are risks associated with any material acquisitions by the Group in the future.

The Group may consider expanding its business by acquiring certain interests in other companies from time to time. During the course of these transactions, the Group will conduct due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Group to unknown financial, legal and other risks and liabilities. When determining the consideration for any acquisition, the Group will consider various factors, including but not limited to the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Group will also face various issues arising from the acquisition after the relevant transaction is completed, such as integration of the business into its operations and allocation of internal resources. There can be no assurance that the Group will be able to address these issues effectively.

In addition, any major acquisition or transaction of similar nature may consume substantial management attention and financial resources of the Group or even cause the Group to incur significant indebtedness. Any material decrease in its financial resources may limit the Group's ordinary operating activities and increase pressure on its liquidity, and in turn could adversely affect its business, financial condition and results of operations.

The Group is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could arise. In the event that the Group enters into any letter of intent or agreement for any material acquisition after the issue of the Bonds, the market price and the trading volume of the Bonds may be adversely affected.

The Group may not be able to successfully identify, acquire, invest in or operate suitable investment projects, acquisition targets or businesses.

There can be no assurance that the Group will be able to identify suitable investments and acquisition targets, complete the investments and acquisitions on satisfactory terms or, if at all, and if any such investments and acquisitions are consummated, satisfactorily integrate the acquired businesses and investments. Any failure of the Group to implement its expansion plans through investments and acquisitions could have a material adverse effect on the Group's business, financial position and results of operations, as well as its future prospects.

In addition, the Group's portfolio companies operating in different industry segments may determine that it is in their shareholders' interests to pursue new business ventures. There can be no assurance that such business ventures will be successful or generate the synergies expected, if any. The successful completion of this type of transaction will depend on several factors, including satisfactory due diligence findings and the receipt of necessary regulatory approval, among others. If the Group fails to complete such business ventures or such ventures prove to be unsuccessful, the Group's operating segments involved may be adversely affected.

The Group may not be able to execute successfully or fully its business strategy with respect to assets, projects or subsidiaries in which the Issuer has minority interests.

The Group may not be able to execute successfully or fully its business strategy with respect to assets, projects or subsidiaries in which the Issuer has minority interests. The Group may also fail to manage such assets, projects or subsidiaries successfully. The Group's involvement with such assets, projects and subsidiaries is generally subject to the terms of applicable agreements and arrangements.

The Group may not have any board representation, veto power or power to exercise control over the management, policies, business and affairs of certain of its subsidiaries in which the Issuer does not have majority interests.

In addition, the Group conducts some of its business activities through one or more joint venture companies with local or international partners. The Group generally enters into such joint ventures where it believes it is able to benefit from the strong industry insight and experience of its partners. Under the current contractual arrangements, if any of the other equity owners or the Group's partners fail to perform their respective obligations or otherwise breach the terms and conditions of the Group's shareholding arrangements or joint venture agreements, or if the Group has different views or strategies with its partners, it could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group engages in related party transactions with its associates and joint ventures from time to time which may create potential conflicts of interest.

The Group has engaged in and will continue to engage in a variety of transactions with its associates and joint ventures, which primarily include providing guarantees. There can be no assurance that those transactions would be deemed as arm's-length or the Group's related parties will not take actions that favour their interests over the Group's. If a borrower defaults on any borrowings guaranteed by the relevant Group's member, the relevant lender may exercise its right under the guarantee to demand repayment from the Group, which may result in a funding shortage at the Group level. The internal control regarding the management of various related party transactions can be also challenging and demanding for the Group. Failure to adequately control and manage its related party transaction could have an adverse effect on the Group's business, financial condition or results of operations.

The Group may be exposed to credit risk relating to guarantees.

The Group provides guarantees in respect of indebtedness of entities which are not members of the Group from time to time. As at 31 December 2021, the balance of such guarantees amounted to approximately CNY15.55 billion. For details of such guarantees as at 31 December 2021, please see "Notes to Financial Statements — IX. Description of Contingencies — (1) Contingent Liabilities — 2. Contingent Liabilities Arising from Providing Debt Guarantee to Other Units" of the 2021 Audited Financial Statements. If there is a downturn in the general economic conditions in Guangxi and the guaranteed entities are unable to fulfil their obligations under their respective indebtedness requiring the Group to pay the outstanding debt obligations on behalf of the guaranteed entities, the Group's financial condition, results of operations and prospects could be materially and adversely affected.

The Group may fail to obtain sufficient capital resources for its continued growth and other operation needs.

Some of the Group's businesses, such as the construction of expressways and highways as well as railways, are capital intensive and require substantial capital expenditure for, among other things, the construction of infrastructure, the purchase of raw materials and plant and equipment used in its operations as well as compliance with environmental laws.

The Issuer intends to use cash on hand, funds from operations and additional debt and equity financing and the financial support provided by the PRC government as fiscal subsidies to finance the Group's capital expenditure going forward. The Group's ability to access and raise capital depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements, the Group's financial condition, and costs of financing. Some of these factors are beyond the Group's control. There can be no assurance that the relevant funding sources will provide the Group with sufficient amounts of capital in a timely manner. Also, there can be no assurance that additional financing will be available to the Group or, if available, that it can be obtained on terms acceptable to the Group and within the covenants and limitations imposed by the Group's existing or any future financings and the applicable regulations to which the Group may be subject.

In addition, a portion of the borrowings of the Group's portfolio companies are guaranteed by the Issuer. If a portfolio company defaults on any such borrowings, the relevant lender may exercise its right under the guarantee to demand payment from the Issuer. This may result in a funding shortage at the holding company level and adversely affect the financial support that the Issuer may offer to its portfolio companies in other segments.

The Group has substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its future strategy and operations and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

The Group currently has a large amount of indebtedness. As at 31 December 2021, the short-term loans of the Group amounted to approximately CNY18.34 billion, the total current liabilities of the Group amounted to approximately CNY84.84 billion and the long-term loans of the Group amounted to approximately CNY213.74 billion while the currency funds of the Group amounted to approximately CNY20.05 billion. Please see the 2021 Audited Financial Statements for further information.

The Group may incur additional indebtedness and continuing liabilities in the future, including the issuance of debt securities or entering into financing or other loan arrangements. The level of existing indebtedness and incurrence of further indebtedness could have important consequences to the Group's business, including:

- increasing the Group's vulnerability to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's ability to capture investment and/or acquisition opportunities and inhibiting its ability to grow and expand its business;
- adding to the Group's interest exposure as a proportion of its costs of doing business;
- limiting the Group's flexibility in planning for or reacting to changes in its businesses and the industries in which it operates;
- reducing the Group's competitiveness compared to its competitors that have less debt; and
- increasing the costs of additional financing.

Creditors of the Issuer's subsidiaries would have a claim on such subsidiaries' assets that would be prior to the claims of the Issuer's creditors. As a result, all claims of creditors of the Issuer's subsidiaries will have priority as to the assets of such entities over the Issuer's claims and those of their respective creditors.

In addition, the Issuer continually reviews the Group's current and expected future funding requirements and evaluates and engages in discussions with financial institutions and other market participants, from time to time, on proposals regarding different sources of funding. In incurring indebtedness and liabilities from time to time, members of the Group may create security over their assets, receivables or equity interests in companies or entities held by them (which may include the Group's members) in favour of the relevant creditors. Examples of security interests given by the Group include fixed charges and pledges which have been created on the assets, receivables and equity interests of some members within the Group. Should any of such secured indebtedness becomes immediately due and payable as a result of any default in payment or the occurrence of other events of default as defined under the relevant secured indebtedness, the relevant secured creditors would be entitled to take enforcement actions against such secured assets, receivables and equity interests. The secured creditors might take over the relevant subsidiaries' titles to the secured assets, receivables and equity interests or sell them through auction. In such an event, the value of the Group's assets portfolio will diminish and fewer assets and/or equity interests will be available for distribution to unsecured creditors if the relevant subsidiaries are in liquidation. If any member of the Group incurs additional debt, the risks that the Group faces as a result of its already substantial indebtedness and leverage could intensify.

Also, if the Issuer or the relevant subsidiaries are unable to comply with the restrictions (including restrictions on the Group's future investments) and covenants in its current or future debt obligations and other agreements, a default under the terms of such agreements may occur. In the event of a default under such agreements, the holders of the debt could terminate their commitments to the Issuer or its subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Issuer and its subsidiaries may contain cross-acceleration or cross-default provisions. As a result, a default by the Issuer or any of its subsidiaries under any of such agreements may cause the acceleration of repayment of not only such debt but also other debts, or result in a default under other debt agreements. If any of these events occurs, there can be no assurance that the assets and cash flows of the Issuer or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Issuer or its subsidiaries would be able to find alternative financing. Even if the Issuer and its subsidiaries could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer or, as the case may be, its subsidiaries.

The Issuer relies on dividends, distributions, interest or advances from its subsidiaries, associated companies and jointly controlled entities.

The Issuer has its own operations and assets which generate income. However, its ability to fund its operations, service its indebtedness and satisfy its contractual obligations may from time to time depend upon its receipt of dividends, distributions, interest or advances from its subsidiaries, associated companies and jointly controlled entities. The ability of such subsidiaries, associated companies and jointly controlled entities to pay dividends and other amounts to the Issuer may be subject to their profitability and to applicable laws and restrictions on the payment of dividends and other amounts contained in financing or other agreements. For example, PRC laws and regulations require that dividends be paid only out of net profit, calculated according to the PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. PRC laws and regulations also requires enterprises to set aside part of their net profit as statutory reserves before distributing the net profit for the current financial year. These statutory reserves are not available for distribution as cash dividends. In addition, some of the bank credit facilities or other agreements which the Issuer and its subsidiaries, associated companies and jointly controlled entities have entered into contain restrictions on the Issuer's ability to receive distribution, the ability of the relevant subsidiaries, associated companies and jointly controlled entities to pay dividends and other amounts to the Issuer and/or the Issuer's usage of the dividends and amounts received from the relevant subsidiaries, associated companies and jointly controlled entities. There can be no assurance that the bank credit facilities or other agreements which the Issuer and its subsidiaries, associated companies and jointly controlled

entities may continue to enter into from time to time would not contain any restrictions on dividend distribution by the Issuer's subsidiaries, associated companies and jointly controlled entities or any restrictions in relation to the Issuer's usage of the dividends it receives. Since the Issuer may from time to time depend upon its receipt of dividends, distributions, interest or advances from its subsidiaries, associated companies and jointly controlled entities, any legal restrictions on the availability and usage of dividend or other amounts from the Issuer's subsidiaries, associated companies and jointly controlled entities could materially and adversely affect the Issuer's ability to fund its operations, service its indebtedness and satisfy its contractual obligations.

The Group's ability to generate cash to service its indebtedness depends on many factors beyond its control.

The Group's ability to make payments on and to refinance its indebtedness, including the Bonds, and to fund planned capital expenditures and project development will depend on the Group's ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control. The Group's businesses might not generate sufficient cash flow from operations to enable it to pay its indebtedness, including the Bonds, or to fund the Group's other liquidity needs. The Group may need to refinance all or a portion of its indebtedness, including the Bonds, on or before maturity. However, the Group might not be able to refinance any of its indebtedness, including the Bonds, on commercially reasonable terms or at all. If the Group is unable to service its indebtedness or obtain refinancing on terms acceptable to the Group, it may be forced to adopt an alternative strategy that may include reducing or delaying capital expenditures, selling assets or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

The Group is subject to extensive regulatory requirements and the non-compliance of which would materially and adversely affect the Group's financial condition and results of operations.

The Group is subject to extensive laws, policies and regulatory requirements issued by the relevant governmental authorities in the PRC and other jurisdictions. The Group is also subject to the supervision of a number of government ministries and departments, including but not limited to the NDRC, MOF, the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Housing and Urban-Rural Development and the State Administration of Work Safety. Any breach of the laws or regulations to which the Group is subject may result in the imposition of fines and penalties, the suspension or closure of its relevant operations or the suspension or revocation of its licences or permits to conduct its relevant businesses.

Given the magnitude and complexity of the laws and regulations to which the Group is subject to, compliance with such laws and regulations or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As at 31 March 2022, the Group had not received any notice regarding any material non-compliance with the applicable safety regulations or requirements from any government authority. Although the Group is obliged to comply with all applicable laws and regulations, there can be no assurance that the Group will be in compliance at all times. Any failure to comply with applicable laws and regulations could subject the Group to, among other things, civil liabilities and penalties.

Non-compliance with environmental regulations, including those to be implemented in the future, may result in material adverse effects on the Group's results of operations.

A variety of general and industry-specific PRC environmental laws and regulations apply to the Group's operations such as damage caused by air emissions, noise emissions, waste water discharges, waste pollution and solid and hazardous waste handling and disposal. Costs and liabilities relating to compliance with applicable environmental laws and regulations are an inherent part of the Group's

business operations. These laws can impose liability for non-compliance or clean up liability on the generation of hazardous waste and other substances from the Group's business operations that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. The Group may also be required to investigate and remedy contamination at its properties or where the Group conducts operations, including contamination that was caused in whole or in part by previous owners of properties.

Environmental laws and regulations are also becoming increasingly stringent and may in the future impose onerous obligations on the Group or significant penalties for non-compliance. There is no assurance that any of the Group's non-compliance with applicable environmental laws and regulations will not materially restrict the operation of its business and/or result in significant costs for the Group. In addition to potential clean-up liability, the Group may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may result in closure or temporary suspension or the imposition of restrictions on the Group's operations. The Group may become involved in legal proceedings that may require it to pay fines, comply with more rigorous standards or incur capital and operating expenses for environmental compliance. Third parties may sue the Group for damages and costs resulting from environmental contamination from its properties and/or production facilities. There can be no assurance that changes in laws or regulations, in particular environmental laws and regulations, will not result in the Group having to incur substantial capital expenditure to upgrade or supplement its existing facilities or becoming subject to any fines or penalties. If the Group were to incur significant fines or penalties or become involved in protracted litigation, or if any of its facilities are closed down or required to be temporarily suspended or if any upgrade to comply with the applicable laws and regulations, then the Group's financial condition and results of operations may be adversely affected.

Future changes in laws, regulations or enforcement policies in the PRC could adversely affect the Group's business.

Laws, regulations and enforcement policies in the PRC, including those regulating the toll expressways and highways industry, railway industry, refined oil products industry and materials trading industry, are evolving and are subject to future changes. These changes could adversely impact the Group's business operations. In addition, different regulatory authorities may have different interpretation and enforcement of the policies affecting the industries in which the Group operates, which requires companies to meet policies requirements issued by the relevant regulatory authorities from time to time, and obtain applicable approvals and complete filings in accordance with the relevant regulatory authorities' interpretation and enforcement of such policies.

If applicable laws and regulations change adversely or the relevant regulatory authorities change their interpretation or enforcement of relevant policies in the future, the Group may be required to obtain further approvals or meet other additional regulatory requirements. In addition, if there are any future changes in applicable laws, regulations, administrative interpretations or regulatory documents, or stricter enforcement policies by the relevant PRC regulatory authorities, more stringent requirements could be imposed on the industries in which the Group is currently operating. Compliance with such new requirements could impose substantial additional costs or otherwise have a material adverse effect on the Group's business, financial condition and results of operations. In addition, if the Group fails to meet such new rules and requirements relating to approval, construction, environmental or safety compliance of its operations, the Group may be ordered by the relevant PRC regulatory authorities to change, suspend construction of or close the relevant production facilities. Alternatively, these changes may also relax some requirements, which could be beneficial to the Group's competitors or could lower market entry barriers and increase competition. As a result, the Group's business, financial condition and results of operations could be materially and adversely affected.

Some of the Group's members may not possess valid land use rights or building ownership certificates to certain properties and some of the Group's properties are subject to usage for special purposes and restrictions on transfer.

Some of the Group's members may not possess valid land use rights certificates or building ownership certificates to certain properties. Some of these members are in the process of applying for or will apply for the relevant certificates, permits or approvals for certain properties (including the construction in progress). In addition, some members lease properties whose owners do not possess valid land use rights certificate or building ownership certificate. There can be no assurance that such certificates and permits will be obtained in a timely manner, or at all, and any delay may result in a disruption to their business operations and may adversely affect their financial performance. Some of the land that the Group uses or occupies is obtained through allocation from the government without paying land premium to the land authorities. Under PRC laws and regulations, approvals from, and payment of land premium to, the relevant land authorities are necessary for any transfer, lease, sale and disposal of such allocated land or the buildings attached thereto. There can be no assurance that the relevant PRC government will continue to allow the Group to use the land and properties allocated to it to the same extent as currently used or at all. In addition, restrictions of transfer of such land and properties may have a material adverse impact on the liquidity of the Group's assets.

Reduction of traffic volume or the rate of growth in traffic volume could adversely affect the Group's business, results of operations and financial condition.

Operating income from the Group's toll expressway and highway sections are principally dependent upon the number and classes of motor vehicles using such expressway and highway sections and the applicable toll regime. The number and classes of vehicles using the Group's toll expressway and highway sections are to a large extent dependent on factors outside the Group's control, including:

- toll rates;
- fuel prices;
- vehicle prices and the cost of owning and operating vehicles;
- the mix of different vehicle classes using the toll expressway and highway sections;
- population growth, vehicle ownership growth and growth in the number of people of driving age;
- the occurrence of natural disasters, such as flooding, earthquakes and forest fires;
- meteorological conditions that can make driving difficult or dangerous, such as heavy snowfall, fog or rain;
- environmental legislation or regulation, including measures to restrict motor vehicle use;
- the quality and proximity of the Group's expressway and highway sections compared to alternative roads and other competing modes of transportation, including air travel and waterways;
- capacity constraints on the number of vehicles that can efficiently use the toll expressway and highway sections in any given period;
- general development of the cities and townships served by its expressway and highway sections; and
- general economic conditions in the PRC.

The volume of traffic on a given toll expressway and highway section is also influenced by the basis and extent of the section's connection with other parts of the local and national highway and expressway network. There can be no assurance that future changes in the highway and expressway system and network in Guangxi or other regions in which the Group's projects are or may be located will not adversely affect the traffic volume on the Group's toll expressway and highway sections.

Future growth in traffic volume is expected to depend on the continued economic growth and development policies of the PRC, and the principal municipalities and counties within the PRC. Any adverse changes in these economies may adversely affect the traffic volume on the Group's toll highway and expressway sections.

Please see “— *The Group's profitability may be affected by the existence and development of other competing means of transport*” for further information.

Changes to the PRC and the Guangxi governments' transportation-related policies may impact the Group's operating income and earnings.

The Group's operations are sensitive to changes in the PRC and the Guangxi Governments' policies relating to all aspects of the transportation sector, for example, national, provincial and municipal transportation networks, traffic regulation, licensing and registration of vehicles, transfers of operating rights, toll regime and the planning, development, construction and management of expressways and highways as well as railways in the PRC. Guangxi, as a strategic region in the China Western Development policy and the Belt and Road (“一帶一路”) strategy, enjoys certain preferential policies from the PRC government. For example, the PRC government promulgated the “Opinions on Further Promoting Economic and Social Development in Guangxi” which, among others, promotes and supports the construction of a comprehensive transportation system in Guangxi, including the improvement of the national and provincial expressway networks. Please see “*Description of the Group — Competitive Strengths — Guangxi's strategic location*” for further information. There is no assurance that changes in such policies would not have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's profitability may be affected by the existence and development of other competing means of transport.

The profitability of the Group's toll expressway and highway sections may be affected by the existence, proximity, affordability and efficiency of other competing means of transport and alternative routes of similar quality.

Several of the Group's existing projects have directly competing routes nearby. The Group prefers to invest in projects where there are no existing alternative routes, but there can be no assurance that alternative routes which do not impose tolls or impose a lower level of tolls will not be developed, or that alternative means of transport competing with the Group's existing toll expressway and highway sections will not be constructed or developed in the future. Any negative impact on traffic volume arising from potential competition could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group relies on information technology systems for its business and any information technology system limitations or failures could adversely affect its business, financial condition and results of operations.

The Group's business depends on the integrity and performance of its business, accounting and other data processing systems. If the Group's systems cannot cope with increased demand or otherwise fail to perform, the Group could experience unanticipated business disruptions, slower response times and

limitation on its ability to monitor and manage data and risk exposure, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and potential intervention by regulatory authorities.

In particular, the Group has implemented a toll collection system in respect of all of its toll expressway and highway sections. Please see “*Description of the Group — Business Segments — Toll Expressways and Highways Business Segment — Operation and Management of Toll Expressways and Highways — Business Models — Toll Collections*” for further information. The Group relies on computer systems to ascertain the level of toll receipts on a daily basis. While the Group has not experienced malfunction of these computer systems on a frequent basis, any malfunction of these computer systems or any inadequacy in its controls could cause the information on toll receipts to become unreliable, inaccurate or permanently lost, which could have an adverse effect on the Group’s toll management and consequently, its operating income and results of operations.

Although the Group’s systems had not experienced major system failures and delays in the past, there can be no assurance that the Group’s systems would not experience future system failures and delays, or the measures taken by the Group to reduce the risk of system disruptions are effective or adequate. If internet traffic and communication volume increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group’s technology, systems and network infrastructure. There can be no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group’s systems and infrastructure to accommodate any increases in a timely manner.

The Group’s toll rates are subject to the regulation by the relevant government authorities.

All toll rates for the Group’s expressway and highway sections are subject to regulation by the relevant government authorities in Guangxi. The determination of, or any adjustments made to, toll rates require approval from the relevant government authorities, which generally take into account factors such as the toll rate of comparable toll expressways and highways in the same region, user affordability, prevailing inflation rate and return to investors. Although the Group may apply for toll rate increases in order to meet the desired rate of return on investments, however, there can be no assurance that any applications for increases of toll rates will be approved by the relevant authorities in a timely manner, or at all.

Also, while the Group has not encountered a reduction in toll rates, it is possible that the relevant governmental authorities could require the Group to reduce its toll rates despite the Group’s opposition or without consultation with the Group. Any decision to reduce toll rates on toll expressway or highway sections operated by the Group could adversely affect the Group’s operating income and results of operations.

In addition, the State Council promulgated the “Notice on Approval and Forwarding of Toll-Free on Major Festivals and Holidays for Small Passengers Vehicles Implementation Policy Promulgated by the Ministry of Transport of the PRC” on 24 July 2012 with regard to the Toll-Free on Major Festivals and Holdings for Small Passenger Vehicles Implementation Policy (the “**Holiday Toll-Free Policy**”). Pursuant to the Holiday Toll-Free Policy, small passenger vehicles with seven seats or less would be entitled to use certain toll roads during major statutory holidays in the PRC free of charge. The Issuer believes that the implementation of the Holiday Toll-Free Policy would not have a significant impact on the Group’s performance. However, there can be no assurance that the PRC government will not adopt any other policies in the future which may have a negative impact on the Group’s toll revenue and results of operations.

The State Council approved the “Notice on Toll-Free for Vehicles during the Period of Prevention and Control of the COVID-19 Pandemic Promulgated by the Ministry of Transport of the PRC” (交通運輸部關於新冠肺炎疫情防控期間免收收費公路車輛通行費的通知) (the “**COVID-19 Toll-Free Policy**”) on

15 February 2020. Pursuant to the COVID-19 Toll-Free Policy, all the vehicles, including the passenger vehicles and freight vehicles, would be entitled to use all the toll roads in the PRC free of charge during the period of prevention and control of the COVID-19 pandemic starting from 17 February 2020. On 28 April 2020, the State Council approved the “Notice on the Restoration of Toll Roads Charge Promulgated by the Ministry of Transport of the PRC” (交通運輸部關於恢復收費公路收費的公告) (the “**Toll-Charge Policy**”). Pursuant to the Toll-Charge Policy, the COVID-19 Toll-Free Policy is abolished and all the vehicles would be charged tolls to use the toll roads in the PRC starting from 6 May 2020. The Issuer believes that the short period of implementation of the COVID-19 Toll-Free Policy would not have a significant impact on the Group’s performance. However, there can be no assurance that the PRC government will not adopt any other policies in the future which may have a negative impact on the Group’s toll revenue and results of operations.

The Group may incur significant capital expenditures on completed expressway or highway sections, and the operation of the Group’s expressway and highway sections may be affected by events outside its control.

The Group is generally responsible for the maintenance, resurfacing and repair of its expressway and highway sections at its own cost. The Group manages the relevant maintenance expenditures by budget. However, the continuing repair and maintenance of any expressway or highway section may require significant capital expenditures. There can be no assurance that the Group’s operations and financial condition will not be adversely affected by any significant unforeseen capital expenditure requirements. The condition and operation of the Group’s expressway and highway sections may be affected by catastrophic events. If the conditions or operations of the Group’s expressway or highway sections were seriously affected as a result of any such events, the Group’s business, results of operations and financial condition may be adversely affected. Please see “— *The Group’s operations may be adversely affected by operational risks, which may cause the Group to incur uninsured losses.*” for further information.

The Group requires various approvals, permits and licences to operate its businesses.

Pursuant to the applicable laws and regulations in the PRC, the Group is required to obtain or renew approvals, permits and licences with respect to its relevant operations. There can be no assurance that the Group will be able to obtain or renew all necessary approvals, permits and licences on a timely basis or at all. Failure to comply with the applicable laws and regulations or the inability to obtain the relevant approvals, permits and licences could expose the Group to sanctions, fines, penalties, revocation of licence or other punitive actions, including suspension of the Group’s business operations or restrictions or prohibitions on certain business activities. These may materially and adversely affect the Group’s financial condition and results of operations.

The Group is subject to project development risks and cost overruns, and delays may adversely affect its results of operations.

There are a number of construction, financing, operating and other risks associated with project development in the PRC. Construction projects that the Group undertakes, in particular expressway, highway or railway construction projects, typically require substantial capital expenditure during the construction phase. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of raw materials, equipment and labour, adverse weather conditions, natural disasters, terrorism, labour disputes, disputes with subcontractors, accidents, changes in governmental priorities and other unforeseen circumstances. Any of these could give rise to delays in the completion of Group’s construction project which in turn could lead to cost overruns. Construction delays can result in loss of operating income. The failure to complete construction according to the Group’s specifications may result in liabilities, reduced efficiency and lower financial returns. In addition, as construction costs for new projects have generally increased due to factors that are generally beyond the Group’s control, construction delays may further increase such costs. Although the majority

of the Group's construction projects have been completed on schedule, there can be no assurance that this will remain the case or that future construction projects will be completed on time, or at all, and generate satisfactory returns.

The Group's future growth prospects will be affected by its ability to develop new expressway and highway sections and the pursuit of new projects may not be successful.

Substantially all of the Group's toll expressway or highway sections are subject to specific toll concession periods. As such, the Group's future growth prospects will depend to some extent on its ability to develop further construction projects such as expressway and highway sections, some of which have been identified and are at varying stages of development. The development of future projects could be affected by many factors, including but not limited to general political and economic conditions in the PRC, government policies, prevailing interest rates, construction costs and the cost and the availability of necessary land or land use rights. The Group's capability to develop further projects will depend on its ability to obtain relevant government approvals and to obtain external financing to fund the construction costs of projects. While the Group has substantial experience in conducting such negotiations, there can be no guarantee of success with respect to any particular project. Each project will also require certain government consents and approvals as part of the development process, the obtaining of which cannot be guaranteed. In particular, there can be no assurance that the relevant approvals can be obtained, either on satisfactory terms or at all, or that the project will proceed at all. In addition, construction costs for new projects are generally increasing due to factors that are generally beyond the Group's control. Such developments may lead to higher project acquisition costs for the Group and may affect the initial profitability of its projects. Also, there may be increased competition for toll expressway and highway investment opportunities, and other toll road operators may have greater financial or other resources than the Group.

There can be no assurance that the Group's future projects will provide terms that are equivalent to or as favourable as its existing projects. Failure to develop new projects in a cost-efficient manner or at all could adversely affect the Group's growth prospects, results of operations and financial condition.

Any failure of the Group's key contractors may have an adverse effect on the Group's business.

The Group has arrangements with contractors that are essential to its business, such as the operation, management and construction of its expressway and highway sections, the construction of railways and the operation of its refined oil products business. If any of these key contractors fails to perform its obligations, the Group's operations, business and financial condition may be materially and adversely affected.

In addition, there is a risk that the Group may not be able to find suitable alternative contractors at commercially reasonable contract terms, if at all, if the contracts with its current contractors terminate or its current contractors do not renew its expired contracts. This may result in disruptions of its business operations, delays in the completion of the Group's projects or incurrence of additional costs, which could materially and adversely affect the Group's business, financial condition and results of operations.

Any failure by the Group to maintain relationships with its major customers would have an adverse effect on the Group's business.

The Group relies on some major customers in certain of its business segments. For example, for the years ended 31 December 2019, 2020 and 2021, the Group's five largest customers for the Group's materials trading business segment accounted for approximately 26.64 per cent., 28.23 per cent. and 29.58 per cent. of the total sales of materials, respectively. There can be no assurance that the Group will be able to maintain or improve its relationships with its major customers, or that it will be able to continue to supply products and services to these customers at current pricing and levels or at all.

In addition, demand for the Group's products and services is affected by the performance of its customers. Therefore any decline in its major customers' businesses could lead to a decline in purchase orders from these customers. If any of the Group's major customers were to substantially reduce the size or value of the orders it places with the Group or were to terminate its business relationship with the Group entirely, there can be no assurance that the Group would be able to obtain orders from other customers to replace any such lost sales on comparable terms or at all. If any of these relationships were to be so terminated and the Group were unable to obtain replacement orders, its business, financial condition, results of operations and prospects may be materially and adversely affected.

Depreciation and amortisation costs are variable and subject to traffic volume.

The Group adopts the rate of usage method, which is calculated to determine its charges in respect of depreciation of toll expressway and highway sections and amortisation of additional investment cost, commencing from the first day of commercial operations, based on the ratio of actual traffic volume compared to the total expected traffic volume over the remainder of the relevant operation period.

Given a specific operation period, the annual depreciation and amortisation charge is dependent on actual usage relative to the projected traffic volume for the remaining operation period for the particular project. The projected traffic volume is derived from the Group's estimates, which are based on independent and/or internal research. However, in each case, the actual traffic volume achieved could be different, which would affect its business and results of operations.

The Group's refined oil products business segment may be adversely affected by the fluctuations in crude oil prices.

Although the Group currently does not produce fuel oil and refined oil products from crude oil, the prices of crude oil in international markets affect the prices of refined oil in international markets as well as the PRC domestic market, which is beyond the Group's control. When there are increases in the prices of crude oil, the Group's ability to pass on the increased purchase costs of refined oil products resulting from relevant price increases to its customers is dependent on various international and domestic market conditions and how the Group's competitors behave, as well as the PRC government's price controls over oil products. Global crude oil prices have experienced volatility in recent years. As the Group's refined oil products business segment focuses on sales of refined oil products, any significant fluctuations in crude oil prices may have a material adverse effect on the Group's results of operations and financial condition.

The performance of the Group's materials trading business segment is subject to significant price fluctuations as a result of market demand.

The Group's materials trading business primarily focuses on trading in steel, asphalt and mineral products. The price, supply and demand of steel, asphalt, mineral products and other materials are directly affected by government policies and macroeconomic factors, including currency exchange rates, interest rates and the level of inflation, global economic trends, inventory levels, actions of participants in the commodity markets and other factors beyond the Group's control. These could result in a significant oversupply or decreased demand. Steel trading is an important part of the Group's materials trading business, however, the steel traders in the domestic market are generally small-scale and have a limited ability to anticipate and manage commodity price fluctuations. The competition is increasingly fierce and profit margins are gradually narrowing and are expected to further decline due to the slowdown of the PRC economy. There can be no assurance that the market price of any or all relevant materials will not decline in the future or that such prices will otherwise remain at sufficiently high levels to support the Group's profitability. Also, fluctuations in the performance of the related downstream industries will cause the demand for the Group's products and consequently the prices at which the Group is able to sell its products, to fluctuate significantly.

The fluctuations in the Group's materials trading business segment could cause the Group's results of operations to vary significantly and may materially and adversely affect the Group's financial position, results of operations and prospects.

Handling of inflammable and toxic oil products exposes the Group to potential liability.

The Group transports and stores inflammable refined oil products in the course of its refined oil products business. In the event of a leakage of toxic or inflammable refined oil products, health or fire hazards may occur. These hazards can cause personal injury and loss of life, catastrophic damage to, or destruction of, property and equipment and environmental damage, and may result in a suspension of operations and imposition of civil or criminal penalties. The Group could become subject to environmental claims brought by government entities or third parties. The loss or shutdown of the Group's facilities over an extended period of operations would have a material adverse effect on its business, financial conditions and operations.

If the Group fails to implement an effective operational safety management system, standardise management of operational practices, provide emergency facilities in case of accidents or carry out emergency drills, the occurrence of any accident could have a material adverse effect upon its reputation, business, financial condition and operations.

Should the Group becomes liable for any of such accidents, a penalty may be imposed on it and criminal liability under the laws of the PRC being imposed on its employees. In such an event, the Group's reputation, business, financial position and operating results may be adversely affected.

The Group may not be able to detect and prevent fraud or other misconducts committed by its current or former officers, employees, representatives, agents, customers or other third parties.

Following the wide-reaching anti-corruption campaign in the PRC, the Leading Group for Inspection Work of Guangxi (the "**Inspection Leading Group**"), a coordination body set up for the purpose of managing party disciplinary inspections, has dispatched inspection teams to the Group, to conduct inspection work on party disciplinary enforcement. There can be no assurance that there will not be any further inspections or actions against the Group or its officers or employees resulting from the findings taken by the Inspection Leading Group or other governmental authorities or that such inspections or actions would not affect the Group as a result.

In addition, the Group may be exposed to fraud or other misconducts committed by its current or former officers, employees, representatives, agents, customers or other third parties that could subject the Group to financial losses and sanctions imposed by governmental authorities, which in turn affects its reputation. These misconducts could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;

- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group’s customers;
- making or accepting the bribery activities;
- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group’s internal policies and procedures.

In particular, the Group is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in the PRC, Hong Kong and other relevant jurisdictions. The Group’s internal control procedures are designed to monitor its operations and ensure overall compliance. In particular, the Group has adopted policies and procedures aimed at detecting and preventing the use of its business platforms to facilitate money laundering activities and terrorist acts. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. In addition, it is not always possible to detect and prevent fraud and other misconducts, and the precautions undertaken by the Group to prevent and detect such activities may not be effective. There can be no assurance that fraud or other misconducts will not occur in the future. If such fraud or any other misconduct does occur, it may cause negative publicity as a result and the relevant government agencies may freeze its assets or impose fines or other penalties on the Group. Any of these may materially and adversely affect the Group’s reputation, financial condition and results of operations.

The Group’s financial condition and results of operations may be susceptible to the material fluctuations of interest rates.

The Group has substantial indebtedness outstanding. Please see “— *The Group has substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its future strategy and operations and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.*”. A portion of the Group’s indebtedness bears interests that accrue at interest rates linked to benchmark lending rates published by PBOC which is now required to be converted into loan prime rate published by National Interbank Funding Centre as authorised by PBOC. Any material fluctuation in the benchmark lending rate or loan prime rate may have a material impact on the Group’s interest expenses and payables under its bank loans and other borrowings and in turn affect its results of operations. The PRC government from time to time adjusted interest rates as implementation of the PRC government’s economic and monetary policies. Any material fluctuation in the benchmark lending interest rate or loan prime rate could have a material impact on the Group’s interest payables under its bank loans and in turn affect its results of operations. The Group’s future loan facilities may also carry interest rates based on the loan prime rate and subject to market conditions. There can be no assurance that as a result of any increase in PBOC benchmark rate, loan prime rate or otherwise, the Group will be able to service its existing bank borrowings as they become due or obtain sufficient additional bank borrowings going forward on commercially acceptable terms, or at all, which could have a material and adverse effect on the Group’s businesses, financial conditions and results of operations.

The Group is subject to various safety and health regulations in the PRC and any failure to comply with such regulations may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of its licences or permits.

The Group is required to comply with extensive safety and health regulations in the PRC. Failure to comply with such regulations may result in fines or suspension or revocation of the Group’s licences, approvals or permits to conduct its businesses. Given the volume and complexity of these regulations, compliance may be difficult and may involve significant financial and other resources to establish

efficient compliance and monitoring systems. There can be no assurance that the Group will be able to comply with all applicable requirements or obtain the relevant licences, approvals and permits on a timely basis, if at all. As at 31 March 2022, the Group had not received any notice regarding any material non-compliance with the applicable safety regulations or requirements from any government authority. In addition, PRC laws and regulations are constantly evolving. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase compliance costs of the Group and in turn, materially affect the Group's financial condition.

The Group is exposed to risks of rising cost of labour, construction materials or construction equipment and its results of operations may be adversely affected.

As a result of economic growth in the PRC, wages for construction workers and the prices of construction materials and building equipment have experienced substantial increases in recent years. In addition, the amended Labour Contract Law of the PRC (the “**Labour Contract Law**”) (勞動合同法) that came into effect on 1 July 2013 enhanced the protection for employees and increased employers' liability in many circumstances, which may further increase the Group's labour costs. The Group bears the risk of fluctuations in wages and construction material prices and is also exposed to the price volatility of construction equipment used in construction projects. If the Group is unable to pass on any increase in the cost of labour, construction materials and construction equipment to its customers, its results of operations may be negatively affected. There can be no assurance as to the future movements of the prices of the construction materials required by the Group and any detrimental movements in the future could have a material adverse effect upon its financial condition and results of operations.

The Group may be subject to risks related to tax law changes.

On 23 March 2016, MOF and SAT issued the Circular of Full Implementation of Business Tax to Value-added Tax Reform (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知) (“**Circular 36**”), which stipulates that, as at 1 May 2016, all payers of business tax, including taxpayers engaged in the construction and real estate industries, shall be included in the scope of the pilot programme and subject to VAT instead of business tax. Circular 36 may have an impact on the Group's business model as it may increase the tax burden of the Group. On 4 April 2018, MOF and SAT issued the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (財政部、稅務總局關於調整增值稅稅率的通知) (“**Circular 32**”), which stipulates that the tax rate for provision of construction services and transfer of land use rights shall be reduced from 11 per cent. to 10 per cent. from 1 May 2018 onwards.

In addition, on 20 March 2019, MOF, SAT and the General Administration of Customs issued the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (關於深化增值稅改革有關政策的公告) (“**Circular 39**”), which stipulates that the tax rate for provision of construction services and transfer of land use rights shall be reduced from 10 per cent. to 9 per cent. from 1 April 2019 onwards.

As Circular 36, Circular 32 and Circular 39 are relatively new and given the limited volume of published decisions relating to their application, there are uncertainties as to the interpretation and enforcement of Circular 36, Circular 32 and Circular 39 and/or any tax-related laws and regulations which may be promulgated in the future from time to time. These tax law changes and the related uncertainties may have a material adverse effect on the Group's operating income and could in turn materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be subject to legal, litigation and regulatory proceedings.

The Group may be involved, from time to time, in legal proceedings arising in the ordinary course of its operations. Please see “*Description of the Group — Legal and Regulatory Proceedings*” for further information. Litigation arising from the Group's business operations or contractual disputes may result in

the relevant member of the Group being named as defendant in lawsuits asserting claims against such member of the Group or subject such member of the Group to regulatory penalties. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial period of time. Actions brought against the Group may result in settlements, fines, penalties or other results adverse to the Group's reputation, financial condition, and results of operations. Even if the Group is successful in defending against these actions, the Group will incur costs in such defence. A significant judgment, arbitration award or regulatory action against the Group, or a disruption in the Group's business arising from adverse adjudications in proceedings against the Group's directors, senior management or key employees, would materially and adversely affect the Group's business, financial condition, reputation and results of operations.

In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that result in liabilities. Also, in the event that the Group makes any other investments or acquisitions in the future, there can be no assurance that the Group would not have any exposure to any litigation or arbitration proceedings or other liabilities relating to the acquired businesses or entities.

The Group's operations are subject to force majeure events, natural disasters and outbreaks of contagious diseases.

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Group's staff, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debt.

The Group's operations are mainly based in Guangxi, which is exposed to potential natural disasters including, but not limited to, earthquakes, flooding, landslides, mudslides and drought. If any of the Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of such unforeseen events or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its revenues.

In addition, the Group's contracts with its suppliers and other counterparties may have force majeure provisions that permit such parties to suspend, terminate or otherwise not perform their obligations under the relevant contracts upon the occurrence of certain events such as strikes and other industrial or labour disturbances, terrorism, restraints of government, civil protests or disturbances, or any natural disasters; all of which are beyond the control of the party asserting such force majeure event. If one or more of the Group's suppliers or other counterparties do not fulfil their contractual obligations for any extended period of time due to a force majeure event or otherwise, the Group's results of operations and financial condition could be materially and adversely affected.

Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons. Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and there can be no assurance that the Group will always be able to maintain an adequate level of coverage at least equal to Group's current coverage and at the same cost. The frequency and magnitude of natural disasters seen over the past few years, for example, the typhoon Rammasun that swept Guangxi in 2014, could have a significant impact on the capacities of the insurance and reinsurance market and on the costs of civil liability and damages insurance cover for the Group. Please see "*— The Group's operations may be adversely affected by operational risks, which may cause the Group to incur uninsured losses.*" in this section for further information. Such accidents could also lead to the shutdown of the Group's affected operating facilities such as expressway and highway sections and, potentially, of similar facilities that may be considered to present the same risks.

The Group's operations and financial condition could also be materially and adversely affected by any outbreak, epidemic and/or pandemic of (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of) infectious or contagious diseases and/or other adverse public health developments in the PRC or elsewhere. In particular, the ongoing COVID-19 pandemic in the PRC, Hong Kong and other countries has led to business suspension, travel and other restrictions, labour shortages and supply or delivery chain constraints in the PRC, Hong Kong and globally. It is difficult to predict the level of impact of the ongoing COVID-19 pandemic on the PRC and global economies and there can be no assurance that it would not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, all levels of business in Hong Kong, the PRC and other Asian countries were adversely affected by the outbreak of severe acute respiratory syndrome ("SARS") in 2003. There have also been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. In 2009 and 2010, there have also been outbreaks among humans of the A/H1N1 influenza virus. Other recent epidemics include the Middle East Respiratory Syndrome (MERS), the H5N1 avian flu, the H7N9 avian flu, the Ebola virus disease and the Zika virus disease. The ongoing COVID-19 pandemic, outbreak of SARS and the influenza A/H1N1 virus led to a significant decline in travel volumes and business activities throughout most of the Asian region as well as globally. The occurrence of another outbreak of highly contagious disease or epidemic disease (whether known or unknown to the world) (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of infectious disease) in the PRC or elsewhere may result in another economic downturn regionally and/or globally and could materially and adversely affect the overall level of business and travel activities in the affected areas. There may also be significant disruption to the Group's business operations and consequently have an adverse effect on its financial condition and results of operations. Please see "*— The extent to which the COVID-19 pandemic will impact the Group's business, financial condition, results of operations and prospects is uncertain and cannot be predicted.*" for further information.

The extent to which the COVID-19 pandemic will impact the Group's business, financial condition, results of operations and prospects is uncertain and cannot be predicted.

The ongoing COVID-19 pandemic in the PRC and other parts of the world since late 2019 could materially and adversely affect the overall business sentiment and environment in the PRC and in the markets in which the Group operates, particularly with the emergence of new variants of COVID-19 such as Delta and Omicron. Since December 2019, the outbreak of COVID-19 has caused substantial disruption in the PRC economies and markets. In particular, the administrative actions taken by local governmental authorities such as housing authorities to control the spread of the COVID-19 pandemic may have an adverse impact on the Group's businesses. For example, the ongoing COVID-19 pandemic may cause disruptions to the Group's public transportation business. The Group's businesses may also be adversely affected by certain relief measures implemented by the PRC government. Although the Group has adopted various measures to minimise the adverse impact of the ongoing COVID-19 pandemic on its businesses and operations, there can be no assurance that remedial measures adopted by the Group will have the intended effects or that the adverse impact of the ongoing COVID-19 pandemic on the Group will not persist.

Substantially all of the Group's operating revenue is derived from its operations in the PRC and any labour shortages, fall in occupancy rates or contraction or slowdown in the growth of domestic consumption in the PRC as a result of the adverse impact of the COVID-19 pandemic could materially and adversely affect the Group's business, financial condition, results of operations and prospects. In addition, if any of the Group's management or employees are affected by the COVID-19 pandemic, the Group may be required to close down its offices, warehouses and facilities to prevent the spread of the pandemic. The ongoing COVID-19 pandemic in the PRC may also affect the operations and financial condition of the Group's customers and suppliers, which in turn could materially and adversely affect the

Group's business, financial condition, results of operations and prospects. The ongoing COVID-19 pandemic in the PRC, especially in the cities or provinces where the Group has operations, may also delay completion of the Group's projects as scheduled, causing substantial increase in development costs and/or late delivery of projects, which may adversely affect the Group's business, financial condition, results of operations and prospects.

The ongoing COVID-19 pandemic is expected to have an adverse impact on the Group's businesses and it is impossible to predict the magnitude of such impact, which could vary based on the duration of the outbreak and the ability of the global community to contain the disease and implement economic stimulus measures. There are uncertainties as to how the COVID-19 pandemic will evolve and there can be no assurance that the ongoing COVID-19 pandemic in the PRC and other parts of the world would not have a material adverse effect on the Group's business, financial condition, results of operations, profitability and prospects.

The Group's operations may be adversely affected by operational risks, which may cause the Group to incur uninsured losses.

The Group faces various operational risks in connection with its business, including but not limited to:

- construction interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other operational risks;
- operating limitations imposed by environmental or other regulatory requirements;
- defective quality of the real estate property it develops;
- work-related personal injuries;
- on-site construction related accidents;
- credit risks relating to the performance of customers or other contractual third parties;
- disruption in the global capital markets and the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters.

These operational risks may be beyond the control of the Group and could cause significant business interruptions, property damages, personal injuries and property or environmental damage. The occurrence of any of these events, and the consequences resulting from them, may not be covered adequately, or at all, by the Group's insurance policies. In addition, certain types of risks are not insured in the PRC because they are either uninsurable or not economically insurable, such as risks from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability. To the extent that the Group suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, its business, financial condition, results of operations, prospects and cash flow may be materially and adversely affected.

Failure to recruit and retain key managerial personnel, highly skilled employees and the occurrence of labour unrest may materially and adversely affect the Group's operations.

The success of the Group's business depends, to a large extent, on the strategic vision of its board of directors, the continued service of key managerial personnel including directors and key senior

executives and the ability to attract and retain highly skilled personnel. If the Group's key managerial personnel or highly skilled personnel are required to be transferred to other entities or left the Group, the Group's operations may be adversely affected. In addition, any labour unrest may cause disruption to the operations of the Group which, coupled with any increase in labour costs resulting from such dispute, may have a material adverse effect on the Group's results of operations and profits. Although the Group has not experienced any major labour disputes, there can be no assurance that the Group will not experience such disputes in the future.

The Group may not be able to adequately protect its intellectual property, which could adversely affect its business operations.

The Group relies on a combination of patents, copyrights, trademarks and contractual rights to protect its intellectual property. There can be no assurance that these measures will be sufficient to prevent any misappropriation of the Group's intellectual property. The level of protection of intellectual property rights in the PRC differs from those in other jurisdictions. In the event that the measures taken by the Group and the protection afforded by law do not adequately safeguard Group's proprietary technology or intellectual property, the Group could suffer losses due to the sales of competing products that exploit its intellectual property which in turn could adversely affect its business, financial condition and results of operations.

Changes in the organisational structure of the Group may affect the Group's financial condition and results of operations.

The Group may undergo certain organisational restructuring from time to time which may involve disposal by the Issuer of certain subsidiaries or affect whether certain subsidiaries of the Issuer will be consolidated in the Issuer's consolidated financial statements. In the unlikely event that the Issuer issues shares to entities other than the Guangxi SASAC, it would dilute the Guangxi SASAC's existing shareholding in the Issuer's registered share capital. There can be no assurance that any such organisational restructuring or changes in the Issuer's shareholding structure will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Members of the Group may become listed and therefore may be subject to regulatory restrictions and listing requirements and the Issuer's shareholding or voting interests in such subsidiaries may be diluted.

The shares of one or more members of the Group may become listed on one or more stock exchanges. As a result, the entering into certain transactions by any such member may be subject to various regulatory restrictions. Intra-group transactions may also be subject to applicable listing requirements, such as the issuance of press notices and public announcements, the obtaining of independent shareholders' approval at general meetings and/or disclosure in annual reports and accounts. Members with funding needs may therefore not be able to obtain financial support from the Group in a timely manner, or at all. In addition, in the event that the shares of one or more subsidiaries of the Issuer become listed on a stock exchange, the Issuer's shareholding or voting interests in such subsidiaries may be diluted. There can be no assurance that any such dilution in shareholding or voting interests will not have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Changes in the PRC's economic, political and social conditions as well as governmental policies could affect the Group's businesses, financial condition and results of operations.

Substantially all of the Group's revenue is derived from the PRC and the growth of the Group's businesses depends significantly on the continuation of economic development and growth in the PRC. The PRC's

economy differs from the economies of most developed countries in many respects, including the structure of the economy, level of government involvement, level of development, growth rate, control of capital investment, control of foreign exchange and allocation of resources. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. For the past four decades, the PRC Government has implemented economic reform measures to emphasise the utilisation of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's current or future businesses, financial condition and results of operations.

The economy of the PRC experienced rapid growth over the past 40 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. In March 2016, Moody's changed the PRC Government's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. In May 2017, Moody's downgraded the sovereign credit rating of the PRC from Aa3 to A1 and changed its outlook to "stable" from "negative", reflecting Moody's expectation that economy-wide debt in the PRC will continue to rise as potential growth slows. In September 2017, Standard & Poor's downgraded the sovereign credit rating of the PRC from AA- to A+, citing its concerns over the level of economic and financial risks within the PRC.

The future performance of the PRC economy is not only affected by the economic and monetary policies of the PRC Government, but has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit. While the International Monetary Fund expects global economic growth to strengthen in 2021 as compared to 2020, there are a number of uncertainties ahead. For example, the ongoing trade dispute between the PRC and the United States and the increase in tariffs that the United States plans to impose on Chinese imports have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world. In Europe, the United Kingdom's exit from the European Union took place on 31 January 2020, where the United Kingdom legally revoked its membership in the 28-nation European Union, and the transition period formally ended on 31 December 2020. There is also substantial uncertainty relating to the impact of the United Kingdom's withdrawal from the European Union on the economic conditions of other part of the world, such as the PRC's, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading currencies) and a possible economic recession involving more countries and areas. Further, the COVID-19 pandemic has resulted in a number of countries declaring a state of emergency and a number of countries, including the PRC, Japan, the United States, members of the European Union and the United Kingdom, imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities arising from the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 pandemic has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time.

The implications for the world and the Group are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay of U.S. fiscal and monetary policies, and aggressive quantitative easing programmes in Japan and Europe may lead to more volatile global capital flows, which could in turn impact global growth. Third, financial market volatility

and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the Group's businesses, financial condition and results of operations.

Economic growth in the PRC has also historically been accompanied by periods of high inflation. Increasing inflation rates were caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and international governmental policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the price of its services and products in amounts that are sufficient to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's businesses, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's businesses, financial condition or results of operations.

To the extent uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's businesses and results of operations could be materially and adversely affected.

The PRC legal system is evolving and may have uncertainty that could limit the legal protection available to or against the Group.

The Group is generally subject to laws and regulations of the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to market participants in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the enforcement of these laws, regulations and rules may be uncertain and their interpretation may not be as consistent or predictable compared to other more developed jurisdictions. Such uncertainty may impede the Group's ability to enforce contracts that the Group has entered into with its investors, creditors, customers, suppliers and business partners. The Group cannot predict the effect of future developments in the PRC legal system or the integration of such developments under the legal systems of other jurisdictions, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, the pre-emption of local regulations by national laws, or the overturn of local government's decisions by itself, provincial or national governments. This uncertainty may limit legal protections available to or against the Group. In addition, any litigation in the PRC may be protracted and could result in substantial costs and may divert the Group's resources or management's attention, all of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Certain PRC regulations governing PRC companies are less developed than those applicable to companies incorporated in more developed countries.

Substantially all members of the Group are established in the PRC and are subject to PRC regulations governing PRC companies. These regulations contain certain provisions that are required to be included in the joint venture contracts, articles of association and all other major operational agreements of these PRC companies and are intended to regulate the internal affairs of these companies. These regulations in general, and the provisions for protection of shareholders' rights and access to information in particular, are less developed than those applicable to companies incorporated in Hong Kong, the United States, the United Kingdom and other developed countries or regions.

It may be difficult to effect service of process upon, or to enforce against, the Issuer or its directors or members of the Issuer's senior management who reside in the PRC in connection with judgments obtained in non-PRC courts.

The Terms and Conditions and the transaction documents will be governed by English law and the Issuer will submit to the exclusive jurisdiction of the Hong Kong courts. However, substantially all of the companies in the Group are incorporated in the PRC and substantially all 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, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. 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, it may not be possible for investors to effect service of process upon the Group or its management in the PRC.

On 14 July 2006, 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 Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**Arrangement**"), which is still in full force and effect as of the date of this Offering Circular and will be replaced by and become invalid when the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and Hong Kong (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 "**New Arrangement**"), which was signed on 18 January 2019, comes into effect. Pursuant to the New Arrangement, if the parties have already signed the choice of court agreement in writing under the Arrangement before the New Arrangement enter into force, the Arrangement shall still apply. Under the Arrangement, where any designated People's Court of the Mainland or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant People's Court of the Mainland or Hong Kong court for recognition and enforcement of the judgment. However, the rights under the Arrangement are limited and the outcome and effectiveness of any action brought under the arrangement may still be uncertain.

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.

In addition, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by 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 Pursuant to Choice of Court Agreements between Parties Concerned. While it is expected that the PRC courts will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area.

The payment of dividends by the Issuer's operating subsidiaries in the PRC is subject to restrictions under the PRC law.

The Issuer operates some of its businesses through its operating subsidiaries in the PRC. The PRC laws require that dividends be paid only out of net profit, calculated according to the PRC accounting

principles, which differ from generally accepted accounting principles in other jurisdictions. In addition, the PRC law requires enterprises set aside part of their net profit as statutory reserves before distributing the net profit for the current financial year. These statutory reserves are not available for distribution as cash dividends. Any legal restrictions on the availability and usage of dividend payments from the Issuer's subsidiaries may impact the Issuer's ability to fund its operations and to service its indebtedness.

The Group is subject to restrictions on the remittance of Renminbi into and out of the PRC and governmental controls on currency conversion, and may be affected by the risks relating to fluctuations in exchange rates in the future.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of PRC. Substantially all of the Group's revenues are denominated in Renminbi, a portion of which may need to be converted into other currencies in order to meet the Group's foreign currency obligations, such as payments of principal and interests under the Bonds or other foreign currency denominated debt, if any.

Under the existing PRC laws and regulations on foreign exchange, payments of current account items, including profit distributions, interest payments and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are complied with. Approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account and capital account transactions under certain circumstances. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currencies to satisfy the Group's foreign currency demands, the Group may not be able to pay interests and/or principal to holders of the Bonds or other foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC.

The proceeds from the offering of the Bonds will be received in U.S. dollars. As a result, any appreciation of Renminbi against the U.S. dollar or any other foreign currencies may result in the decrease in the value of the Group's foreign currency-denominated assets and the Group's proceeds from the offering of the Bonds. The value of Renminbi against the U.S. dollar and other foreign currencies is subject to changes in the PRC's policies, as well as international economic and political developments. On 21 July 2005, the PRC Government adopted a more flexible managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. From 21 July 2005 to 17 March 2014, the floating band of interbank spot foreign exchange market trading price of Renminbi against the U.S. dollar was gradually widened from 0.3 per cent. to 2 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. On 11 December 2015, the China Foreign Exchange Trade System ("CFETS"), a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs Renminbi against 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. The PBOC has further authorised the CFETS to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. In January and February 2016, the Renminbi experienced further fluctuations in value against the U.S. dollar. From 1 January 2017, according to the sampling rule of "CNY versus FX currency pair listed on CFETS", CFETS will add 11 currencies newly listed on CFETS in 2016, and the number of basket currencies will increase from 13 to 24. The International Monetary Fund announced on 30 September 2016 that, effective on 1 October 2016, the Renminbi was added to its Special Drawing Rights currency basket.

Further to the PBOC's adjustment on 11 August 2015, the value of Renminbi depreciated significantly against the U.S. dollar. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. Following the gradual appreciation against the U.S. dollar in 2017, Renminbi experienced a recent depreciation in value against the U.S. dollar followed by a fluctuation in 2018 and early 2019. On 5 August 2019, the PBOC set the Renminbi's daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. With the development of the foreign exchange market and progress towards interest rate liberalisation and Renminbi internationalisation, the PRC Government may in the future announce further changes to the exchange rate system. Furthermore, the Group is required to obtain SAFE's approval before converting significant amounts of foreign currencies into Renminbi. As a result, any significant increase in the value of Renminbi against foreign currencies could reduce the value of the Group's foreign currency-denominated revenue and assets and could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The enforcement of the Labour Contract Law and other labour-related regulations in the PRC may adversely affect the Group's business and results of operations.

The Labour Contract Law was promulgated by the Standing Committee of the National People's Congress on 29 June 2007 and amended on 28 December 2012, which became effective on 1 July 2013. The Labour Contract Law establishes additional restrictions and increases the cost to employers upon termination of employees, including specific provisions related to fixed-term employment contracts, temporary employment, probation, consultation with the labour union and employee general assembly, employment without a contract, dismissal of employees, compensation upon termination and overtime work, and collective bargaining. According to the Labour Contract Law, an employer is obligated to sign an unlimited term labour contract with an employee if the employer continues to employ the employee after two consecutive fixed term labour contracts. The employer must also pay compensation to employees if the employer terminates an unlimited term labour contract unless an employee refuses to extend the labour contract with the employee under the same terms or better terms than those in the original contract. Further, under the Regulations on Paid Annual Leave for Employees which became effective on 1 January 2008, employees who have served more than one year with an employer are entitled to a paid vacation ranging from five to 15 days, depending on their length of service. Employees who waive such vacation time at the request of employers shall be compensated at three times their normal salaries for each waived vacation day. Under the National Leisure and Tourism Outline 2013-2020, which became effective on 2 February 2013, regulations on paid annual leave of employees shall have been implemented on a general basis by 2020. As a result of these protective labour measures or any additional future measures, the Group's labour costs may increase. Although the Group has not experienced any major labour disputes, there can be no assurance that any disputes, work stoppages or strikes will not arise in the future.

RISKS RELATING TO FINANCIAL AND OTHER INFORMATION

The Audited Financial Statements have been prepared and presented in accordance with PRC GAAP, which is different from IFRS in certain respects.

The Audited Financial Statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. Please see "*Summary of Certain Differences between PRC GAAP and IFRS*" for details. Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

The presentation of certain accounting items in the Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Issuer for the previous periods.

The scope of consolidation of the Issuer's consolidated financial statements changes from time to time. Please see "Notes to Financial Statements — VII. Enterprise Merger and Consolidated Financial Statements" of the 2020 Audited Financial Statements and "Notes to Financial Statements — VII. Business combinations and consolidated financial statements" of the 2021 Audited Financial Statements. In addition, MOF had promulgated certain new accounting standards and requirements in relation to financial statements. Please see "Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in Accounting Policies" of the 2020 Audited Financial Statements and "Notes to Financial Statements — V. Description for the Changes in Accounting Policies, Accounting Estimation and Corrections for Prior Accounting Errors — (I) Changes in accounting policies" of the 2021 Audited Financial Statements. As a result, the presentation of certain accounting items in the Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Issuer for the previous periods.

As the scope of consolidation of the Issuer's consolidated financial statements may change from time to time and MOF may promulgate new accounting standards and requirements in relation to financial statements from time to time, there can be no assurance that such changes in scope of consolidation or new accounting standards and requirements would not materially and adversely affect the Issuer's accounting policies or the presentation of the Issuer's consolidated financial statements.

Historical consolidated financial information of the Group is not indicative of its current or future financial condition or results of operations.

The historical financial information of the Group included in this Offering Circular is not indicative of its future financial results. Such financial information is not intended to represent or predict the Group's results of operations of any future periods. The Group's future results of operations may change materially if its future growth deviates from the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the competitive landscape of the industries in which the Group operates its businesses. The Group may also acquire businesses or companies or dispose of its subsidiaries or assets from time to time in accordance with the Group's business objectives. Period-to-period comparisons of the Group's historical operating results must be evaluated in light of the impact of any such transactions.

The Issuer published and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.

The Issuer from time to time issues debt securities in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Issuer needs to publish its quarterly, semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its debt securities issued in the domestic capital markets. After the Bonds are issued, the Issuer is obligated by the terms of the Bonds, among others, to provide holders of the Bonds with its audited financial statements and certain unaudited periodical financial statements. The quarterly and semi-annual financial information published by the Group in the PRC is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited or reviewed information. The Issuer is not responsible to holders of the Bonds for the unaudited and unreviewed financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information.

Certain facts and statistics in this Offering Circular are derived from publications not independently verified by the Issuer, the Joint Lead Managers, the Trustee, the Agents or their respective advisers.

This Offering Circular contains facts and statistics relating to the economy of the PRC, Guangxi and the industries in which the Group operates. While the Issuer has taken reasonable care to select reputable and reliable information sources and ensure that the facts and statistics relating to the PRC, and Guangxi and the industries in which the Group operates presented are accurately extracted from such sources, such facts and statistics have not been independently verified by the Issuer, the Joint Lead Managers, the Trustee, the Agents or their respective advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

Da Hua, the Issuer's independent auditors, has been subject to litigation, investigations, sanctions and penalties.

Certain branch offices of Da Hua have been subject to investigations and penalties by the relevant regulatory authorities. Although Da Hua has confirmed that such litigation, investigations, sanctions or penalties will not affect (i) its accountant qualifications, and (ii) its capacity to issue the audited report included elsewhere in this Offering Circular, investors should exercise caution in assessing the quality of the financial statements audited by Da Hua before making any investment decision in relation to the Bonds.

There may be limited publicly available information about the Issuer than is available in certain other jurisdictions.

As the Issuer is a private company, there may be less publicly available information about them than is regularly made available by other listed companies in certain other jurisdictions.

RISKS RELATING TO THE BONDS

Any failure to complete the relevant filings under the NDRC Circular and the relevant registration with SAFE within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds.

The NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a maturity of not less than one year issued outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the relevant issues within 10 working days after the completion of the issue of the securities. The NDRC Circular is silent on the legal consequences of noncompliance with the pre-issue registration requirement. The Issuer has obtained the NDRC pre-issuance registration on 19 April 2022. Similarly, the legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular is unclear. In the worst case scenario, such noncompliance with the post-issue notification requirement under the NDRC Circular may result in it being unlawful for the Issuer to perform or comply with any of its obligations under the Bonds and the Bonds might be subject to enforcement as provided in Condition 9 (*Events of Default*) of the Terms and Conditions. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer will undertake in the Terms and Conditions to notify the NDRC of the particulars of the issue of the Bonds within 10 Registration Business Days after the Issue Date.

In accordance with the Administrative Measures for Foreign Debt Registration issued by SAFE on 28 April 2013, which came into effect on 13 May 2013, the Issuer shall complete foreign debt registration in

respect of the issue of the Bonds with the local branches of SAFE in accordance with the relevant laws and regulations. According to the Operating Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with the Administrative Measures for Foreign Debt Registration, the Issuer is required to register the Bonds within 15 working days after execution of the Trust Deed and complete such registration in accordance with the Administrative Measures for Foreign Debt Registration. If applicable, the Issuer may also be required or requested by the relevant governmental authority to file or cause to be filed with SAFE the Bonds pursuant to the Circular of the People's Bank of China on Matters relating to the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (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(銀發[2017] 9號)) issued by PBOC which came into effect on 12 January 2017. Before such registration of the Bonds is completed, it is uncertain whether the Bonds are enforceable as a matter of PRC law and it may be difficult for Bondholders to recover amounts due from the Issuer, and the Issuer may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet its payment obligations under the Bonds. Pursuant to article 27(5) of the Administrative Measures for Foreign Debt Registration, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 1996 with the latest version effective in 2008. However, pursuant to article 40 of the Foreign Debt Administration Provisional Rules (外債管理暫行辦法) promulgated by MOF, the NDRC and SAFE, a failure by a domestic entity to register a foreign debt contract will render the contract not legally binding and unenforceable. Under the Terms and Conditions, the Issuer will undertake to use its best endeavours, and it intends, to complete the registration of the Bonds with SAFE within 120 Registration Business Days of the Issue Date. The Issuer has already consulted with local SAFE in connection with the registration procedures and documentary requirements. The Issuer does not foresee any obstacle in completing the registration within the abovementioned period. In the unlikely event that having exercised its best endeavours, the Issuer is unable to complete such registration within the abovementioned time period, investors will have the right to require the Issuer to redeem their holding of the Bonds. However, notwithstanding such right, the Issuer may have difficulty in remitting funds offshore to service payments in respect of the Bonds and investors may encounter difficulties in enforcing judgments obtained in the Hong Kong courts with respect to the Bonds and the Trust Deed in the PRC. In such circumstances, the value and secondary market price of the Bonds may also be materially and adversely affected.

As a holding company, the Issuer has only limited sources of funding in order to meet its debt obligations.

As a holding company, the Issuer operates its business mainly through its subsidiaries. Accordingly, the Issuer has limited sources of funding available to it to service its debts and its ability to meet the obligations under its debt obligations. These mainly include dividends and repayments on intercompany loans received from its subsidiaries, as well as divestments of investment assets and obtaining external financing.

With respect to dividends and repayments of intercompany loans from its subsidiaries, if a Group's subsidiary incurs any debt, such debt may impair the Group's subsidiary from distributing dividends or making other distributions to the Issuer ultimately. In addition, PRC laws require that dividends can only be paid out of the net income calculated according to PRC GAAP and financial regulations in the PRC. In addition, the PRC laws require the companies incorporated in the PRC to set aside part of their net income as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Such restrictions may have an adverse effect on the Issuer's ability to service its debts and its ability to meet its debt obligations as the Issuer relies heavily on dividends and repayments from its subsidiaries.

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 Issuer is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer would likely involve insolvency laws of the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

A trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. Although application will be made for the listing of the Bonds on the Stock Exchanges, such listing can give no assurance as to the liquidity of, or trading market for, the Bonds. None of the Joint Lead Managers are obligated to make a market in the Bonds, and if any Joint Lead Manager does so it may discontinue such market-making activity at any time without notice. Further, the Bonds may be allocated to a limited number of investors, in which case liquidity may be limited. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Bonds will only be able to resell the Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is the obligation of investors to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Please see "*Subscription and Sale*". The Issuer cannot predict whether an active trading market for the Bonds will develop or be sustained.

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

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Issuer does not have any control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

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

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

The liquidity and price of the Bonds following the offering may be volatile.

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

Restrictive covenants contained in debt agreements of the Group may limit the Group's ability to incur additional indebtedness and restrict its future operations, and failure to comply with these restrictive covenants may result in defaults under the terms of these agreements, or the Bonds, and may also adversely affect the Group's liquidity, financial condition and results of operations.

Certain debt agreements entered into by members of the Group contain operational and financial restrictions that prohibit such member of the Group from incurring additional indebtedness, restrict such

member of the Group from creating security or granting guarantees or prohibit such member of the Group from changing its business and corporate structure, or amending its articles of association, in each case without the lender's prior consent. If any member of the Group is unable to comply with its current or future obligations under the agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the lenders could terminate their commitments to lend, accelerate repayment of the debts, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements entered into by members of the Group, including the Bonds, contain (or may in the future contain) cross-acceleration or cross-default provisions. The default by the relevant member of the Group under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Bonds. As a result, these restrictions in the debt agreements may potentially negatively affect the ability of the relevant member of the Group to respond to changes in market conditions, pursue the business opportunities the Issuer believes to be desirable, obtain future financing, fund capital expenditures, or withstand a continuing or future downturn in the Group's business. There can also be no assurance that in the event of occurrence of any acceleration of repayment or default, the relevant member of the Group will have sufficient assets and cash flows to repay in full all of their indebtedness, or that such member would be able to find alternative financing. Even if alternative financing could be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Group. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligations, including the Bonds.

Modifications and waivers may be made in respect of the Terms and Conditions, the Agency Agreement and/or the Trust Deed by the Trustee or less than all of the holders of the Bonds, and decisions may be made on behalf of all holders of the Bonds that may be adverse to the interests of the individual holders of the Bonds.

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

The Terms and Conditions will provide that the Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with the Terms and Conditions or any of the provisions of the Trust Deed and/or the Agency Agreement which in the opinion of the Trustee is not materially prejudicial to the interests of the Bondholders, and (ii) any modification of the Trust Deed, the Agency Agreement and/or the Terms and Conditions which in the opinion of the Trustee is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law.

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

In certain circumstances (including, without limitation, giving of notice to the Issuer pursuant to Condition 9 (*Events of Default*) of the Terms and Conditions and taking steps and/or actions and/or instituting proceedings pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions), the Trustee may (at its sole discretion) 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 the Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not first 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 impact on when such steps and/or actions can be taken and/or when such proceedings can be

instituted. The Trustee may not be able to take steps or actions and/or institute proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed constituting the Bonds or the Terms and Conditions and in such circumstances, or where there is uncertainty or any dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Bondholders to take such steps and/or actions and/or to institute such proceedings directly.

Gains on the transfer of the Bonds may be subject to income tax and value-added tax under PRC tax laws.

Under the EIT Law, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “**Taxation Arrangement**”) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied. As the Bonds will be held in the clearing system, it is not possible to ascertain the jurisdiction of the holder of the Bonds.

Pursuant to the EIT Law, the PRC Individual Income Tax Law (the “**IIT Law**”) which took effect on 30 June 2011 and amended on 31 August 2018, and the implementation regulations in relation to both the EIT Law and IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

On 23 March 2016, MOF and the State Administration of Taxation issued Circular 36, which introduced a new VAT from 1 May 2016. VAT is applicable where entities or individuals provide services within the PRC. The Issuer will be obligated to withhold VAT of up to 6 per cent. (together with certain surcharges, if any) on payments of interest and certain other amounts on the Bonds paid by the Issuer to the Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of the Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of the Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of the Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

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

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

Each potential investor in any Bond 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 relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant 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 relevant Bonds;
- understand thoroughly the terms of the relevant 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.

A potential investor should not invest in 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 such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, 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 (a) Bonds are legal investments for it, (b) Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts and the Bondholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Terms and Conditions and the transaction documents will be governed by English law, whereas parties to the Trust Deed, the Terms and Conditions and the Agency Agreement will submit to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排), judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have

agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Bondholders' ability to initiate a claim outside of Hong Kong will be limited.

A change in English law which will govern the Bonds may adversely affect holders of the Bonds.

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 to English law or administrative practice after the date of issue of the Bonds.

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

The Bonds will be represented initially by interests in the Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream. 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 the 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 affiliates, directors, employees, agents, representatives, officers 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 the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

The Bonds are unsecured obligations.

The Bonds are unsecured obligations of the Issuer. The repayment of the Bonds may be adversely affected if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

If any of these events were to occur, the Issuer's assets may not be sufficient to pay amounts due on the Bonds.

The Bonds may be redeemed by the Issuer prior to maturity.

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued up to the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

If the Issuer redeems the Bonds prior to their maturity date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

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

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

The Issuer may issue additional Bonds in the future.

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

The Bonds will be structurally subordinated to the existing and future indebtedness and other liabilities and commitments of the Issuer's existing and future subsidiaries and effectively subordinated to the Issuer's secured debt to the extent of the value of the collateral securing such indebtedness.

The Bonds will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's existing or future subsidiaries, whether or not secured. The Bonds will not be guaranteed by any of the Issuer's subsidiaries, and the Issuer may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer is subject to various restrictions under applicable laws. The Issuer's subsidiaries will be separate legal entities that have no obligation to pay any amounts due under the Bonds or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's right to receive assets of any of the Issuer's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer is creditor of that subsidiary). Consequently, the Bonds will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any subsidiaries that the Issuer may in the future acquire or establish.

The Bonds are the Issuer's unsecured obligations and will (i) rank at least equally in right of payment with all the Issuer's other present and future unsecured and unsubordinated obligations; (ii) be effectively subordinated to all of the Issuer's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's present and future subordinated obligations, subject in all cases to exceptions as may be provided by applicable legislation. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Bonds only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Issuer's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

Any ratings expected to be assigned to the Bonds may be downgraded or withdrawn in the future.

The Bonds are expected to be rated "BBB" by Fitch. Any such ratings represent only the opinions of the assigning rating agencies and their assessments of the ability of the Issuer to perform its obligations under the Bonds, the Trust Deed and the Agency Agreement and credit risks in determining the likelihood that payments will be made when due under the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, qualification, suspension, reduction or withdrawn at any time. There can be no assurance that any such ratings will remain for any given period of time or that any such ratings will not be lowered or withdrawn entirely by the assigning rating agencies if in their judgment circumstances in the future so warrant. The Group is not obligated to inform holders of the Bonds of any such revision, downgrade or withdrawal, except in the event of a Rating Withdrawal. Any such ratings should be evaluated independently of any other rating of the Bonds or other securities of the Issuer (if any). A revision, qualification, suspension or withdrawal at any time of any rating assigned to the Bonds may adversely affect the market price of the Bonds.

EXCHANGE RATES

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the markets during the prior day. The PBOC also takes into account other factors such as the general conditions existing in the international foreign exchange market. Since 1994, the conversion of Renminbi into foreign currencies, including HK dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's inter-bank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC Government changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar only, to allow the value of the Renminbi to fluctuate within a narrow and managed band based on market supply and demand and by reference to a basket of currencies. This change in policy has resulted in a significant appreciation of the Renminbi against the U.S. dollar.

The PRC Government has made further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 a.m. 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 that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 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. On 19 June 2010, the PBOC announced that in view of the recent economic situation and financial market developments in China and abroad, and the balance of payments situation in China, it has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands will remain the same as previously announced but the PBOC will place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. On 12 April 2012, the PBOC announced that on 16 April 2012, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar would be enlarged from 0.5 per cent. to 1.0 per cent. around the central parity rate, allowing the Renminbi to fluctuate against the U.S. dollar by up to 1.0 per cent. above or below the central parity rate published by the PBOC. The PBOC announced on 15 March 2014 that since 17 March 2014, the floating band for the trading prices in the inter-bank foreign exchange spot market of Renminbi against the U.S. dollar was further expanded from 1 per cent. to 2 per cent. On each business day, the spread between the Renminbi and U.S. dollar buying and selling prices offered by the designated foreign exchange banks to their clients shall be within 3 per cent. of the published central parity of the U.S. dollar on that day, instead of 2.0 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. For three conservative days commencing 11 August 2015, the PBOC devalued the Renminbi against the U.S. dollar, leading to declines in the value of the Renminbi versus the U.S. dollar of up to 2.8 per cent. in currency markets and representing the largest single-day drop in the value of the Renminbi since 1994. On 11 December 2015, CFETS, a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. In January and February 2016, Renminbi experienced further fluctuations in value against the U.S. dollar. From 1 January 2017, according to the sampling rule of "CNY versus FX currency pair listed on CFETS", CFETS will add 11 currencies newly listed on CFETS in 2016 and the number of basket currencies will increase from 13 to 24. Following the gradual appreciation against U.S. dollar in 2017, Renminbi experienced a recent depreciation in value against U.S. dollar followed by a fluctuation in 2018 and early 2019. On 5 August 2019, the PBOC set the Renminbi's daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC Government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

Although PRC Governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign currency for capital items, such as foreign direct investment, loans or security, requires the approval of SAFE and other relevant authorities.

The table below sets forth for the periods indicated, certain information concerning the exchange rates between Renminbi and U.S. dollars.

Period	Noon buying rate ⁽¹⁾			
	Low	Average ⁽²⁾	High	Period End
	RMB per U.S.\$1.00			
2017	6.4773	6.7350	6.9575	6.5063
2018	6.8343	6.8839	6.9077	6.8755
2019	6.9618	6.9081	7.1786	6.6822
2020	6.5250	7.0041	7.1348	6.5250
2021	6.3435	6.4382	6.5716	6.3726
2022				
January	6.3257	6.3556	6.3822	6.3610
February	6.3084	6.3436	6.3660	6.3084
March	6.3116	6.3446	6.3720	6.3393
April	6.3590	6.4310	6.6243	6.6080
May	6.6079	6.6990	6.7880	6.6715
June (up to 24 June)	6.6534	6.6944	6.7530	6.6878

Notes:

1. Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.
2. Annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds substantially in the form in which they (subject to modification and other than the text in italics) will be endorsed on the definitive Certificates and referred to in the global certificate.

The U.S.\$300,000,000 3.95 per cent. bonds due 2025 (the “**Bonds**”, which expression, unless the context requires otherwise, includes any further bonds issued pursuant to Condition 15 of these terms and conditions of the Bonds (these “**Conditions**”) and to be consolidated and forming a single series therewith) of Guangxi Communications Investment Group Corporation Ltd. (廣西交通投資集團有限公司) (the “**Issuer**”) are constituted by a trust deed (as amended and/or supplemented and/or replaced from time to time, the “**Trust Deed**”) dated on or about 12 July 2022 made between the Issuer and The Bank of New York Mellon, London Branch, a banking corporation organised and existing under the laws of the State of New York with limited liability and operating through its branch in London at One Canada Square, London E14 5AL, United Kingdom (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the Holders (as defined below). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed.

The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer on 22 November 2021 and approved by the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangxi Zhuang Autonomous Region on 10 December 2021.

Copies of the Trust Deed, the agency agreement (as amended and/or supplemented and/or replaced from time to time, the “**Agency Agreement**”) dated on or about 12 July 2022 made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successor or additional transfer agent appointed from time to time in connection with the Bonds) and any other agents appointed thereunder are available for inspection 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)) by the Bondholders (as defined below) at the principal office for the time being of the Trustee, being at the Issue Date (as defined below) at One Canada Square, London E14 5AL, United Kingdom, and at the specified office of the Principal Paying Agent, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent. References herein to “**Paying Agents**” include the Principal Paying Agent, and “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time under the Agency Agreement with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and 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. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Bonds by the same Holder.

Title to the Bonds shall pass by transfer and registration in the Register (as defined below) as described in Condition 3. The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, “**Bondholder**” or, in respect of any Bond, “**Holder**” means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. The Terms and Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See “Summary of Provisions relating to the Bonds in Global Form”.*

2 STATUS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause the register (the “**Register**”) to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f) herein, a Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or any Transfer Agent.

In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

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

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of Bonds pursuant to Condition 3(b) shall be made available for delivery within five business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of such Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described herein (see “Summary of Provisions relating to the Bonds in Global Form”), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form.

(d) Formalities Free of Charge

Registration of transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any Agent may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

(e) Closed Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (but excluding) the due date for any payment of principal (or premium) in respect of that Bond; (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)); (iii) after notice of redemption has been given by the Issuer pursuant to Condition 6(b); or (iv) after any such Bond has been put for redemption pursuant to Condition 6(c).

(f) Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of the Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed from time to time by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection (free of charge to the Holder and at the Issuer's expense) by the Registrar at its specified office to any Bondholder at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday (other than public holidays)) following prior written request and proof of holding and identity to the satisfaction of the Registrar.

4 COVENANTS

(a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer 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 any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

(b) Undertakings relating to Foreign Debt Registration

The Issuer undertakes that it will (i) within the prescribed timeframe, submit or cause to be submitted an application for registration of the Bonds with SAFE pursuant to the Administrative Measures for Foreign Debt Registration and its operating guidelines, effective as of 13 May 2013 and amended on 4 May 2015 and Guidelines for Capital Account Foreign Exchange Business (2020 Edition) (《資本項目外匯業務指引》(2020年版), and if applicable, the Circular of the People's Bank of China on Matters relating to the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (《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》)(銀發[2017] 9號) issued by the PBOC which came into effect on 12 January 2017 and any implementation rules, reports, certificates, approvals or guidelines as issued by SAFE or the PBOC, as the case may be, from time to time (the "**Foreign Debt Registration**"), (ii) use its best endeavours to obtain from SAFE a registration record or any other document evidencing the completion of the Foreign Debt Registration on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds.

(c) Notification to NDRC

The Issuer undertakes that it will within 10 Registration Business Days after the Issue Date file or cause to be filed with the NDRC the requisite information and documents in accordance with the Circular of the NDRC on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (《國家發展改革委關於推進企業發行外債備案登記制管理改革的通知》(發改外資[2015]2044號)) issued by the NDRC and effective as of 14 September 2015 and any implementation rules as issued by the NDRC from time to time (the "**NDRC Post-issue Filing**").

(d) Notification of Completion of the Foreign Debt Registration and the NDRC Post-issue Filing

The Issuer shall within ten Registration Business Days after the later of submission of the NDRC Post-issue Filing and receipt of the relevant SAFE registration record (or any other document evidencing the completion of the Foreign Debt Registration), and in any event on or before the Registration Deadline, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory confirming (A) the completion of the NDRC Post-issue Filing and the Foreign Debt Registration and (B) that no Change of Control, Event of Default or any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default has occurred; and (ii) copies of the relevant documents evidencing the NDRC Post-issue Filing (if any) and the Foreign Debt Registration, each certified in English by an Authorised Signatory as a true and complete copy of the original (the items specified in (i) and (ii) of this Condition 4(d) together, the “**Registration Documents**”). In addition, the Issuer shall, within ten Registration Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to monitor or ensure the Foreign Debt Registration is completed as required by Condition 4(b) or the NDRC Post-issue Filing is made as required by Condition 4(c) or to assist with either the NDRC Post-issue Filing or the Foreign Debt Registration or to verify the accuracy, content, completeness, validity and/or genuineness of any Registration Documents or any translation or certification thereof or to procure that any Registration Document or any other certificate, confirmation, information or other document not in English is translated into English or to verify the accuracy of any English translation of any certificate, confirmation or other document (if any) or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration, and the Trustee shall not be liable to the Issuer, the Bondholders or any other person for any of the foregoing and for not doing so.

(e) Financial Information

So long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer will furnish the Trustee with (i) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance (and the Trustee shall not be liable to any Bondholder or any other person for such reliance)) and a copy of the Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”) (audited by a nationally or an internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date)) and (ii) a copy of the Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports, and if such financial reports under (i) or (ii) of this Condition 4(e) shall be in the Chinese language, together with an English translation of the same and translated by (A) a nationally or an internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date) or (B) a professional translation service provider and checked by a nationally or an internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date), together with a certificate in English signed by an Authorised Signatory certifying that such translation is complete and accurate, in each case under this Condition 4(e). The Trustee shall be entitled

to assume that each such English translation it receives is a complete and accurate translation of the original, and may rely conclusively and without liability to any Holder, the Issuer or any other person on any such translation.

(f) Definitions

In these Conditions:

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

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

- (i) no Event of Default (as defined in Condition 9) or Potential Event of Default has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (ii) the Issuer has complied with all its covenants and obligations under the Trust Deed and the Bonds;

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

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

“**PBOC**” means the People’s Bank of China;

“**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, for the purposes of these Conditions only, excludes 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 and Guangxi Zhuang Autonomous Region;

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

“**Relevant Indebtedness**” means any indebtedness issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which, for the avoidance of doubt, does not include bilateral loans, syndicated loans or club deal loans);

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

“**SAFE**” means the State Administration of Foreign Exchange of the People’s Republic of China or its local branch;

“**Subsidiary**” means, with respect to any person, (i) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (ii) any corporation, association and other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person;

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

“**Voting Stock**” means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

5 INTEREST

(a) Interest Rate and Interest Payment Dates

The Bonds bear interest on their outstanding principal amount from and including 12 July 2022 (the “**Issue Date**”) at the rate of 3.95 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$19.75 per Calculation Amount (as defined below) on 12 January and 12 July in each year (each an “**Interest Payment Date**”) commencing on 12 January 2023. Interest in respect of any Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”).

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). In these Conditions, the period beginning on and including the Issue

Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date are each called an “**Interest Period**”.

6 REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 12 July 2025 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) 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 (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with any unpaid interest accrued to (but excluding) the date fixed for redemption) if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer 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 any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 5 July 2022, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by any Authorised Signatory stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Bondholders and the Trustee shall be protected and shall have no liability to the Issuer, any Bondholder or any other person for so accepting and relying on such certificate or opinion.

(c) Redemption for Relevant Events

Following the occurrence of a Relevant Event, a Holder will have the right (the “**Relevant Event Put Right**”), at such Holder’s option, to require the Issuer to redeem all, but not some only, of such Holder’s Bonds on the Put Settlement Date (as defined below in this Condition 6(c)) at 101 per cent. (in the case of a redemption for a Change of Control or a Rating Withdrawal) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with unpaid interest accrued to (but excluding)

the Put Settlement Date. To exercise such right, the Holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following the occurrence of 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 “**Put Settlement Date**” shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

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

Not later than 14 days following the day on which the Issuer becomes aware of a Relevant Event, the Issuer shall procure that notice regarding such Relevant Event shall be delivered to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 16) stating:

- (i) the Put Settlement Date;
- (ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control, the No Registration Event or the Rating Withdrawal;
- (iii) the date by which the 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) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise the Relevant Event Put Right; and
- (vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and none of them shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or connection with the Registration Documents and none of them shall be liable to Holders, the Issuer or any other person for not doing so.

For the purpose of these Conditions:

- (A) a “**Change of Control**” occurs when:
 - (I) (x) the Guangxi Government, and (y) any other person directly or indirectly Controlled by the central government of the PRC, together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or

(II) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person(s), except where such Person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are, directly or indirectly, wholly owned by the Guangxi Government;

- (B) “**Control**” means (where applicable) (I) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of a person or (II) the right to appoint and/or remove all or the majority of the members of a person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; the term “**Controlled**” has meanings correlative to the foregoing;
- (C) a “**Credit Rating**” means a credit rating for the Bonds from Moody's, Fitch or S&P;
- (D) “**Fitch**” means Fitch Ratings Inc. and its successors;
- (E) “**Guangxi Government**” means the People's Government of Guangxi Zhuang Autonomous Region;
- (F) “**Moody's**” means Moody's Investors Service, Inc. and its successors;
- (G) a “**No Registration Event**” occurs when the Registration Conditions are not satisfied on or before the Registration Deadline;
- (H) 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 Issuer's board of directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect subsidiaries;
- (I) a “**Rating Withdrawal**” means at any time the Issuer fails to maintain at least one Credit Rating for so long as any Bond remains outstanding;
- (J) a “**Rating Agency**” means any of Moody's, Fitch or S&P or any of their respective successors and assigns;
- (K) “**Registration Conditions**” means the receipt by the Trustee of the Registration Documents relating to the Foreign Debt Registration as set forth in Condition 4(d);
- (L) a “**Relevant Event**” will be deemed to occur if:
 - (I) there is a Change of Control;
 - (II) there is a No Registration Event; or
 - (III) there is a Rating Withdrawal; and
- (M) “**S&P**” means S&P Global Ratings and its successors.

(d) Purchase

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder thereof to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

(e) Notice of Redemption

All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption, and none of them shall be liable to Holders, the Issuer or any other person for not doing so.

So long as the Bonds are represented by the Global Certificate, a right of a Holder to redeem the Bonds following the occurrence of a Relevant Event will be effected in accordance with the rules of the relevant clearing systems.

(f) Cancellation

All Certificates representing Bonds redeemed or purchased by or on behalf of the Issuer and its Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7 PAYMENTS

(a) Method of Payment:

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii).
- (ii) Interest on each Bond shall be paid, on the due date for payment, to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the “**Record Date**”). Such payments of interest on each Bond shall be made by transfer to the registered account of the relevant Bondholder. For the purpose of this Condition 7, a Bondholder’s “**registered account**” means the U.S. dollar denominated 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 Record Date.

- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

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

- (b) **Payments subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 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 commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment, or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Payment Business Day on which the Principal Paying Agent is open for business and on or following which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

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

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

- (f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are generally open for business in New York City, the place in which the specified office of the Principal Paying Agent is located and Hong Kong.

8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 5 July 2022 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, then the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (a) **Other connection:** to a Holder (or to a third party on behalf of a Holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days.

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any additional tax amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed or the Bonds.

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

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessment, governmental 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, any Bondholder or any third party to pay such tax, duty, assessment, governmental 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 or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

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

An “**Event of Default**” occurs if:

- (a) **Non-Payment:** there has been a failure to pay (i) the principal of any of the Bonds when due or (ii) any interest on any of the Bonds when due within seven days of the due date for payment thereof; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its obligations under the Bonds or the Trust Deed (other than those referred to in Condition 9(a) or where such default gives rise to a right of redemption pursuant to Condition 6(c)) and (i) such default is in the opinion of the Trustee incapable of remedy or, (ii) if such default is in the opinion of the Trustee capable of remedy, it is not remedied within 30 days after the Trustee has given written notice thereof to the Issuer; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (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 originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds in the aggregate U.S.\$50,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 45 days; or

- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries on the whole or any material part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 45 days; or
- (f) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or a material part of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Principal Subsidiaries; or
- (g) **Winding-up:** an order of any court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except for any voluntary solvent winding-up of any of the Principal Subsidiaries), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, (A) whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer, or (B) a disposal of such Principal Subsidiary or such Principal Subsidiary's business or assets on an arm's length basis where the proceeds or other consideration resulting from such disposal are fully vested in the Issuer or any of its Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; or
- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or
- (k) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 9(d) to 9(j) (both inclusive).

In this Condition 9:

“Principal Subsidiary” means any Subsidiary of the Issuer:

- (a) whose total operating income or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total operating income, as shown by its latest audited income statement, is at least five per cent. of the consolidated total operating income as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (b) whose profit from operations or (in the case of a Subsidiary which itself has Subsidiaries) consolidated profit from operations, as shown by its latest audited income statement, is at least five per cent. of the consolidated profit from operations as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet, are at least five per cent. of the amount which equals the amount included in the consolidated total assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or
- (d) whose net profit for the year or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profit for the year, as shown by its latest audited income statement, is at least five per cent. of the consolidated net profit for the year as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (e) 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, provided that 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 cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate), of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a), (b), (c) or (d) above of this definition;

provided that, in relation to paragraphs (a), (b), (c) and (d) above of this definition:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a

Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, total operating income, profit from operations, total assets or net profit for the year of the Issuer 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 Issuer;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total operating income, profit from operations, total assets or net profit for the year (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 Issuer; and
- (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above of this definition) are not consolidated with those of the Issuer, 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 Issuer prepared for this purpose by the Issuer.

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

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

12 MEETINGS OF HOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Bondholders (and of passing written resolutions or Electronic Consent (as defined in the Trust Deed)) to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from the Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons

holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing the Bondholders whatever the aggregate principal amount of the Bonds held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the Maturity Date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium (if any) payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or (iv) to modify the provisions concerning the quorum required at any meeting of 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. Any Extraordinary Resolution duly passed shall be binding on Bondholders, whether or not they were present at the meeting at which such resolution was passed.

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the Bondholders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing or by Electronic Consent will be binding on all Bondholders whether or not they participated in such resolution.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream or the Alternative Clearing System, a resolution passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with any of these Conditions or any of the provisions of the Trust Deed and/or the Agency Agreement which in its opinion is not materially prejudicial to the interests of the Bondholders, or (ii) any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law. Any such modification, waiver or authorisation shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16.

(c) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 ENFORCEMENT

At any time after 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 as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement and/or the Bonds, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 INDEMNIFICATION OF THE TRUSTEE

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

The Trustee and the Agents may accept and shall be entitled to rely conclusively, and may act or refrain from acting, in each case without liability to the Bondholders, the Issuer or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, 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 in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Bondholders.

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

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer and any other person appointed by the Issuer 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 to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the

Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

The Trustee shall have no obligation to monitor or take any steps to ascertain whether an Event of Default, a Potential Event of Default or a Relevant Event has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of, and independent investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

15 FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the timing for complying with the Registration Conditions, the completion of the Foreign Debt Registration and the NDRC Post-issue Filing) and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed.

16 NOTICES

All notices to the Holders will be valid if (i) mailed to them by uninsured mail at their respective addresses in the Register and (ii) published in a leading newspaper having general circulation in Asia. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV or Clearstream Banking S.A. or the Alternative Clearing System (as defined in the Global Certificate), notices to the Holders shall be validly given by the delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking S.A. or the Alternative Clearing System, for communication by it to entitled accountholders 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.

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

(a) Governing Law

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

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

(c) Agent for Service of Process

The Issuer has irrevocably appointed in the Trust Deed an agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason the Issuer ceases to have such an agent in Hong Kong, it will promptly appoint a substitute process agent and will notify the Trustee of such appointment within 14 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

The Issuer has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented 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 while they are in global form, some of which will modify the effect of the Terms and Conditions set out in this Offering Circular. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions set out in this Offering Circular have the meaning in the paragraphs below.

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

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

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system through which the Bonds are held (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.

The individual definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. Such exchange will be effected in accordance with the provisions of the Trust Deed, the Agency Agreement and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds or the Trustee, but against such indemnity and/or security as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

PAYMENT

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

CALCULATION OF INTEREST

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

NOTICES

So long as the Bonds are represented 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.

MEETINGS

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

BONDHOLDER'S REDEMPTION

The Bondholder's redemption option in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions.

ISSUER'S REDEMPTION

The options of the Issuer provided for in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions.

TRANSFERS

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

CANCELLATION

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

TRUSTEE'S POWERS

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the

circumstances, but without being 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.

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

USE OF PROCEEDS

The Issuer estimates that the net proceeds from the offering of the Bonds, after deducting commissions to be charged by the Joint Lead Managers and other estimated expenses payable in connection with the offering of the Bonds, will be approximately U.S.\$298 million. The net proceeds will be used for refinancing the Issuer's offshore bonds maturing in September 2022.

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the consolidated total borrowings (both current and non-current portions), total equity and total capitalisation of the Issuer as at 31 December 2021 and adjusted to give effect to the issue of the Bonds:

	As at 31 December 2021			
	Actual		As adjusted	
	(CNY)	(U.S.\$) ⁽¹⁾	(CNY)	(U.S.\$) ⁽¹⁾
Short-term indebtedness:				
Short-term Loans	18,340,334,330.93	2,877,998,671.02	18,340,334,330.93	2,877,998,671.02
Notes Payable	2,488,743,618.27	390,538,181.95	2,488,743,618.27	390,538,181.95
Long-term Loans due within one-year	9,457,033,468.03	1,484,014,918.25	9,457,033,468.03	1,484,014,918.25
Bonds Payable due within one-year	12,347,538,230.17	1,937,598,190.72	12,347,538,230.17	1,937,598,190.72
Short-term Bonds Payable	8,265,103,315.06	1,296,975,067.49	8,265,103,315.06	1,296,975,067.49
Total short-term indebtedness	50,898,752,962.46	7,987,125,029.42	50,898,752,962.46	7,987,125,029.42
Long-term indebtedness:				
Long-term Loans	213,737,848,328.44	33,540,132,493.56	213,737,848,328.44	33,540,132,493.56
Bonds Payable	30,599,677,780.84	4,801,757,176.17	30,599,677,780.84	4,801,757,176.17
Bonds to be issued	—	—	1,911,780,000.00	300,000,000.00
Total long-term indebtedness	244,337,526,109.28	38,341,889,669.72	246,249,306,109.28	38,641,889,669.72
Total indebtedness⁽²⁾	295,236,279,071.74	46,329,014,699.14	297,148,059,071.74	46,629,014,699.14
Total Owners' Equity				
(or Shareholders' Equity):	183,926,195,094.82	28,862,033,564.76	183,926,195,094.82	28,862,033,564.76
Total capitalisation⁽³⁾	479,162,474,166.56	75,191,048,263.90	481,074,254,166.56	75,491,048,263.90

Notes:

- (1) For convenience only, all translations from Renminbi into U.S. dollars are made at the rate of CNY6.3726 to U.S.\$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 30 December 2021.
- (2) Total indebtedness equals the sum of total short-term indebtedness and total long-term indebtedness.
- (3) Total capitalisation represents the sum of total indebtedness and total equity.

There has been no material adverse change in the consolidated capitalisation and indebtedness of the Issuer since 31 December 2021.

DESCRIPTION OF THE GROUP

OVERVIEW

Established in July 2008, the Issuer is wholly-owned by the Guangxi SASAC and the Group is one of the largest state-owned enterprises in Guangxi in terms of asset value. In 2021, the Issuer was ranked 150th in the “2021 Top 500 Service Enterprises of China”. As at 31 March 2022, the Group had approximately 92 consolidated subsidiaries, including 76 wholly-owned subsidiaries, 16 controlled subsidiaries and 5 participating stock subsidiaries.

The Group plays a strategic role in the investment, construction, operation and management of the transportation infrastructure in Guangxi. The Group is principally engaged in the investment, operation, management and construction of toll expressways and highways in Guangxi, investment and construction of railways in Guangxi, sale of refined oil products, materials trading and other businesses such as real estate and financial services.

As at 31 December 2021, the Issuer had a share capital of CNY30.105 billion. For the years ended 31 December 2019, 2020 and 2021, the Issuer reported total operating income of approximately CNY48.04 billion, CNY47.29 billion and CNY59.25 billion, respectively, and net profit of approximately CNY0.71 billion, CNY0.17 billion and CNY1.04 billion, respectively.

Toll Expressways and Highways Business Segment

The Group is a leading player in the toll expressway and highway operation and construction industries in Guangxi. It plays a strategic role in the construction of Guangxi’s transportation infrastructure and the development of Guangxi’s transportation industry. As at 31 March 2022, the expressway sections operated by the Group in Guangxi were of a total toll length of approximately 4,794.24 kilometres, representing approximately 64.87 per cent. of the total toll length of the expressways in Guangxi. As at 31 March 2022, the expressway or highway sections under construction by the Group was of a total planned length of approximately 1,027.97 kilometres and involved a total estimated investment of approximately CNY175.55 billion. The Group’s toll expressways and highways business segment can be broadly divided into two sub-segments: (i) operation and management of toll expressways and highways; and (ii) construction of toll expressways and highways.

Railway Investment and Construction Business Segment

The Group conducts its railway investment and construction business primarily through one of the Issuer’s wholly-owned subsidiaries, namely, Guangxi Railway Investment. It is the sole professional investment entity engaging in railway investment, construction and management in Guangxi. It is entrusted by the Guangxi Government to improve the railway network in Guangxi through the investment and construction of railways in Guangxi. As at 31 March 2022, Guangxi Railway Investment had a total of 10 railway construction projects under construction.

Refined Oil Products Business Segment

The Group conducts its refined oil products business primarily through the Issuer’s wholly-owned subsidiary, namely, Guangxi Communications Industry Co., Ltd. (廣西交通實業有限公司) (“**Guangxi Communications Industry**”) and its wholly-owned subsidiary, namely, Guangxi Transportation Investment Group Petroleum Sales Co., Ltd. (廣西交通投資集團石油銷售有限公司) (“**Guangxi Petroleum Sales**”), and their respective subsidiaries. The Group’s refined oil products primarily include gasoline, diesel and fuel oil. As at 31 March 2022, the Group was the third largest refined oil products seller in Guangxi.

Materials Trading Business Segment

The Group conducts its materials trading business primarily through three of the Issuer's subsidiaries, namely, Guangxi Railway Investment, Guangxi Communications Industry and Guangxi Wuzhou Communications Co., Ltd. (廣西五洲交通股份有限公司) (“**Guangxi Wuzhou**”). The Group's materials trading business segment primarily focuses on the trading of steel, asphalt and mineral products and the Group is a major participant in the materials industry in Guangxi.

Other Business Segment

The Group also conducts other businesses such as real estate and financial services.

HISTORY AND DEVELOPMENT

The Issuer is a state-owned company wholly-owned by the Guangxi SASAC. The Issuer was established in July 2008 with a registered capital of CNY5 billion and was formerly known as Guangxi Communications Investment Construction Group Co., Ltd. (廣西交通投資建設集團有限公司). In November 2008, Guangxi Communications Investment Construction Group Co., Ltd. changed its name to Guangxi Communications Investment Group Corporation Ltd. The Issuer's registered capital was increased to CNY30.105 billion in May 2019.

The table below sets forth selected key milestones in the Group's business history:

<u>Time</u>	<u>Milestone</u>
2007	The establishment of Guangxi Communications Investment Construction Group Co., Ltd. was officially approved by the Guangxi Government.
2008	Establishment of Guangxi Communications Investment Construction Group Co., Ltd. with a registered capital of CNY5 billion (primarily represented the net asset value of the 12 expressway sections assigned by the Guangxi Government to the Group). The Group signed a strategic co-operation agreement with 12 banks, which provided the Group with credit support of approximately CNY121.3 billion. Guangxi Communications Investment Construction Group Co., Ltd. changed its name to Guangxi Communications Investment Group Corporation Ltd. The Group had five expressway sections under construction.
2009	Expressway Administration Bureau of Guangxi (廣西壯族自治區高速公路管理局), Highway Administration Bureau of Guangxi (廣西壯族自治區公路管理局) (the “ Highway Administration Bureau ”) and Transport Infrastructure Administration Bureau of Guangxi (廣西壯族自治區道路運輸管理局) assigned their equity interests in Guangxi Wuzhou to the Group, representing 33.96 per cent. of the equity interest in Guangxi Wuzhou, a listed company on the Shanghai Stock Exchange. The Group invested approximately CNY14.8 billion in expressway construction. The Group signed a CNY55.6 billion loan memorandum with seven banks, including China Development Bank.
2010	The Guangxi Government agreed to transfer the equity interests in and debt obligations of eight expressway sections to the Group. The Group invested approximately CNY20.4 billion in expressway construction. The Group signed a CNY44.5 billion loan memorandum with 12 banks.

Time	Milestone
2011	<p>The Group invested approximately CNY21.5 billion in expressway construction. The construction of the expressway section from Longling to Baise was completed, being the first completed expressway section constructed by the Group.</p> <p>The Group’s total assets exceeded CNY100 billion as at 31 December 2011, the first non-financial enterprise of such size in Guangxi. The Group accomplished this goal two years ahead of its schedule.</p>
2012	<p>The Group invested approximately CNY20.5 billion in expressway construction. The construction of four expressway sections was completed.</p> <p>The Group was awarded the “Advanced Unit of Chinese Corporate Culture” (中國企業文化建設先進單位) and was named as one of the “Demonstration Base of Guangxi Corporate Culture” (廣西企業文化建設示範基地).</p> <p>The Group was awarded the “2012 Guangxi Excellent Enterprises” (2012年度廣西優秀企業).</p>
2013	<p>The Group established its first financial services company in Guangxi, which acted as the Group’s major platform via which the Group developed its financial services business.</p> <p>The Group was awarded the “National Transportation Brand Culture Construction Enterprise”.</p>
2014	<p>The Issuer’s registered capital was increased to CNY30 billion.</p> <p>The Group invested approximately CNY16.9 billion in expressway construction. The construction of six expressway sections was completed.</p> <p>The Issuer was awarded the “Top 500 Enterprises of China”.</p> <p>The Group’s aggregate banking facilities were increased by approximately CNY60 billion.</p> <p>The Group was awarded the “National Transportation Brand Culture Construction Enterprise”.</p>
2015	<p>The Group invested approximately CNY16.9 billion in expressway construction. The construction of four expressway sections was completed.</p> <p>The Group’s “Technological and Engineering Application of Obsolete Tyres on Construction of Highly Functional Asphalt Road Pavement” (廢輪胎修築高性能瀝青路面關鍵技術及工程應用) was awarded the Second Prize of Science and Technology Progress Award.</p> <p>The Guangxi Government assigned certain equity interests in several expressway sections to the Group, which included the expressway sections from Longlin to Baise, Liuzhou to Guilin, Luorong to Luoman, Jinzhu to Cenxi, Cenxi to Xingye, Quanzhou to Xingan, Cenxi to Wuzhou and Tanluo to Baise.</p> <p>The Issuer was awarded the “Top 500 Enterprises of China”.</p> <p>The Group was awarded the “National Transportation Brand Culture Construction Enterprise”.</p>

Time	Milestone
2016	<p>The Group commenced construction of three highways, covering the Liuzhou by Heshan-Nanning, Songwang-Tieshangang and Lipu-Yulin sections, respectively.</p> <p>The Issuer collaborated with China Development Bank in establishing the Guangxi Transportation Development Investment Fund.</p> <p>The Issuer issued U.S.\$300,000,000 3.00 per cent. Bonds due 2019 (the “2016 USD Bonds”). The 2016 USD Bonds were rated Baa3 by Moody’s and BBB by Fitch and this issuance was the Group’s first access into the international capital markets.</p>
2017	<p>The Group entered into the “Comprehensive Financial Cooperation Agreement” (《綜合金融合作協議》) with China Development Bank, Guangxi Branch. The agreement stipulates the cooperation between both parties in the financing of infrastructure and industrial projects in line with the Belt and Road strategy. In particular, key projects undertaken by the Group, which covers highways within the Guangxi region, the Guangxi coastline and cross-border highways, will be included in the Guangxi-ASEAN Belt and Road Fund.</p> <p>The Issuer was awarded the “Top 500 Service Enterprises of China”.</p>
2018	<p>Sino Trendy Investment Limited (中港投資有限公司) (“Sino Trendy”) issued U.S.\$200,000,000 3.875 per cent. guaranteed bonds due 2021 which are unconditionally and irrevocably guaranteed by the Issuer.</p> <p>As a result of the reorganisation pursuant to the Notice about Advice on Related Items of the Strategic Reorganisation of Guangxi Communications Investment Group Corporation Ltd. and Guangxi Railway Investment Group Co., Ltd. issued by the Guangxi SASAC, Guangxi Railway Investment became a wholly-owned subsidiary of the Issuer in September 2018.</p>
2019	<p>The Issuer issued U.S.\$300,000,000 3.50 per cent. bonds due 2022.</p> <p>The Issuer was ranked 201st in the “2019 Top 500 Service Enterprises of China”.</p> <p>The Issuer became one of the first few enterprises in Guangxi which was rated AAA by a domestic rating agency and its corporate rating was upgraded from Baa3 to Baa2 by Moody’s.</p> <p>In May 2019, the Issuer's registered capital increased by CNY105 million, which was contributed by the Guangxi SASAC by way of cash injection.</p>
2020	<p>The Issuer was ranked 388th in the “2020 Top 500 Enterprises of China” and 146th in the “2020 Top 500 Service Enterprises of China”.</p> <p>The Issuer obtained first-class qualification in general contracting for highway construction projects. Its Hechi to Du’an Expressway construction project won the “National Quality Construction Gold Award” (國家優質工程金獎), making it the first construction project in Guangxi to receive the honour.</p> <p>The Issuer was awarded the “Fifth Guangxi Zhuang Autonomous Region President Quality Award” (第五屆廣西壯族自治區主席質量獎).</p> <p>Sino Trendy issued U.S.\$200,000,000 2.95 per cent. guaranteed bonds due 2025 which are unconditionally and irrevocably guaranteed by the Issuer.</p>

Time	Milestone
2021	<p>The Issuer was ranked 150th in the “2021 Top 500 Service Enterprises of China”.</p> <p>The Communications Investment Tower project invested by the Issuer was awarded the “Luban Award” (魯班獎), the highest award for construction quality in the PRC.</p> <p>The Issuer was awarded the “Top 500 Enterprises of China” from 2019 to 2021.</p>

RECENT DEVELOPMENT

Unaudited and Unreviewed Consolidated Financial Information of the Group as at and for the Three Months Ended 31 March 2022

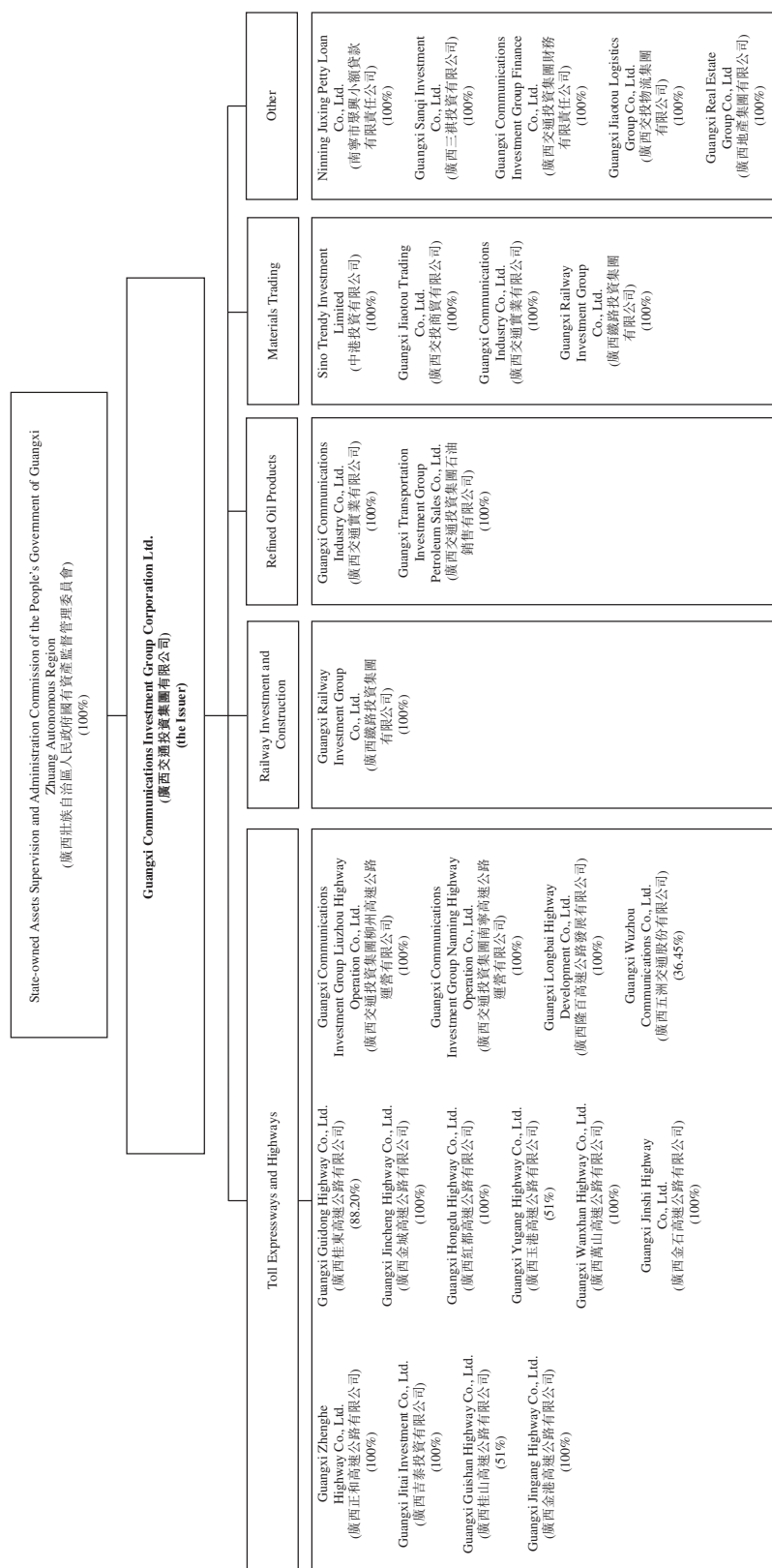
As at the date of this Offering Circular, the Group has prepared the Group’s unaudited and unreviewed consolidated financial information as at and for the three months ended 31 March 2022 (the “**March 2022 Financial Information**”). For the three months ended 31 March 2022, the Group recorded decreases in, among others, total operating income, revenue from operations, interest income, handling charges and commission income, other income, investment income and business profit, and increases in, among others, interest expenses, research and development costs, asset impairment loss and income taxes, when compared to the corresponding period in 2021.

As at 31 March 2022, the Group recorded decreases in, among others, accounts receivable, other receivables, non-current assets due within one year, long-term receivables, other non-current financial assets, investment property, productive biological assets, use right assets, long-term deferred expenses and other non-current assets, and increases in, among others, short-term loans, borrowings from central bank, placement from banks and other financial institutions, notes payable, accounts payable, advances from customers, contract liabilities, financial assets sold under agreements to repurchase, other payables, non-current liabilities due within one year, other current liabilities, total current liabilities, long-term loans, bonds payable, provisions, deferred income, total non-current liabilities and total liabilities, when compared to their respective balances as at 31 December 2021.

The March 2022 Financial Information is not included in and does not form a part of this Offering Circular. The March 2022 Financial Information has not been audited or reviewed by a certified public accountant, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers, the Trustee or the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of the March 2022 Financial Information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group’s financial condition and results of operations. In addition, the March 2022 Financial Information should not be taken as an indication of the expected financial condition or results of operations of the Issuer or the Group for the full financial year ending 31 December 2022.

CORPORATE STRUCTURE

The following chart sets forth the simplified corporate structure of the Group, which shows the Issuer, its shareholder and its major subsidiaries operating in the key business segments, and the Issuer's respective equity interest holdings in each of its major subsidiaries as at 31 March 2022:



Notes:

- (1) Equity interest holding percentages include the percentages of both directly and indirectly held equity interests.

COMPETITIVE STRENGTHS

The Issuer believes that the Group has the following competitive strengths:

The Group's strategic role in the investment, construction, operation and management of the transportation infrastructure in Guangxi.

The Group is a leading player in the investment, construction, operation and management of the transportation infrastructure in Guangxi. It plays a strategic role in the construction of Guangxi's transportation infrastructure and the development of Guangxi's transportation industry. As at 31 March 2022, the expressway sections operated by the Group in Guangxi were of a total toll length of approximately 4,794.24 kilometres, representing approximately 64.87 per cent. of the total toll length of the expressways in Guangxi. As at 31 March 2022, the expressway or highway sections under construction by the Group was of a total planned length of approximately 1,027.97 kilometres and involved a total estimated investment of approximately CNY175.55 billion. In addition, some of the expressway sections operated by the Group are important parts of the national expressway network plan. Also, the expressway sections operated by the Group are an important part of the transportation network in Southwest China and connect Guangxi with other regions such as the Guangdong Province, the Yunnan Province and the Guizhou Province.

The Group also plays a key role in the Guangxi Government's Guangxi expressway network expansion plan. Under the 14th Five-Year Plan, the Group would invest a total of approximately CNY223.6 billion in 17 expressway construction projects with an estimated total length of approximately 1,326 kilometres by year-end 2025, aiming to connect most counties in Guangxi with expressways and construct an expressway network that provides various places in Guangxi with access to rivers and the sea. The Group was also involved in a number of projects that were under the national or provincial expressway network plan.

Further, Guangxi Railway Investment is the sole professional investment entity engaging in railway investment, construction and management in Guangxi. It is entrusted by the Guangxi Government to improve Guangxi's railway network through the investment and construction of railways in Guangxi. As at 31 March 2022, Guangxi Railway Investment had a total of 10 railway construction projects under construction.

In addition, the transportation construction industry is capital-intensive and the transportation construction projects require substantial resources and government approvals. These factors present significant barriers to entry by competitors. Given the Group's strong capital resources, proven operating track record and established relationship with the Guangxi Government, the Issuer believes that the Group has a significant competitive advantage compared to its competitors.

As a leading player in the toll expressway and highway industry and railway industry, the Group plays a key role in the construction of Guangxi's transportation infrastructure. Leveraging the PRC government's Belt and Road strategy and various policies on the development of a comprehensive transportation system in Guangxi as well as benefiting from the strategic role it plays in connecting the PRC and the ASEAN countries, the Issuer believes that the Group will continue to maintain and strengthen its strong and leading position in the investment, construction, operation and management of the transportation infrastructure in Guangxi.

Strong industry position in the refined oil products business segment.

As at 31 March 2022, the Group was the third largest refined oil products seller in Guangxi, ranking after China Petroleum & Chemical Corporation ("**Sinopec**") and China National Petroleum Corporation ("**CNPC**"). For the years ended 31 December 2019, 2020 and 2021, the Group's operating income derived

from its refined oil products business segment amounted to approximately CNY5.22 billion, CNY3.90 billion and CNY4.23 billion, respectively.

In addition, the Group has established close business relationships with the three major refined oil suppliers, namely, Sinopec, CNPC and China National Offshore Oil Corporation (“CNOOC”). The Issuer believes that it helps reduce the purchasing costs of the refined oil products. Also, the Group has an established refined oil products distribution network and a diverse customer base. Service stations along expressways and highways are an important sales channel of refined oil products to end customers. The Guangxi Government has allocated the franchise rights of certain service stations along expressways and highways in Guangxi to the Group. The Group’s sales network covered fourteen prefecture-level cities in Guangxi, with an annual retail capacity of over 500,000 tons of refined oil. As at 31 March 2022, the expressway sections operated by the Group represented approximately 64.87 per cent. of the total toll length of the expressways in Guangxi. The Group also operated approximately 256 toll stations as at 31 March 2022. The Issuer believes that following the completion of the Group’s existing expressway or highway construction projects and the increase in the number of service stations owned by the Group, the Group will further enhance its market share in the refined oil products business segment and consolidate its industry position.

Strong government support (but not including credit support).

The Issuer is wholly-owned by the Guangxi SASAC. The Group plays a strategic role in the construction of Guangxi’s transportation infrastructure including key national and regional expressways and highways as well as railways and the development of Guangxi’s transportation industry. Leveraging its state-owned background, the Group received, and expects to continue to receive, strong support (but not including credit support) from the Guangxi Government and the PRC government for the Group’s business operations. For example:

- For the years ended 31 December 2019, 2020 and 2021, the Group received fiscal support from the PRC government of approximately CNY7.52 billion, CNY24.42 billion and CNY18.99 billion, respectively.
- The Guangxi Government gave priority to the Issuer to access funds obtained via loans granted by international financial institutions including the World Bank and the Asian Development Bank, development aid funds granted by foreign governments as well as national debt funds for the construction of expressways and highways in Guangxi. Some of the Group’s fixed asset foreign currency loans obtained from the international financial institutions were guaranteed by MOF;
- The Guangxi Government contributed to all of the Issuer’s paid-up capital;
- The Guangxi Government injected quality assets into the Group. For example, in 2015, the Guangxi Government assigned certain equity interests in several expressway sections to the Group, which included the expressway sections from Longlin to Baise, Liuzhou to Guilin, Luorong to Luoman, Jinzhu to Cenxi, Cenxi to Xingye, Quanzhou to Xingan, Cenxi to Wuzhou and Tanluo to Baise. In addition, all equity interests in Guangxi Railway Investment were transferred to the Issuer and Guangxi Railway Investment has been a consolidated subsidiary of the Issuer since the year ended 31 December 2018. The Guangxi Government also transferred ownership of or equity interests in the Guangxi Government Automobile Team Gas Stations, Guangxi New Kuayue Company and Guangxi Computing Centre to the Group. Other quality assets such as land and service stations were also injected into the Group;
- The Guangxi Government also provided financial support to the Group in the form of tax incentives. For example, the Issuer enjoys a reduced enterprise income tax rate of 15 per cent. under the PRC western development preferential policy. Some of the Group’s members also enjoy

vehicle purchase tax support and tax exemption or reduction. The Guangxi Government also further supports the Group by optimising its debt structure and lowering its funding costs via various measures, including the on-lending of low-interest loans;

- Through the Guangxi SASAC, the Guangxi Government closely monitors the Group’s operations, business development and major investment and financial decisions including financial budgets and capital operations. In addition, the Guangxi Government continues to provide talent support through the appointment or nomination of key personnel in the Group, including certain directors and senior management of the Group. The Guangxi SASAC also conducts annual operational performance assessment with the Group and the Group has obtained the highest grade since the establishment of the Issuer;
- Under the “joint construction by region and cities” policy, the Guangxi Government and other local governments shall contribute to project investment costs in various forms, including project capital and resettlement and land compensation; and
- Under the “Guihui Loan” (桂惠貸) policy introduced by the Guangxi Government, from 2021 to 2025, eligible enterprises can apply for subsidies on interest payments of no more than CNY5 million per enterprise each year.

Leveraging the strong financial and policy support (but not including credit support) from the Guangxi Government and the PRC government, the Issuer believes that the Group is able to continue to operate and invest in capital-intensive projects and further expand its business operations in the relevant industries in Guangxi.

Guangxi’s strategic location.

Guangxi is strategically located in Southern China, bordered by the Yunnan Province to the West, the Guizhou Province to the North, the Hunan Province to the Northeast, and the Guangdong Province to the East and Southeast. Guangxi is also bordered by Vietnam in the Southwest and the Gulf of Tonkin in the South.

Guangxi benefits from a favourable geographical strength with direct access to sea, river and an international border. Located at the convergence point of Eastern China, Central China and Western China and at the conjunction part of South China Economic Ring, Southwest China Economic Ring and ASEAN Economic Ring, Guangxi serves as a convenient gateway to the sea and an important passage linking the Guangdong Province, Hong Kong and Macau with Western China. With the growth of China-ASEAN Free Trade Area, Guangxi is expected to play a strategic role as a communicating hub connecting Southwest China, Southern China, Central China and ASEAN markets. Its strategic location also facilitates the development of the Beibu Gulf Economic Zone and Zhu River-Xi River economic region.

In addition, Guangxi, as a strategic region in the China Western Development policy and the Belt and Road strategy, continues to receive strong policy support from the PRC government. In recent years, the PRC government promulgated a series of policies and opinions that promote the economic and social development of Guangxi, including the “Plan for the Guangxi Beibu Gulf Economic Area”, the “Opinions on Further Promoting Economic and Social Development in Guangxi” and the “Development Programme on Pearl River-Xi Jiang River Economic Zone” in 2008, 2009 and 2014, respectively. The PRC government also promulgated the “Vision and Proposed Actions Outlined on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road” and the “Framework Plan for New Land and Marine Routes for Western Regions” in 2015 and 2019, respectively. In addition, it established the China (Guangxi) Pilot Free Trade Zone in 2019. Guangxi is an important hub to the Silk Road Economic Belt and Maritime Silk Road under the Belt and Road strategy as well as an essential part of the New Land and Marine Routes for Western Regions. Guangxi continues to play a strategic role in the PRC government’s policy.

As substantially all of the Group's business operations and investments are located in Guangxi, the Issuer believes that the Group's businesses have benefited from, and will continue to benefit from, the development and growth of Guangxi.

Diversified business portfolio to provide stable return to the Group.

The Group has a diversified business portfolio which provides it with steady operating income from its businesses and enhances its risk resilience. The Group's materials trading business segment, despite subject to market fluctuations, is the Group's major source of operating income. For the years ended 31 December 2019, 2020 and 2021, the operating income derived from the Group's materials trading business segment contributed to approximately 60.99 per cent., 64.16 per cent. and 56.60 per cent. of the Group's total operating income, respectively. The Group's toll expressways and highways and refined oil products business segments provide relatively stable operating income to the Group. For the years ended 31 December 2019, 2020 and 2021, the operating income derived from the Group's toll expressways and highways business segment contributed to approximately 18.09 per cent., 16.25 per cent. and 17.30 per cent. of the Group's total operating income, respectively, while the operating income derived from the Group's refined oil products business segment represented approximately 10.86 per cent., 8.24 per cent. and 7.14 per cent. of the Group's total operating income, respectively. In particular, tolls, being the primary source of operating income for the Group's toll expressways and highways business segment, have been steadily increasing in recent years with more expressway or highway sections being open for traffic. The Group's diversified business portfolio minimises the risk of business concentration and the level of volatility in its overall earnings and financial position as a result of changes in industrial conditions, selling prices or raw material costs within any one sector.

Predictable and stable cash flows from the Group's toll expressways and highways business segment.

The Group's toll expressways and highways business segment provides relatively predictable and steady cash flows, which give the Group stability as well as flexibility in managing its operations. For the years ended 31 December 2019, 2020 and 2021, the Group generated toll revenue of approximately CNY8.69 billion, CNY7.69 billion and CNY10.25 billion, respectively. The Issuer believes that daily traffic will continue to increase as a result of robust vehicle consumption and economic growth in the PRC. In July 2014, the Guangxi Government also promulgated an announcement which increased the tolls of certain expressways and highways in Guangxi. In addition, with more expressway and highway sections being open for traffic, the Issuer believes that the Group will generate more toll revenue which would contribute to increasing cash inflows from its toll expressways and highways business segment.

Diversified sources of funding.

The Group has access to various sources of funding including bank loans, short-term financing bills, privately placed notes, medium-term notes, insurance funds, corporate bonds and enterprise bonds. Since the establishment of the Issuer, the Guangxi Government has further injected capital to the Issuer and the Issuer's registered capital increased to CNY30.105 billion in May 2019. As at 31 December 2021, the Group had currency funds of approximately CNY20.05 billion. In addition to cash generated from its operations, the Group also maintains long-term relationships with a number of financial institutions, which include a number of large commercial banks in the PRC, including China Development Bank, Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, China Everbright Bank, Bank of China, Postal Savings Bank of China and China Guangfa Bank. As at 31 March 2022, the Group had aggregate banking facilities of approximately CNY632.16 billion, of which unused facilities amounted to approximately CNY339.50 billion. In addition, the Guangxi Government gave priority to the Issuer to access funds obtained via loans granted by international financial institutions including the World Bank and the Asian Development Bank, development aid funds granted by foreign governments as well as national debt funds for the construction of expressways in Guangxi. As at 31 March 2022, the three policy banks in China, namely, China Development Bank, Export-Import Bank of

China and Agricultural Development Bank of China had provided the Group with credit support of approximately CNY250 billion. Also, Guangxi Wuzhou, a subsidiary of the Issuer, is a listed company listed on the Shanghai Stock Exchange which provides the Group with access to funding from the equity capital market.

As such, the Issuer believes that the Group has a robust liquidity position with access to diversified funding sources. The Group actively manages its cash flow and capital commitments to ensure that it has sufficient funds to meet its existing and future cash flow requirements. The Group's ability to access diversified sources of funding and its strong financing capability has enabled it to fulfil the capital need of its businesses and capitalise on various business opportunities.

Favourable development prospects for the industries in which the Group operates.

There are favourable development prospects for the main industries in which the Group operates, in particular the expressway and highway industry, the refined oil industry and the materials trading industry.

Expressway and Highway Industry

Expressways and highways facilitate social and economic development and contribute to the improvement of life quality and maintenance of national safety. In particular, an effective expressway and highway network can improve traffic and traffic capacity, reduce transportation costs and enhance road safety. As such, expressways and highways are important resources in the PRC. With the rapid economic development and gradual improvement of social life quality in the PRC, the demand for vehicles and transportation has been increasing. This contributes to the development of the expressway and highway industry and the toll revenue from expressways and highways has been increasing steadily. Comparing to other developed countries, the PRC's expressway and highway industry, in particular the expressway and highway industry in the Central and Western China, is still in development stage. As such, there are favourable development prospects for the expressway and highway industry. For example, under the 14th Five-Year Plan, the Guangxi Government targets to further strengthen railway network by increasing the length of the nation's railway network to approximately 6,000 kilometres by approximately 1,000 kilometres with a density of 233 kilometres per 10,000 square metres by year-end 2025. The Guangxi Government also targets to increase the high-speed rail network by approximately 2,000 kilometres by year-end 2025. In addition, as at 31 March 2022, the Group was the largest expressway outdoor advertiser in Guangxi.

Refined Oil Industry

The production volume and consumption of refined oil products (including gasoline, diesel and kerosene) in the PRC have been increasing in recent years. In light of the increasing demand for vehicles and the rapid economic development in the PRC, the Issuer believes that the demand for refined oil products will continue to increase.

Trading Industry

In light of the PRC government's support to the Guangxi ASEAN economic circle (廣西東盟商圈) and the relatively less developed infrastructure level in Guangxi, the Issuer believes that the demand for steel materials will increase. Although there are a large number of steel providers in Guangxi, most do not have the capacity to handle large infrastructure construction projects. The Group supplies steel materials to large-scale infrastructure construction projects in Guangxi, in particular expressway and highway construction projects, and is a major market participant in Guangxi's construction material market.

Leveraging the favourable development prospects for the main industries in which the Group operates, the Issuer believes that the Group can further expand its business operations in the relevant industries in Guangxi.

Experienced management team with support from a dedicated team of staff.

The Group has an experienced management team with extensive knowledge in the businesses and industries in which the Group operates, in particular the transportation industry. The Issuer believes that the team's industry knowledge and technical expertise enable the Group to make prudent business decisions so as to compete effectively and increase its market share in the relevant sectors in Guangxi. Some members in the Group's management team have served important positions in government agencies. Please see "*Directors, Supervisors and Senior Management of the Issuer*" for further information on the Issuer's senior management teams.

The Group's experienced management team is also supported by a dedicated team of staff with extensive technical and industry knowledge. As at 31 March 2022, the Group had a total of approximately 15,381 employees, of which approximately 858 employees had a postgraduate degree or above and 5,449 had an undergraduate degree.

The Issuer believes in the benefits of improving the skills and knowledge of the Group's management team and employees, and regularly conducts both in-house and external management and professional training programmes.

BUSINESS STRATEGIES

The Group's objective is to continue to fulfil its strategic role in the investment and construction of Guangxi's transportation infrastructure and the development of Guangxi's transportation industry as well as strengthen its operations in other businesses. Its long-term vision is to become one of the best transportation infrastructure investor and developer in the PRC and among ASEAN countries. The Issuer intends to implement the following strategies to achieve this objective:

Continue to fulfil its role as the leading player in the construction of Guangxi's transportation infrastructure and the promotion of the development of the transportation industry in Guangxi.

The Group has been, and strives to continue to be, the leading player in the construction of Guangxi's transportation infrastructure and the promotion of the development of the transportation industry in Guangxi. As at 31 March 2022, the expressway or highway sections under construction by the Group was of a total planned length of approximately 1,027.97 kilometres and involved a total estimated investment of approximately CNY175.55 billion. In addition, the Issuer intends to develop the logistics park to be built by the Group into a major logistics centre in the region to benefit from the strategic role it plays in connecting the PRC and the ASEAN countries. Also, as the sole professional investment entity engaging in railway investment, construction and management in Guangxi, the Group intends to continue to improve and develop Guangxi's railway network through the investment and construction of railways in Guangxi. As at 31 March 2022, Guangxi Railway Investment had a total of 10 railway construction projects under construction. Leveraging the strong financial and policy support (but not including credit support) from the Guangxi Government and its strong track record and experience in the construction and operation of transportation infrastructure as well as its diversified financial sources, the Issuer intends to continue to capture investment opportunities to enhance the Group's leading position in the investment, construction, operation and management of the transportation infrastructure in Guangxi.

Further enhance the Group's market share in the refined oil products business segment.

Service stations operated by third parties and by the Group itself along expressways and highways are one of the Group's important sales channels of refined oil products to its customers. Following the continued development and construction of the expressway and highway network in Guangxi, the Issuer believes that the number of service stations built along expressways and highways will continue to increase. Leveraging the favourable government policies in relation to the further improvement of the national and

Guangxi expressway networks and thus the expected increase in the number of service stations, the Issuer intends to further enhance the Group's market share in the refined oil products business segment by further establishing service stations along the expressway sections operated by the Group and building relationships with other service station operators.

Continue to maintain prudent financial management and liquidity position.

The Group will continue to strengthen its financial and cash flow management to support sustainable business growth. The Issuer intends to continue to maintain a prudent policy on financial management to enhance the Group's liquidity and financial strength through accessing diverse financing channels in the capital and credit markets. The Group will continue to undertake a prudent management of its business portfolio by adopting a balanced approach to expand its different businesses, taking into account the changes in market and economic conditions. The Group will also continue to improve its internal financial management process and corporate governance standards, while strictly adhering to the principle of prudent financial management, with a particular focus on ensuring that its investment is in line with cash inflows. The Issuer believes that prudent financial management will allow the Group to avoid the need to dispose of investment projects at low prices in a market downturn, while positioning it to seize business opportunities when they arise and to efficiently acquire attractive projects at reasonable cost.

Continue to build a professional management team.

The Issuer believes that the Group's experienced management team has been a key factor in contributing to its success, especially in achieving a leading position in the transportation industry. The Group will continue to build a professional management team with well-qualified and experienced personnel, carry out regular training so as to enable the Group to continue to improve the efficiency of its operations and achieve its strategic goals through the expertise, and continuity, of the Group's management team.

BUSINESS SEGMENTS

The Group's business operations are principally located in Guangxi. The Group is principally engaged in the operation, management and construction of toll expressways and highways in Guangxi, investment and construction of railways in Guangxi, sale of refined oil products, materials trading and other businesses such as real estate and financial services.

The following table sets forth a breakdown of the Group's operating income by business segment for the periods indicated:

	For the year ended 31 December					
	2019		2020		2021	
	(CNY billion)	%	(CNY billion)	%	(CNY billion)	%
Toll expressways and highways	8.69	18.09	7.69	16.25	10.25	17.30
Railway investment and construction . . .	—	—	—	—	—	—
Refined oil products	5.22	10.86	3.90	8.24	4.23	7.14
Materials trading	29.30	60.99	30.34	64.16	33.53	56.60
Other business (e.g. real estate and financial services)	4.83	10.06	5.36	11.35	11.23	18.96
Total operating income	48.04	100	47.29	100	59.25	100

Toll Expressways and Highways Business Segment

Since the establishment of the Issuer, the operation, management and construction of toll expressways and highways have been the Group's core businesses. The Group is a leading player in the toll expressway and highway operation and construction industries in Guangxi. It plays a strategic role in the construction of Guangxi's transportation infrastructure and the development of Guangxi's transportation industry.

For the years ended 31 December 2019, 2020 and 2021, the Group's toll expressways and highways business segment generated operating income of approximately CNY8.69 billion, CNY7.69 billion and CNY10.25 billion, respectively, representing approximately 18.09 per cent., 16.25 per cent. and 17.30 per cent. of the Group's total operating income, respectively.

The Group's toll expressways and highways business segment can be broadly divided into two sub-segments: (i) operation and management of toll expressways and highways; and (ii) construction of toll expressways and highways.

Operation and Management of Toll Expressways and Highways

As at 31 March 2022, the expressway sections operated by the Group in Guangxi were of a total toll length of approximately 4,794.24 kilometres, representing approximately 64.87 per cent. of the total toll length of the expressways in Guangxi.

The following table sets forth certain operation data relating to the expressway and highway sections operated and managed by the Group:

	As at/For the year ended 31 December		
	2019	2020	2021
– Toll length of expressway and highway sections (as at the dates indicated)	3,953.88 kilometres	4,471.31 kilometres	4,794.24 kilometres
– Toll revenues (for the period indicated)	CNY8.69 billion	CNY7.69 billion	CNY10.25 billion

Expressway Sections in Operation

The following table sets forth certain summary information of the Group's key operating expressway sections as at 31 March 2022:

Section	Expressway	Toll length (kilometres)	Toll concession start date	Toll concession end date
Lingchuan to Lingui (靈川至臨桂)	Quannan Expressway G72 (泉南高速G72)	23.28	10 May 2000	27 July 2025
Nanning to Tanluo (南寧至壇洛)	Nanning Beltway G7201 (南寧繞城高速G7201)	56.35	28 December 2003	15 March 2024
Yizhou to Liuzhou (宜州至柳州)	Shankun Expressway G78 (汕昆高速G78)	109.60	30 December 2000	18 March 2026
Duan to Nanning (都安至南寧)	Lanhai Expressway G75 (蘭海高速G75)	125.81	28 September 2004	15 December 2024
Huangsha River to Quanzhou (黃沙河至全州)	Quannan Expressway G72 (泉南高速G72)	23.00	18 December 2004	6 March 2025
Baise to Luo Cunkou (百色至羅村口)	Guangkun Expressway G80 (廣昆高速G80)	55.53	30 December 2005	18 March 2026
Nanning to Youyi Guan (南寧至友誼關)	Nanyou Expressway G72 (南友高速G72)	194.06	30 December 2005	18 March 2026
Pingle to Zhongshan (平樂至鐘山)	Shankun Expressway G78 (汕昆高速G78)	95.87	28 December 2006	16 March 2027
Luorong to Luoman (雒容至洛滿)	Shankun Expressway G78 (汕昆高速G78)	49.00	17 October 2006	19 March 2036

Section	Expressway	Toll length (kilometres)	Toll concession start date	Toll concession end date
Longlin to Baise (隆林至百色)	Shankun Expressway G78 (汕昆高速G78)	176.87	20 January 2011	8 April 2031
Yizhou to Hechi (宜州至河池)	Shankun Expressway G78 (汕昆高速 G78)	72.00	9 July 2012	25 September 2032
Jinzhui to Cenxi (筋竹至岑溪)	Guangkun Expressway G80 (廣昆高速G80)	39.57	14 April 2010	30 June 2023 (Tentative date)
Tanluo to Baise (壇洛至百色)	Guangkun Expressway G80 (廣昆高速G80)	188.00	28 December 2007	16 March 2037
Guilin to Liuzhou (桂林至柳州)	Quannan Expressway G72 (泉南高速G72)	95.93	1 May 1997	18 July 2025
Zhongshan to Majiang (鐘山至馬江)	Baomao Expressway G65 (包茂高速 G65)	61.05	29 December 2009	19 March 2039
Liuzhai to Hechi (六寨至河池)	Lanhai Expressway G75 (蘭海高速G75)	108.07	9 July 2012	25 September 2032
Qinzhou to Chongzuo (欽州至崇左)	Hena Expressway S60 (合那高速S60)	129.56	26 March 2013	12 June 2024 (Tentative date)
Yulin to Tieshangang (玉林至鐵山港)	Zitie Expressway S21 (資鐵高速S21)	174.46	3 April 2013	20 June 2033
Liuqing to Qinzhou (六景至欽州港)	Liuqing Expressway S43 (六欽高速S43)	133.95	9 April 2013	26 June 2024 (Tentative date)
Hechi to Duan (河池到都安)	Lanhai Expressway G75 (蘭海高速G75)	92.32	26 September 2014	13 December 2034
Nanning outer loop (南寧外環)	Nanningdong Outer Loop Beltway S5101 (南寧東外環繞城高速 S5101)	82.52	26 December 2014	13 March 2024 (Tentative date)
Baise to Jingxi (百色至靖西)	Yinbai Expressway G69 (銀百高速G69)	97.10	16 December 2014	3 March 2024 (Tentative date)
Guiping to Laibin (桂平至來賓)	Guilai Expressway S52 (桂來高速S52)	87.54	16 December 2014	3 March 2024 (Tentative date)
Laibin to Mashan (來賓至馬山)	Laima Expressway S52 (來馬高速S52)	114.69	29 December 2015	17 March 2025 (Tentative date)
Mashan to Pingguo (馬山至平果)	Maping Expressway S52 (馬平高速S52)	82.47	29 December 2015	17 March 2025 (Tentative date)
Liuzhou to Wuxuan (柳州至武宣)	Liuwu Expressway S31 (柳武高速S31)	88.45	29 December 2015	17 March 2025 (Tentative date)
Guanyang to Quanzhou (Fenghuang) (灌陽至全州(鳳凰))	Sharong Expressway G76 (廈蓉高速G76)	47.97	29 December 2015	17 March 2025 (Tentative date)
Chongzuo to Jingxi (崇左至靖西)	Hena Expressway S60 (合那高速S60)	147.64	30 May 2016	16 August 2022 (Tentative date)
Sanjiang to Liuzhou (三江至柳州)	Sanbei Expressway S31 (三北高速S31)	168.73	18 January 2017	6 April 2023 (Tentative date)
Cenxi to Shuiwen (岑溪至水汶)	Baomao Expressway G65 (包茂高速G65)	30.72	5 January 2017	24 March 2022 (Tentative date)
Jingxi to Napo (靖西至那坡)	Jingna Expressway S60 (靖那高速S60)	90.42	16 December 2014	13 March 2024 (Tentative date)
Wuzhou to Liuzhou (梧州至柳州)	Baomao Expressway G65 (包茂高速G65)	212.55	22 December 2017	10 March 2043
Liuzhou to Nanning (柳州至南寧)	Quannan Expressway G72 (泉南高速G72)	252.58	7 December 2018	23 February 2023
Wuzhou Loop (梧州環城)	Canglong Expressway S42, S4001 (蒼龍高速S42、S4001)	56.67	6 December 2018	22 February 2022
Hechi to Baise (河池至百色)	Shankun Expressway G78 (汕昆高速G78)	179.18	28 December 2018	14 February 2023
Jingxi to Longbang (靖西至龍邦)	Yinbai Expressway G69 (銀百高速G69)	28.30	19 December 2018	7 March 2023
Yangshuo to Luzhai ⁽¹⁾ (陽朔至鹿寨)	Shankun Expressway G78 (汕昆高速G78)	86.96	30 July 2019	16 October 2022 (Tentative date)
Chongzuo to Shuikou ⁽¹⁾ (崇左至水口)	Henan Expressway S60 (合那高速S60)	88.27	9 December 2019	25 February 2023 (Tentative date)

Section	Expressway	Toll length (kilometres)	Toll concession start date	Toll concession end date
Leye to Baise ⁽¹⁾ (樂業至百色)	Yinbai Expressway G69 (銀百高速G69)	153.92	8 January 2020	27 March 2023 (Tentative date)
Mailing to Hezhou (麥嶺至賀州)	Zhongfu Expressway S13 (鍾富高速S13)	85.04	22 December 2017	10 March 2023 (Tentative date)
Songwang to Tieshan Gang ⁽¹⁾ (松旺至鐵山港)	Songtie Expressway S5923 (松鐵高速S5923)	21.44	1 December 2020	30 November 2023 (Tentative date)
Lipu to Yulin ⁽¹⁾ (荔浦至玉林)	Hubei Expressway G59 (呼北高速G59)	262.21	24 December 2020	23 December 2023 (Tentative date)
Shajing to Wuxu ⁽¹⁾ (沙井至吳圩)	Shajing to Nayang Interchange S7221, Nayang Interchange to Wuyu West Interchange S90 (沙井到那洋立交 S7221、那 洋立交到吳圩西立交 S90)	28.30	28 September 2021	27 September 2024 (Tentative date)
Xin Liunan ⁽¹⁾ (新柳南)	Sannan Expressway S31 (三南高速S31)	200.02	1 July 2021	30 June 2024 (Tentative date)
Xin Guiliu ⁽¹⁾ (新桂柳)	Guihe Expressway S22 (桂河高速S22)	96.30	3 December 2021	3 December 2024 (Tentative date)

Notes:

- (1) As at 31 March 2022, Songwang to Tieshan Gang section, Lipu to Yulin section, Shajing to Wuxu section, Xin Liunan section, Xin Guiliu section, Yangshuo to Luzhai section, Chongzuo to Shuikou section and Leye to Baise section were in trial operation. Prior to 1 January 2022, toll revenue generated from these sections was not included in the Group's operating income but was used to reduce the relevant construction costs until after the end of the respective trial operation periods. Starting from 1 January 2022, toll revenue generated in the course of trial operation and the related operating costs were included in the Group's operating income and operating costs, respectively.

Business Models

The expressway and highway sections operated by the Group can be broadly divided into two types: (i) operating expressways or highways; and (ii) loan repayment expressways or highways.

Operating Expressways or Highways

The Group operates and manages its operating expressways and highways in accordance with the "Regulations on the Administration of Toll Roads" (收費公路管理條例) (the "**Toll Roads Regulations**"). Pursuant to the Toll Roads Regulations, all applicable toll expressways or highways operate under the toll collection network (聯網收費) system. Each toll station would transfer the tolls collected to the settlement account of the clearing house of the Highway Administration Bureau on a daily basis. The tolls collected would be cleared and settled every three days and the relevant toll revenue would be allocated to the operators of the relevant operating expressways or highways.

Loan Repayment Expressways or Highways

As at 31 March 2022, the Group had approximately two loan repayment expressway or highway sections. Loan repayment expressways or highways are expressways or highways that their relevant loans are repaid by the Guangxi Government and operate under the "revenue and expenditure separation method" (收支兩條線). The toll collection of the relevant loan repayment expressway or highway sections strictly adheres to the Toll Roads Regulations. Under the "revenue and expenditure separation method", the Group would transfer the tolls collected from the loan repayment expressway or highway sections to the Transportation Department (交通運輸廳) of the Guangxi Government. The Transportation Department would then transfer the relevant tolls to the Department of Finance of the Guangxi Government. The Department of Finance, through the Transportation Department, would allocate the relevant funds back to the Group.

Operation and Management of Toll Expressways and Highways

The Group's operation of toll expressways and highways principally involves toll collections, traffic administration and maintenance and repairs.

Toll Collections

The operating income from the Group's toll expressways and highways business segment is primarily generated from the collection of tolls at toll stations situated on the expressway and highway sections operated by the Group. As at 31 March 2022, the Group operated approximately 256 toll stations.

The Group's expressway and highway sections are primarily operated on a closed toll collection system. A closed toll collection system is a toll system in which a ticket is issued to each vehicle at a toll station when the vehicle enters an expressway or highway and a toll is collected at another toll station when the vehicle exits the expressway or highway. The toll rates are calculated based on the distance travelled from the original point to the destination exit. The expressway and highway sections utilise both manual toll collection systems where toll staff are stationed in toll stations to collect tolls in cash and automatic toll collection systems.

Toll Rates

Toll rates for expressways and highways are determined by the Guangxi Government and the relevant government authorities, which generally take into account factors such as the toll rate of comparable toll expressways and highways in the same region, user affordability, prevailing inflation rate and return to investors. Toll rates are generally calculated based on distance travelled (generally in kilometres) as well as vehicle classification including the type (such as passenger cars and trucks) and weight of and the number of seats in a vehicle. Toll rates for certain expressway or highway sections also include a toll for bridges or tunnels passed by the vehicles when travelling on the expressway or highway sections. Therefore, traffic volume, vehicle categories, applicable toll rates and distance travelled would affect the toll revenue generated from the expressway and highway sections.

Toll Collection Management

The Group closely monitors the collection of tolls and endeavours to minimise fraud and pilfering. Every toll staff must issue a ticket, pre-printed or computer printed, for each vehicle passing through the collection point, and place all cash received into a sealed box. The collection process is closely monitored by staff from the control centre, where a 24-hour closed-circuit television camera monitors the toll staff's activity and another camera monitors the vehicle passing through the toll station. An accountant will verify the amounts collected against the records, with any shortfalls being the responsibility of the relevant toll staff.

Traffic Administration

The Group maintains an effective traffic management system to facilitate convenient, fast and safe transit, and reduce congestion and delay due to accidents, heavy traffic flow (either generally or at specific pressure points), and lane restrictions resulting from repair and maintenance work.

Traffic surveillance and telecommunication facilities consisting of emergency phones, traffic counting stations, changeable message boards, and closed circuit video cameras are placed at intervals along the expressways or highways. These facilities enable the Group to monitor traffic conditions and flow efficiently.

Maintenance and Repairs

The maintenance plans of the Group's expressway and highway sections are generally examined and approved by the Group under the supervision and guidance of the Highway Operation Department of the Guangxi Government. The Issuer's subsidiaries are then responsible for the implementation of the maintenance plan. The Issuer's indirectly wholly-owned subsidiary, Guangxi Hongguan Engineering Consulting Co. Ltd. is in charge of the open tender arrangements for maintenance projects.

Regular maintenance generally involves routine minor repairs, cleaning of carriageways and roads, replacement of damaged road equipment, clearing of culverts and drains, grass cutting and general improvement work. The Group also schedules regular maintenance works at night or non-peak hours so as to cause minimum disruption to traffic.

Major repairs involve the complete excavation and resurfacing of an existing expressway or highway section and rectification of major structural defects. The Group generally selects maintenance contractors for the provision of major repair works on an open tender basis. Major repairs are predominantly dependent upon the quality of regular medium scale repairs carried out over the life span of such expressway or highway section. The life span of expressway or highway sections is affected by the: (i) their type; (ii) usage; (iii) location and environment; and (iv) quality of regular repair and maintenance.

The cost of a major repair will depend on a variety of factors, including the depth of excavation, type of surface to be laid, the technology required and whether elevation is necessary as a result of prior damage.

Construction of Toll Expressways and Highways

The Group is also engaged in the construction of Guangxi's expressway and highway network.

Expressways or Highways under Construction or Planning

To further improve Guangxi's expressway and highway network, as at 31 March 2022, the expressway or highway sections under construction by the Group was of a total planned length of approximately 1,027.97 kilometres and involved a total estimated investment of approximately CNY175.55 billion.

The following table sets forth certain of the Group's key expressway or highway sections under construction as at 31 March 2022:

<u>Country Region</u>	<u>Planned total investment</u>	<u>Expected completion year</u>
	(CNY billion)	
Nandan to Xialao (南丹至下老)	20.83	2022
Pingtang to Tiane (平塘至天峨).	11.83	2023
Tiane Jingfeng Mountain to Bama (天峨經鳳山至巴馬)	25.19	2023
Pingguo to Nanning (平果至南寧)	12.90	2023
Pingnan to Wuxuan (平南至武宣)	9.94	2023
Bama to Tiandong (巴馬至田東)	10.38	2023
Tiandong Jingtiandeng to Daxin (田東經天等至大新)	11.29	2023
Daxin Jinglongzhou to Pingxiang (大新經龍州至憑祥)	20.20	2023
Yuxu Port Link Expressway (岳圩口岸聯線公路).	1.45	2023
Guanyang to Pingle (灌陽至平樂)	13.64	2023
Guiliu Extension (桂柳改擴建)	16.03	2023
Longlin Weile to Gebu Phase 1 (隆林委樂至革步一期)	2.31	2024
Longmen Bridge (龍門大橋)	5.71	2024
Dafengjiang Bridge (大風江大橋)	1.05	2024
Leye to Wangmo (樂業至望謨)	12.80	2024

Construction of Toll Expressways and Highways

The process for the construction of toll expressways and highways generally involves the following stages: (i) planning; (ii) project development; and (iii) construction.

Planning

All expressway and highway construction projects are initially evaluated to ensure conformity to the Group's investment strategy and quality standards.

The Group generally assesses the potential economic benefits and risks of proposed investment projects. It generally includes:

- traffic development analysis to forecast future traffic demand and volume, which takes into account past and projected economic growth, past traffic volume, vehicle registration growth rate and development of new roads, municipalities, industrial and business sites and infrastructure in adjacent areas; and
- review of construction cost forecasts and completion schedules, which take into account inflation rate forecasts, government involvement in procuring required approvals, land acquisition stages and geological features and landscape.

Project Development

Detailed construction plan consisting of expressway or highway design, interpretation of ground plans and layouts, construction methods, construction schedule, budgets and risk management plan will be developed. On-site confirmations of control points and inspection surveys will be conducted. The Group will also conduct various assessments such as environmental impact and geological hazard assessments, and obtain all necessary approvals from the relevant authorities for the construction of expressway or highway sections. Construction materials will be procured from material suppliers. When necessary, the Group would subcontract certain parts of a construction project to independent third parties.

Construction

An experienced and professional team would be engaged to monitor and supervise construction work projects to ensure that construction is executed in accordance with the designs, construction costs are within budget and that there is strict adherence to the relevant schedules and specifications.

Railway Investment and Construction Business Segment

The Group conducts its railway investment and construction business primarily through one of its wholly-owned subsidiaries, namely, Guangxi Railway Investment. It is the sole professional investment entity engaging in railway investment, construction and management in Guangxi. It is entrusted by the Guangxi Government to improve Guangxi's railway network through the investment and construction of railways in Guangxi. In particular, it represents the Guangxi Government in fulfilling the Guangxi Government's rights and obligations in its railway construction projects with the China Railway Corporation (中國鐵路總公司). Guangxi Railway Investment is primarily responsible for the management of the funds invested by the Guangxi Government in railway development and construction and the financing of railway construction projects. It actively engages in railway construction and aims to build a modern road network of "Opening to the North, Accessible to the South, Reachable to the East and Connecting to the West".

Projects under Construction

As at 31 March 2022, Guangxi Railway Investment had a total of 10 railway construction projects under construction, the total length of construction amounted to approximately 1,160.60 kilometres. The projects involved a total planned investment of approximately CNY228.15 billion, of which Guangxi planned to invest approximately CNY141.93 billion.

The following table sets forth certain of the Group's key railway construction projects under construction as at 31 March 2022:

Project	Total Planned Investment	Planned Investment by Guangxi
	(CNY billion)	(CNY billion)
Newly built Hepu to Zhanjiang Railway (新建合浦至湛江鐵路)	25.70	2.92
Nanning International Airport Integrated Traffic Hub Project (南寧國際空港綜合交通樞紐工程)	6.65	6.65
Newly built Guiyang to Nanning Railway (新建貴陽至南寧鐵路).	75.76	16.25
Newly built Nanning to Chongzuo Railway (新建南寧至崇左鐵路)	18.32	18.32
Newly built Fangchenggang to Dongxing Railway (新建防城港至東興鐵路)	6.48	3.91
Newly built Nanning to Yulin Railway (新建南寧至玉林鐵路)	26.77	26.77
Newly built Chongzuo to Pingxiang Railway (新建崇左至憑祥鐵路)	14.90	14.90
Newly built Nanning to Shenzhen Railway (Yulin to Cenxi (Guiyue border) section) (新建南寧至深圳鐵路玉林至岑溪(桂粵省界)段)	18.40	18.40
Newly built Liuzhou to Guangzhou Railway (Liuzhou to Wuzhou section) (新建柳州至廣州鐵路柳州至梧州段)	33.21	33.21
Xiangui Railway Liuzhou Hub Capacity Expansion Reconstruction Project (湘桂鐵路柳州樞紐擴能改造工程)	1.96	0.61
Total	228.15	141.93

Refined Oil Products Business Segment

The Group conducts its refined oil products business primarily through the Issuer's wholly-owned subsidiary, namely, Guangxi Communications Industry, and its wholly-owned subsidiary, namely, Guangxi Petroleum Sales, and their respective subsidiaries. The Group's refined oil products business segment primarily focuses on sales of refined oil products. The Group's refined oil products primarily include gasoline, diesel and fuel oil. As at 31 March 2022, the Group was the third largest refined oil products seller in Guangxi.

For the years ended 31 December 2019, 2020 and 2021, the Group's refined oil products business segment generated operating income of approximately CNY5.22 billion, CNY3.90 billion and CNY4.23 billion respectively, representing approximately 10.86 per cent., 8.24 per cent. and 7.14 per cent. of the Group's total operating income, respectively.

Suppliers

The Group has established close business relationships with the three major refined oil suppliers, namely, Sinopec, CNPC and CNOOC. In order to ensure a stable supply of refined oil products, the Group has entered into long-term supply contracts with Sinopec and CNPC.

Sales

The Group has an established refined oil distribution network. As at 31 March 2022, the Group had in operation and under construction a total of approximately 213 gas stations. The Group primarily sells the refined oil products (i) by distribution to business units of expressway service zone's service stations; (ii)

by direct sales to expressway or highway construction projects and service stations operated by third parties; and (iii) by retail through the service stations operated by the Group.

Materials Trading Business Segment

The Group conducts its materials trading business primarily through three of the Issuer's subsidiaries, namely, Guangxi Railway Investment, Guangxi Communications Industry and Guangxi Wuzhou. Guangxi Railway Investment and Guangxi Communications Industry were wholly-owned by the Issuer as at 31 March 2022. As at 31 March 2022, the Issuer held approximately 36.45 per cent. of the equity interests in Guangxi Wuzhou. The Group's materials trading business segment primarily focuses on the trading of steel, asphalt and mineral products.

As at 31 March 2022, the Group was one of the leading traders of steel and asphalt in terms of trading volume. The Group supplies steel materials to large-scale infrastructure construction projects in Guangxi, in particular expressway construction projects, and is a major market participant in Guangxi's construction material market.

For the years ended 31 December 2019, 2020 and 2021, the Group's materials trading business segment generated operating income of approximately CNY29.30 billion, CNY30.34 billion and CNY33.53 billion, respectively, representing approximately 60.99 per cent., 64.16 per cent. and 56.60 per cent. of the Group's total operating income, respectively.

Suppliers

The Group primarily sources the materials from suppliers located in Guangxi.

The Group has maintained stable and long term relationships with its key suppliers. For the years ended 31 December 2019, 2020 and 2021, the Group's five largest materials suppliers accounted for approximately 39.92 per cent., 35.36 per cent. and 50.51 per cent. of the Group's total purchase volume of materials, respectively, while the largest materials supplier accounted for approximately 17.04 per cent., 17.45 per cent. and 15.87 per cent. of the Group's total purchase volume of materials, respectively.

The Group places great emphasis on the quality of materials sourced from the suppliers. The Group carefully selects its suppliers and requires its suppliers to satisfy certain evaluation and assessment criteria. Before engaging a new supplier and establishing long term business relationship with the supplier, the Group evaluates various aspects of the supplier, including quality, pricing, availability of products and reliability of the supplier. Depending on the needs and requirements of the customers, the Group may enter into material supply contracts with the suppliers.

The Group has implemented an internal quality control system and inspections are generally performed upon delivery of materials to ensure that the materials purchased meet all benchmarks and specifications of the Group and/or the customers.

The Group generally has not experienced any material shortage of materials or quality issues with the materials that had a material effect on the Group's operations for the past three years.

Sales

Steel and asphalt are primarily sold to customers located in Guangxi for expressway and highway construction projects. Some of the products are sold to other markets.

The Group has a diverse customer base. For the years ended 31 December 2019, 2020 and 2021, the Group's five largest customers for its materials trading business segment accounted for approximately 26.64 per cent., 28.23 per cent. and 29.58 per cent. of the Group's total sales volume of materials, respectively.

For the sales of steel, the Group generally places purchase orders with the suppliers after the Group receives purchase orders from its customers. The Group usually requires the customers to pay a deposit, and settle the balance when the products are delivered. For asphalt, the Group generally imports asphalt into the PRC before on-selling it to the customers. For the sales of mineral products, the Group usually enters into procurement contracts with foreign suppliers, and at the same time enters into sales contracts with the relevant customers.

Other Business Segment

The Group also conducts other businesses such as real estate and financial services.

For the years ended 31 December 2019, 2020 and 2021, the Group's other business segment generated operating income of approximately CNY4.83 billion, CNY5.36 billion and CNY11.23 billion, respectively, representing approximately 10.06 per cent., 11.35 per cent. and 18.96 per cent. of the Group's total operating income, respectively.

Real Estate

The Group conducts its real estate business primarily through the Issuer's wholly-owned subsidiary, namely, Guangxi Jiaotou Logistics Development Co., Ltd. (廣西交投物流發展有限公司) (“**Guangxi Logistics**”), and Guangxi Railway Investment's wholly-owned subsidiary, namely, Guangxi Real Estate Group Co., Ltd (廣西地產集團有限公司) (“**Guangxi Real Estate**”), and their respective subsidiaries.

The following table sets forth certain of the Group's key real estate projects under construction as at 31 March 2022:

Project	Project type	Location (in Guangxi)	Planned investment amount (CNY billion)
Wuzhou Sunshine Peninsula (五洲半島陽光項目)	Residential	Baise (百色)	1.30
Nine Peninsulas/Guangxi Communications Investment Yangguang Aerle 100 (九個半島項目/交投地產陽光阿爾勒100)	Commercial and residential	Wuming (武鳴)	5.00
ASEAN (Nanning) International Automobile Culture Industrial Park real estate project (東盟(南寧)國際汽車文化產業園房地產項目)	Office, commercial and residential	Nanning (南寧)	5.38
Yulin Greenland City (Tong Zhou, Tong Xing, Tong He) (玉林綠地城(通洲、通興、通和))	Commercial, office and residential	Yulin (玉林)	6.00
Jinyue Lanwan (金悅瀾灣)	Commercial and residential	Nanning (南寧)	3.79
Wuzhou Sanqi City (梧州三祺城)	Residential	Wuzhou (梧州)	5.33
Sanqi Changdao Garden/Jingdong Shili (三祺•長島花園/境東十里)	Commercial and residential	Qinzhou (欽州)	3.48
Sanqi Lanhu Guoji (三祺•瀾湖國際)	Residential	Guilin (桂林)	1.10

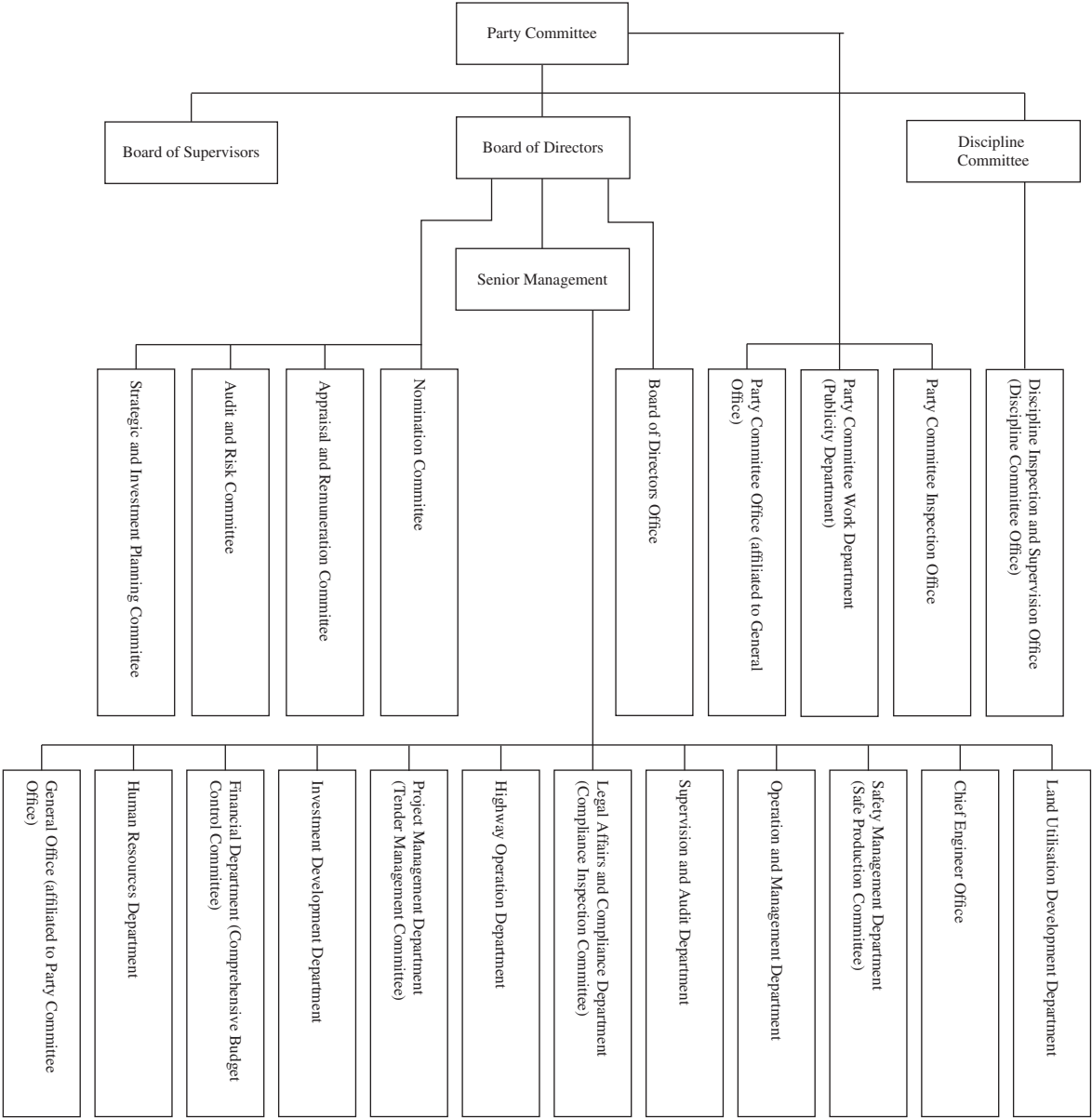
Financial Services

The Group conducts its financial services business primarily through two of the Issuer's whollyowned subsidiaries, namely, Guangxi Communications Investment Group Finance Co., Ltd. (廣西交通投資集團財務有限責任公司) and Nanning Juxing Petty Loan Co., Ltd. (南寧市聚興小額貸款有限責任公司). The Group's financial services business generally derives operating income from interest earned from inter-bank borrowings and small loans granted to other entities.

CORPORATE GOVERNANCE

The Issuer has established a sound corporate governance structure comprising the board of directors, board of supervisors and operating management entities and committees.

The following diagram sets forth the simplified corporate governance structure of the Issuer as at 31 March 2022:



INSURANCE

The Group is covered by insurance policies which primarily cover fire, flood, other material damage to property and public liability. The Issuer believes that the Group’s properties are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage.

Notwithstanding such insurance coverage, damage to the expressways, buildings, facilities, equipment or other properties as a result of occurrences such as fire, flood, water damage, explosion, power loss,

typhoons and other natural disasters or terrorism, or any decline in the Group's business as a result of any threat of war, outbreak of disease or epidemic, may potentially have a material adverse effect on the Group's financial condition and results of operations. Please see "*Risk Factors — Risks relating to the Group's Businesses — The Group may not have adequate insurance to cover all potential liabilities or losses*" for a discussion of the risks associated with the Group's insurance coverage.

EMPLOYEES

As at 31 March 2022, the Group had a total of approximately 15,381 employees, of which approximately 858 employees had a postgraduate degree or above and 5,449 had an undergraduate degree.

The Group's ability to attract, retain and motivate qualified personnel is critical to its success. The Issuer believes that the Group offers employees competitive compensation and is able to attract and retain qualified personnel. Remuneration to employees is based on their respective performance, working experience, duties and the prevailing market rates.

The Group maintains a good working relationship with its employees and as at 31 March 2022, the Group had not experienced any labour disputes that could cause material adverse effect to the operation and performance of the Group.

HEALTH AND SAFETY

The Group has adopted various policies and taken measures to prevent health and safety risks and hazards. As at 31 March 2022, the Group had not been subject to any fines or administrative action that has been filed with any PRC government authorities involving material non-compliance with any relevant regulations.

LEGAL AND REGULATORY PROCEEDINGS

The Group is involved, from time to time, in legal proceedings arising in the ordinary course of its operations.

Except as disclosed in this Offering Circular, to the best of the knowledge of the Issuer, none of the Issuer or any member of the Group is involved in any litigation or arbitration proceedings as at the date of this Offering Circular that could have a material adverse effect on the Group's business, financial condition and results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE ISSUER

BOARD OF DIRECTORS

The following table sets forth the members of the board of directors of the Issuer as at 31 March 2022:

Name	Position
Zhou Wen (周文)	Secretary of party committee and chairman of the board of directors
Wang Jieyun (王劫耘)	Deputy secretary of party committee, deputy chairman of the board of directors and general manager
Jing Dongping (景東平)	Deputy chairman of the board of directors
Zhang Junxiong (張俊雄)	Deputy secretary of party committee, director and president of labour union
Hu Fang (胡芳)	Member of party committee, external director and chief financial controller
Meng Kunwei (蒙坤偉)	External director
Chen Li (陳莉)	External director

Zhou Wen

Mr. Zhou is the secretary of the party committee and the chairman of the board of directors of the Issuer. He was the deputy chief officer and a member of the party committee of the Guangxi SASAC, the chairman of the board of directors and the general manager of Guangxi Wuzhou, a director, the general manager and the deputy secretary of the party committee of Guangxi North Bay Development and Investment Co., Ltd. (廣西北部灣開發投資有限責任公司), the chairman of the board of directors, general manager and the secretary of the party committee of Guangxi North Bay Investment Group Co., Ltd. (廣西北部灣投資集團有限公司), the deputy chairman of the board of directors and general manager of Guangxi New Development Transportation Group Co., Ltd. (廣西新發展交通集團有限公司) and the head of the Transportation Science and Research Institute of Guangxi (廣西壯族自治區交通科學研究所). Mr. Zhou holds a postgraduate degree and is a senior engineer at professor level (教授級高級工程師).

Wang Jieyun

Mr. Wang is the deputy secretary of party committee, the deputy chairman of the board of directors and the general manager of the Issuer. He was the deputy chief engineer and the assistant to the general manager of Guangxi Highway and Bridge Engineering Corporation (廣西公路橋樑工程總公司), the chief engineer, the general manager, the chairman of the board of directors and the secretary of party committee of Guangxi New Development Transportation Group Co., Ltd. (廣西新發展交通集團有限公司) and the chief engineer, the deputy director and a member of the party committee of the Transportation Department of Guangxi (廣西交通運輸廳). Mr. Wang holds an undergraduate degree and is a senior engineer at professor level.

Jing Dongping

Mr. Jing is the deputy chairman of the board of directors of the Issuer. He is also the chairman of the board of directors and the secretary of the party committee of Guangxi Railway Investment. He was the head of the Liuzhou North Station (柳州北站), the head of the Labour and Wages Department and the chief economist of the Liuzhou Railway Bureau (柳州路局), the chief economist of the Nanning Railway Bureau (南寧鐵路局) and the chairman of the board of directors of Guangxi Coastal Railway Co., Ltd. (廣西沿海鐵路股份有限公司). Mr. Jing holds an undergraduate degree and is a senior engineer.

Zhang Junxiong

Mr. Zhang is the deputy secretary of the party committee, a director and the president of the labour union of the Issuer. He served various positions in the government, including director of the Lingshan County Tourism Bureau of Guangxi (廣西靈山縣旅遊局), secretary of the party committee of the Wuli Town of the Lingshan County of Guangxi (廣西靈山縣武利鎮), deputy chief officer of the Pubei County of Guangxi (廣西浦北縣), head of the human resources department of the liaison office of the Central People's Government in the Macau Special Administrative Region (中央駐澳門特別行政區聯絡辦公室人事處) and secretary of the commission for discipline inspection of Liuzhou City and Baise City. He was also the general manager of Lingshan County Travel Corporation (靈山縣旅遊總公司). Mr. Zhang holds an undergraduate degree and is a senior political officer (高級政工師) and senior economist.

Hu Fang

Ms. Hu is a member of the party committee, an external director and the chief financial controller of the Issuer. She previously held several positions at Guangxi Jiangong Group (廣西建工集團), including chief financial controller, head of the finance and assets department (財務資產部), head of the finance department and executive deputy chief officer of the asset management centre (資金管理中心). She was also a director and the chief financial controller of Guangxi Railway Investment. Ms. Hu holds an undergraduate degree and is a senior accountant.

Meng Kunwei

Mr. Meng is an external director of the Issuer. He was the vice president and a member of the party committee of Yulin Branch of Agricultural Bank of China (中國農業銀行玉林分行), the general manager of the International Business Department of Guangxi District Branch of Agricultural Bank of China (中國農業銀行廣西區分行國際業務部), the deputy director and a member of the party committee of Guangxi Rural Credit Cooperative Association (廣西自治區農村信用社聯合社), the secretary of the party committee, the chairman of the board of directors and the general manager of Guangxi Xinrong Investment Group Co., Ltd. (廣西鑫融投資集團有限公司) and the secretary of the party committee, the chairman of the board of directors and the general manager of Guangxi Financial Investment Group Co., Ltd. (廣西金融投資集團有限公司). Mr. Meng holds a postgraduate degree and is a senior lecturer.

Chen Li

Ms. Chen is an external director of the Issuer. She is also a senior partner of Beijing Hylands (Nanning) Law Firm (北京浩天(南寧)律師事務所). She previously served as a legal counsel of Nanning Pipe Gas Co., Ltd (南寧管道燃氣有限責任公司) and a senior partner of Beijing Shangheng (Nanning) Law Firm (北京尚衡(南寧)律師事務所). Ms. Chen holds a postgraduate degree.

BOARD OF SUPERVISORS

The following table sets forth the members of the board of supervisors of the Issuer as at 31 March 2022:

Name	Position
Yu Pituan (余丕團)	Employee supervisor
Zhao Bin (趙斌)	Employee supervisor

Yu Pituan

Mr. Yu is an employee supervisor of the Issuer. He is also the manager of the work department (audit) of the board of supervisors of the Issuer. He previously worked as the chief officer of the financial settlement centre of the Issuer, the secretary of the party committee and the deputy chairman of the board

of directors of Guangxi Communications Investment Group Finance Co., Ltd. Mr. Yu holds an undergraduate degree and is a senior accountant.

Zhao Bin

Mr. Zhao is an employee supervisor, vice president of the labour union and the chief officer of the legal affairs department of the Issuer. He was the deputy chief officer of the Supervision Office of the Transportation Department of the Guangxi Supervision Department in the Autonomous Region (廣西監察廳駐自治區交通運輸廳監察室). Mr. Zhao previously held several positions at the Issuer, including deputy chief officer of the discipline inspection and supervision office, chief officer of the party committee working department, manager of the legal affairs department and secretary of the board of directors. He also served as the chairman of the board of directors of Wuzhou Guotong. Mr. Zhao holds a postgraduate degree and is a senior economist and senior political officer.

SENIOR MANAGEMENT

The following table sets forth the senior management of the Issuer as at 31 March 2022:

Name	Position
Wang Jieyun (王劫耘)	Deputy secretary of party committee, deputy chairman of the board of directors and general manager
Zhou Zhigang (周志剛)	Deputy general manager
Lian Xiangdong (廉向東)	Deputy general manager
Feng Juming (馮菊明)	Deputy general manager
Hu Fang (胡芳)	Member of party committee, external director and chief financial controller
Chen Zhijie (陳智傑)	Deputy general manager

Wang Jieyun

Please refer to the profile of Mr. Wang in “— *Board of Directors*” above.

Zhou Zhigang

Mr. Zhou is a deputy general manager of the Issuer. He previously held several positions in governmental departments of Guangxi, including head of the Wuzhou Roadway Bureau (梧州州公路局), head of the Wuzhou Roadway Management Bureau (梧州公路管理局), deputy head of the Roadway Management Bureau (公路管理局) and head of the Highway Management Bureau (高速公路管理局). He was also a director and the deputy general manager of Guangxi Tourism Development Group Co., Ltd. (廣西旅遊發展集團有限公司). He also previously served as a director of the Issuer. Mr. Zhou holds an undergraduate degree and is a senior engineer.

Lian Xiangdong

Mr. Lian is a deputy general manager of the Issuer. He was a director, deputy general manager and the chief engineer of Guangxi Highway Investment Co., Ltd. (廣西高速公路投資有限公司), the chairman of the board of directors and general manager of Guangxi Jingang Highway Co., Ltd. (廣西金港高速公路有限公司), the chairman of the board of directors and general manager of Guangxi Jincheng Highway Co., Ltd. (廣西金城高速公路有限公司), the chairman of the board of directors and general manager of Qinzhou Highway Operation Co., Ltd. (欽州高速公路運營有限公司) and a deputy general manager of Zhongjiao Fourth Aviation Engineering Bureau Co., Ltd. (中交第四航務工程局有限公司). Mr. Lian holds a postgraduate degree and is a senior engineer at professor level.

Feng Juming

Mr. Feng is a deputy general manager of the Issuer. He was the secretary of the party committee of Laibin Town of Laibin County (來賓縣來賓鎮) of Guangxi, the chief officer of the General Office of the Guangxi Real Estate Development Service Centre (廣西地產開發服務中心辦公室), the chief officer of the Land Consolidation Centre of the Guangxi Land Resource Department (廣西自治區國土資源廳土地整理中心), a deputy general manager of Guangxi Real Estate (Group) Co., Ltd. (廣西地產(集團)有限公司) and a deputy general manager of Guangxi Railway Investment. Mr. Feng holds a postgraduate degree and is a senior engineer.

Hu Fang

Please refer to the profile of Ms. Hu in “— *Board of Directors*” above.

Chen Zhijie

Mr. Chen is a deputy general manager of the Issuer. He previously served as the chief officer of the general office and the chief officer of the general office of the party committee of the Issuer. He was the chairman of the board of directors, the general manager, the secretary of the party committee and the chief engineer of Guangxi Communications Investment Group Heci Highway Operation Co., Ltd. (廣西交通投資集團河池高速公路運營有限公司), the chairman of the board of directors, the general manager, and the secretary of the party committee and the chief engineer of Guangxi Communications Investment Group Nanning Highway Operation Co., Ltd. (廣西交通投資集團南寧高速公路運營有限公司) and the chairman of the board of directors, the general manager and the secretary of the party branch of Guangxi Jiaotou Asset Management Co., Ltd. (廣西交投資產管理有限公司). He previously served as the chief officer of the general office and the chief officer of the general office of the party committee of the Issuer. Mr. Chen holds an undergraduate degree and is a senior engineer.

PRC REGULATIONS

This section is a high-level overview of the PRC legal system and a summary of the principal PRC laws and regulations relevant to the issue of the Bonds. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations.

RECORD-FILING AND REGISTRATION

The NDRC Circular relates to the matters as listed below:

- remove the quota review and approval system for the issuance of foreign debts by enterprises, reform and innovate the ways that foreign debts are managed, and implement the administration of record-filing and the registration system. Realise the supervision and administration of the size of foreign debts borrowed on a macro level with the record-filing, registration, and information reporting of the issuance of foreign debts by enterprises;
- before the issuance of foreign debts, enterprises shall first apply to the NDRC for the handling of the record-filing and registration procedures and shall report the information on the issuance to the NDRC within 10 working days of completion of each issuance;
- record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;
- the NDRC shall decide whether to accept the application for record-filing and registration within 5 working days of receiving it and shall issue a Certificate for Record-filing and Registration of the Issuance of Foreign Debts by Enterprises within 7 working days of accepting the application and within the limit of the total size of foreign debts;
- the issuer of foreign debts shall handle the procedures related to the outflow and inflow of foreign debt funds with the Certificate for Record-filing and Registration according to the regulations. When the limit of the total size of foreign debts is exceeded, the NDRC shall make a public announcement and no longer accept applications for record-filing and registration; and
- if there is a major difference between the actual situation of the foreign debts issued by the enterprises and the situation indicated in the record-filing and registration, an explanation shall be given when reporting relevant information. The NDRC shall enter the poor credit record of an enterprise which maliciously and falsely reports the size of its foreign debts for record-filing and registration into the national credit information platform.

Pursuant to the Administrative Measures for Foreign Debt Registration and its operating guidelines, effective as at 13 May 2013 and amended on 4 May 2015, issuers of foreign debts are required to register with SAFE. Issuers other than banks and financial departments of the government shall go through registration or record-filing procedures with the local branch of SAFE within the prescribed timeframe. If the receipt and payment of funds related to the foreign debt of such issuer is not handled through a domestic bank, the issuer shall, in the event of any change in the amount of money withdrawn, principal and interest payable or outstanding debt, go through relevant record-filing procedures with the local branch of SAFE.

ENVIRONMENTAL PROTECTION

The laws and regulations governing the environmental protection for real estate development in China include the PRC Environmental Protection Law (中華人民共和國環境保護法), the PRC Prevention and Control of Noise Pollution Law (中華人民共和國噪聲污染防治法), the PRC Environmental Impact Assessment Law (中華人民共和國環境影響評價法) and the Administrative Regulations on Environmental Protection for Development Projects (建設項目環境保護管理條例). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact report, an environmental impact analysis table or an environmental impact registration form must be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the real estate development. In addition, upon completion of the real estate development, the relevant environmental regulatory authorities will also inspect the property project to ensure compliance with the applicable environmental protection standards and regulations before the property project may be delivered to the purchasers.

REGULATIONS ON EMPLOYMENT RELATIONSHIPS

Labour Laws

Pursuant to the PRC Labour Law which was promulgated on 5 July 1994 and amended on 27 August 2009 and 29 December 2018 and the Labour Contract Law which was promulgated on 29 June 2007 and became effective on 1 January 2008 and which was further amended on 28 December 2012, if an employment relationship is established between an entity and its employees, written labour contracts shall be signed. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wages. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the State on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

Social Security Laws

Under applicable PRC laws, rules and regulations, including the Interim Measures Concerning the Maternity Insurance of Enterprises Employees (企業職工生育保險試行辦法) which became effective on 1 January 1995, the Interim Regulations on the Collection and Payment of Social Security Funds (社會保險費徵繳暫行條例), which was promulgated and became effective on 22 January 1999, and amended on 24 March 2019, the Regulation on Work-Related Injury Insurance (工傷保險條例), which was promulgated on 27 April 2003 and amended on 20 December 2010, and the Regulations on the Administration of Housing Accumulation Funds (住房公積金管理條例), which was promulgated on 3 April 1999 and amended on 24 March 2002 and 24 March 2019, employers are required to make contributions to the basic pension insurance fund, unemployment insurance, basic medical insurance fund, work-related injury insurance fund, maternity leave insurance fund and housing accumulation funds for their employees.

On 28 October 2010, the Social Security Law of the PRC (社會保險法) (the “**Social Security Law**”) was adopted by the Standing Committee of the National People’s Congress and took effect as of 1 July 2011. The Social Security Law was subsequently amended on 29 December 2018. The Social Security Law is the first comprehensive law in China to address social securities and related administrative issues. In addition to consolidating various existing social security rules and regulations, the Social Security Law also introduces some new provisions and policies. Key provisions of the Social Security Law are as follows:

- The Social Security Law allows for an employee to transfer his or her pension, basic medical and unemployment insurance relationships with him or her when the individual decides to move to another city to take up new employment, which was not possible in the past.

- If the employer fails to make social security registration and refuses to rectify within the ordered time limits, in addition to a standard penalty of anywhere between CNY500 to CNY3,000 imposed directly on the responsible persons which are directly in charge and involved, the employer will also be subject to a penalty which is calculated based on one to three times of the outstanding social security contributions.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of 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. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this “— PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Withholding Interest

Pursuant to the EIT Law, the IIT Law and the implementation regulations in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

Such income tax shall be withheld by the Issuer that is acting as the obligatory withholder and such PRC enterprise shall withhold the tax amount from each payment or payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders.

VAT

Under Circular 36 which introduced a new VAT from 1 May 2016 to replace business tax, VAT is applicable where the entities or individuals provide services within the PRC. The revenues generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT if the seller or buyer of the services is within PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Accordingly, the interest and other interest like earnings received by a non-PRC resident Bondholder from the Issuer will be

subject to PRC VAT at the rate of 6 per cent. The Issuer will be obligated to withhold VAT of 6 per cent. (plus certain surcharges, if any) on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside of the PRC between non-PRC resident Bondholders will be subject to PRC VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. In addition, on 20 March 2019, MOF, SAT and the General Administration of Customs issued Circular 39. Circular 39 came into effect on 1 April 2019. It further deepened the VAT reform by adjusting certain tax rates and the relevant calculation methods. However, its implementation remains uncertain. Circular 36 and Circular 39, together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. However, despite the withholding of the PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in “*Terms and Conditions of the Bonds*”.

Capital Gains

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than one year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Taxation Arrangement, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

Stamp Duty

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

HONG KONG

Withholding Tax

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

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (c) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

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

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

Stamp Duty

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to

implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 5 July 2022 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table:

	Principal amount of the Bonds to be subscribed
	U.S.\$
Bank of China Limited	41,250,000
CCB International Capital Limited	41,250,000
ICBC International Securities Limited	41,250,000
BOCOM International Securities Limited	41,250,000
China International Capital Corporation Hong Kong Securities Limited	15,000,000
Industrial and Commercial Bank of China (Macau) Limited	15,000,000
Industrial and Commercial Bank of China Limited, Singapore Branch	15,000,000
CEB International Capital Corporation Limited	15,000,000
China Minsheng Banking Corp., Ltd., Hong Kong Branch	15,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	15,000,000
Zhongtai International Securities Limited	15,000,000
Guotai Junan Securities (Hong Kong) Limited.	15,000,000
CMB Wing Lung Bank Limited	15,000,000
Total	300,000,000

The Subscription Agreement provides that the Joint Lead Managers and their respective affiliates, and their respective directors, officers and employees will be indemnified against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and certain of their respective subsidiaries or affiliates have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer and/or its subsidiaries, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer and/or its subsidiaries in the ordinary course of business.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliate(s) may act as an investor for their own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for their own account such securities and any securities of the Issuer and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Bonds being “offered” should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Lead Managers or their respective affiliates may purchase the Bonds for their own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of their or their subsidiaries or associates 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 to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds).

In connection with the issue of the Bonds, any of the Joint Lead Managers acting as Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) may, to the extent permitted by applicable laws and regulations, over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but must end after a limited period. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilisation Manager(s) or, as the case may be, the Joint Lead Managers in the manner agreed by them.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers. If a jurisdiction requires that an offering of Bonds be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

UNITED STATES

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

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

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

UNITED KINGDOM

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

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**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; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each of the Joint Lead Managers has represented, warranted 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 the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

PRC

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

SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell the Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of

the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAANI6: Notice on Recommendations on Investment Products).

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

MACAU

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and Guidelines Circular no. 033/B/2010-DSB/AMCM,

Circular no. 009/B/2019-DSB/AMCM and Circular no. 008/B/2021-DSB/AMCM and any other laws in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and Guidelines Circular no. 033/B/2010-DSB/AMCM, Circular no. 009/B/2019-DSB/AMCM and Circular no. 008/B/2021-DSB/AMCM, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority and the MOX, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The consolidated financial statements of the Issuer included in this Offering Circular were prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications between PRC GAAP and IFRS which might be relevant to the financial information of the Group included herein. The following is a general summary of certain differences between PRC GAAP and IFRS on recognition and presentation as applicable to the Issuer. Since the summary is not meant to be exhaustive, there can be no assurance regarding the completeness of the summary. The Issuer has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and no attempt has been made to quantify such differences. Had any such quantification or reconciliation been undertaken by the Issuer, other potentially significant accounting and disclosure differences may have been required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, investors must rely upon their own examination of the Issuer, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisors for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

GOVERNMENT GRANT

Under PRC GAAP, an assets-related government grant should be offset against the book value of the related assets or recognised as deferred income. If the assets-related government grant is recognised as deferred income, it should be amortised to profit or loss over the useful life of the related assets in a reasonable and systematic manner. However, under IFRS, such assets-related government grants are allowed to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation shall be transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit or loss.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long term asset (including investment property valued under cost model, long-term equity investments, fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount

since the last impairment loss was recognised. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

RELATED PARTY DISCLOSURES

Under PRC GAAP, only state-controlled without other related party relationship companies are not treated as related parties.

Under IFRS, state-controlled companies are not treated as related parties.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 249922277 and ISIN XS2499222771, respectively.
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue, execution, delivery and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer dated 22 November 2021 and approved by the Guangxi SASAC on 10 December 2021.
3. **No Material and Adverse Change:** Save as disclosed in this Offering Circular, there has not occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group, which is material and adverse in the context of the issue and offering of the Bonds since 31 December 2021.
4. **Litigation:** Save as disclosed in this Offering Circular, none of the Issuer or any member of the Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition nor is the Issuer aware that any such proceedings are pending or threatened. The Issuer or any member of the Group may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business.
5. **Available Documents:** Copies of the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date, following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, at the principal office of the Trustee (being at the date of this Offering Circular at One Canada Square, London E14 5AL, United Kingdom) or the specified office for the time being of the Principal Paying Agent, in each case at all reasonable times during normal business hours (being 9:00 a.m. to 3:00 p.m. from Monday to Friday (other than public holidays)), so long as any Bond is outstanding and provided that, in each case, such document has been provided to the Trustee or the Principal Paying Agent, as the case may be.
6. **Financial Statements:** The Audited Financial Statements included elsewhere in this Offering Circular have been audited by Da Hua as stated in its reports dated 30 April 2021 and 25 April 2022, respectively.
7. **Listing of Bonds:** Application will be made to SEHK for the listing of and permission to deal in the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 13 July 2022.

Application will also be made to the MOX for the listing of by way of debt issues to MOX Professional Investors only and it is expected that dealing in, and listing of, the Bonds on the MOX will commence on 13 July 2022. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds.

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. So long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption,

in the event that the Global Certificate is exchanged for definitive Certificates. In addition, in the event that the Global Certificate is exchanged for definitive Certificates, an announcement of such exchange shall be made through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Paying Agent in Singapore.

8. **Legal Entity Identifier:** The Issuer's Legal Entity Identifier number is 3003003J0WIQZ3V5HL84.