

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “Offering Circular”), 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 us 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 HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR OTHERWISE PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON, ELECTRONICALLY OR OTHERWISE, AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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 not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to Industrial Investment Overseas Limited (产投海外有限公司) (the “**Issuer**”), Nanjing Jiangbei New Area Industrial Investment Group (南京江北新区产业投资集团有限公司) (the “**Company**”) and each of China International Capital Corporation Hong Kong Securities Limited, Huatai Financial Holdings (Hong Kong) Limited, Bank of China Limited, Orient Securities (Hong Kong) Limited, China CITIC Bank International Limited, China Securities (International) Corporate Finance Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Everbright Bank Co., Ltd., Hong Kong Branch, China Merchants Securities (HK) Co., Limited and Shenwan Hongyuan Securities (H.K.) Limited (the “**Joint Lead Managers**”, each a “**Joint Lead Manager**”) that you and any customers you represent are not located in the United States, and the e-mail address that you gave the Joint Lead Managers to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act and that you consent to delivery of such Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached document 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 potential investor to consider the purchase of the securities described herein.

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 the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not authorised and will not be able to purchase any of the securities described in the attached.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents (each as defined in the attached Offering Circular) to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of them is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager 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 neither the Issuer, the Company, the Joint Lead Managers, the Trustee, the Agents, nor any person who controls any of them, nor their respective directors, officers, employees, representatives nor agents, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or 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.

Singapore Securities and Futures Act Product Classification — Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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.

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 by e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

INDUSTRIAL INVESTMENT OVERSEAS LIMITED (产投海外有限公司)

(incorporated in the British Virgin Islands with limited liability)

U.S.\$250,000,000 2.30 PER CENT. NOTES DUE 2022

WITH THE BENEFIT OF A KEEPWELL AND LIQUIDITY SUPPORT DEED AND
A DEED OF EQUITY INTEREST PURCHASE UNDERTAKING BY



南京江北新区产业投资集团有限公司
NANJING JIANGBEI NEW AREA
INDUSTRIAL INVESTMENT GROUP CO., LTD

NANJING JIANGBEI NEW AREA INDUSTRIAL INVESTMENT GROUP (南京江北新区产业投资集团有限公司)

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

ISSUE PRICE: 100 PER CENT.

The 2.30 per cent. notes due 2022 (the "Notes") will be issued in the aggregate principal amount of U.S.\$250,000,000 by Industrial Investment Overseas Limited (产投海外有限公司) (the "Issuer") and are in registered form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Issuer is an indirect wholly-owned subsidiary of Nanjing Jiangbei New Area Industrial Investment Group (南京江北新区产业投资集团有限公司) (the "Company").

The Issuer and the Company will enter into a keepwell and liquidity support deed on or about 11 August 2021 (the "Keepwell and Liquidity Support Deed") with Bank of Communications Trustee Limited (the "Trustee") as trustee of the Notes as further described in "Offer Structure — The Keepwell and Liquidity Support Deed" and "Description of the Keepwell and Liquidity Support Deed". Furthermore, the Company will enter into a deed of equity interest purchase undertaking on or about 11 August 2021 (the "Deed of Equity Interest Purchase Undertaking") with the Trustee as further described in "Offer Structure — The Deed of Equity Interest Purchase Undertaking" and "Description of the Deed of Equity Interest Purchase Undertaking". None of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking constitutes a direct or indirect guarantee of the Notes by the Company. For further details, please see "Risk Factors — Risks Relating to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking — Neither the Keepwell and Liquidity Support Deed nor the Deed of Equity Interest Purchase Undertaking from the Company is a guarantee of the payment obligations of the Issuer under the Notes and may not give rise to a debt claim in the event of any insolvency proceedings in relation to the Company".

The Notes will bear interest from 11 August 2021 (the "Issue Date") at the rate of 2.30 per cent. per annum payable in arrear on 11 February 2022 and on 10 August 2022. The Notes will constitute direct, general, unconditional and (subject to Condition 3(a)(Covenants — Negative pledge) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Payments on the Notes will be made without withholding or deduction for taxes of the British Virgin Islands or the PRC (each as defined herein) to the extent described in "Terms and Conditions of the Notes — Taxation".

Unless previously redeemed, or purchased and cancelled as provided herein, the Issuer will redeem the Notes at their principal amount on 10 August 2022 (the "Maturity Date"), subject as provided in Condition 6 (Payments) of the Terms and Conditions of the Notes. At any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (as defined in the Terms and Conditions of the Notes) (which notice shall be irrevocable) in writing to the Trustee and the Principal Paying Agent, the Issuer may redeem the Notes in whole, but not in part, at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that (i) the Issuer has or will become obliged to pay Additional Amounts (as defined in the Terms and Conditions of the Notes) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 August 2021, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. At any time following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes), the Holder of any Note will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount, together with interest accrued to (but not including) such Put Settlement Date. See "Terms and Conditions of the Notes — Redemption and Purchase".

The PRC government (as defined below) (including the Nanjing City Government (as defined below) and the Nanjing Jiangbei New District Management Committee (as defined below) and other state-owned entities such as Yangzi Investment Group (as defined below)) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes in lieu of the Issuer or the Company (as the case may be). See "Risk Factors — Risks Relating to the Group's Business — The PRC government (including the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities) has no obligation to pay any amount under the Notes".

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the 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 Notes is not to be taken as an indication of the merits of the Issuer, the Company, their respective subsidiaries, their respective associated companies (if any), the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Notes.

Singapore Securities and Futures Act Product Classification — Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 18 for a description of certain factors to be considered in connection with an investment in the Notes.

The Company has been assigned a "BBB (Stable)" corporate rating by Fitch Ratings Ltd. ("Fitch"). The Notes are expected to be rated "BBB" By Fitch. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agencies. The significance of each rating should be analysed independently from any other rating.

The Notes 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, sold or delivered within the United States. The Notes are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see "Subscription and Sale".

The Notes will be represented by beneficial interests in a global note certificate (the "Global Note Certificate") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depository for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), and together with Euroclear, the "Clearing Systems". Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, individual certificates for Notes will not be issued in exchange for interests in the Global Note Certificate.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

China International
Capital Corporation

Huatai International

Bank of China

Joint Bookrunners and Joint Lead Managers

Orient Securities
(Hong Kong)

China CITIC Bank
International

China Securities
International

Shanghai Pudong Development
Bank Hong Kong Branch

China Everbright Bank
Hong Kong Branch

China Merchants
Securities (HK)

Shenwan Hongyuan
(H.K.)

Sole Rating Adviser

China International Capital Corporation

Offering Circular dated 4 August 2021

IMPORTANT NOTICE

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, THE COMPANY OR ANY OF ITS SUBSIDIARIES OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

Each of the Issuer and the Company confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Company and its Subsidiaries (as defined in the Terms and Conditions of the Notes), taken as a whole (collectively, the “**Group**”), the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking which is material in the context of the issue, offering, sale, marketing or distribution of the Notes (including all information which is required by all applicable laws, rules and regulations or information which, according to the particular nature of the Issuer, the Company, the Group, the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Company and the Group, and of the rights attaching to the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking), (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading, (iii) the statements of fact contained in this Offering Circular used in connection with the issue, offering, sale, marketing and distribution of the Notes are in every material respect true and accurate and not misleading, and there are no other material facts in relation to the Issuer, the Company, the Group, the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking the omission of which would, in the context of the issue, offering, sale, marketing and distribution of the Notes, make this Offering Circular misleading, (iv) the statements of intention, opinion, belief or expectation contained in this Offering Circular are honestly and reasonably made or held and have been reached after considering all relevant circumstances and based on reasonable assumptions, (v) all reasonable enquiries have been made by the Issuer and the Company to ascertain such facts and to verify the accuracy of all such information and statements referred to in this paragraph, (vi) all statistical, industry and market related data included in this Offering Circular are derived from sources which the Issuer and the Company reasonably believe are accurate and reliable in all material respects, and (vii) all descriptions of contracts or other material documents described in this Offering Circular are accurate in all material respects and fairly summarise the contents of such contracts or documents.

Each of the Issuer and the Company accepts full responsibility for the accuracy of the information contained in this document 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. SGX-ST takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

This Offering Circular has been prepared by the Issuer and the Company solely for use in connection with the proposed offering of the Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Company, each of China International Capital Corporation Hong Kong Securities Limited, Huatai Financial Holdings (Hong Kong) Limited, Bank of China Limited, Orient Securities (Hong Kong) Limited, China CITIC Bank International Limited, China Securities (International) Corporate Finance Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Everbright Bank Co., Ltd., Hong Kong Branch, China Merchants Securities (HK) Co., Limited and Shenwan Hongyuan Securities (H.K.) Limited (the “**Joint Lead Managers**”, each a “**Joint Lead Manager**”), the Trustee and the Agents (as defined in the “*Terms and Conditions of the Notes*”) to inform themselves about and to observe any such restrictions. None of the Issuer, the Company, the Joint Lead Managers, the Trustee and the Agents represents that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No action is being taken to permit a public offering of the Notes or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and the distribution of this Offering Circular, see “*Subscription and Sale*”. This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular.

No person has been or is authorised in connection with the issue, offering, sale, marketing or distribution of the Notes to give any information or to make any representation concerning the Issuer, the Company, the Group, the Notes, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking 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 Company, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Company, the Group, or any of them 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 Company, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents to subscribe for or purchase any of the Notes 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.

This Offering Circular is being furnished by the Issuer and the Company solely for use in connection with the proposed offering of the Notes exempt from registration under the Securities Act solely for the purpose of enabling a potential investor to consider purchasing the Notes. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer, the Company and other sources identified in this Offering Circular and neither the Issuer nor the Company has authorised its use for any other purpose. Any reproduction or distribution of this Offering

Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Notes offered by this Offering Circular is prohibited. Each person into whose possession this Offering Circular comes, by accepting delivery of this Offering Circular, agrees to the foregoing.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Notes, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking and 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 directors, officers, employees, affiliates, advisers or agents. The Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, affiliates, advisers or agents have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Company, the Group, the issue and offering of the Notes, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking. Each of the Joint Lead Managers, the Trustee, the Agents and their respective directors, officers, employees, affiliates, advisers or agents 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, the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents or advisers undertakes to review the financial condition or affairs of the Issuer, the Company or the Group for so long as the Notes remain outstanding nor to advise any investor or potential investor of the Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents (or any of their respective directors, officers, employees, affiliates, advisers or agents and each person who controls any of them) that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

Any of the Joint Lead Managers and their respective affiliates may purchase the Notes 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 Notes and/or other securities of the Issuer or the Company or their respective subsidiaries or associates at the same time as the offer and sale of the Notes 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 Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). Furthermore, investors in the Notes may include entities affiliated with the Group.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING AS THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF SUCH STABILISATION MANAGER) (THE “STABILISATION MANAGER”), PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE APPOINTED AND ACTING IN ITS CAPACITY AS A STABILISATION MANAGER, MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISATION MANAGER TO DO THIS. SUCH STABILISATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISATION SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

Singapore Securities and Futures Act Product Classification — Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Listing and quotation of the Notes on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Company, the Group, their respective subsidiaries, their respective associated companies (if any), the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Company, the Group and the terms of the offering of the Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes. None of the Issuer, the Company, the Group, the Joint Lead Managers, the Trustee, the Agents or their respective directors, officers, employees, affiliates, advisers or agents is making any representation to any purchaser of the Notes regarding the legality of any investment in the Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents in connection with its investigation of the accuracy of such information or its investment decision.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer and the Company believe this information to be reliable, it has not been independently verified by the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents or their respective directors, advisers, employees, representatives, agents and affiliates, and none of the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents or their respective directors, affiliates, advisers, agents, representatives or employees makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

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

PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial information of the Company as at and for the years ended 31 December 2018, 2019 and 2020 contained in this Offering Circular has been derived from the audited consolidated financial statements of the Company as at and for the years ended 31 December 2019 and 2020 (the “**Company’s Audited Financial Statements**”), which are included elsewhere in this Offering Circular. The audited consolidated financial statements of the Company as at and for the year ended 31 December 2019 were audited by Asia Pacific (Group) CPAs (special general partnership) Hebei branch (“**Asia Pacific Hebei Branch**”), the independent auditors of the Company for the year ended 31 December 2019, in accordance with the Auditing Standards for Certified Public Accountants of China issued by the Chinese Institute of Certified Public Accountants. The audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 were audited by Mazars Certified Public Accountants LLP (Jiangsu Branch) (“**Mazars Jiangsu Branch**”), the independent auditors of the Company for year ended 31 December 2020, in accordance with the Auditing Standards for Certified Public Accountants of China issued by the Chinese Institute of Certified Public Accountants. The Company’s Audited Financial Statements have been prepared and presented in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”).

The Company’s Audited Financial Statements are in the Chinese language and have been translated into English (the “**Company’s Financial Statements Translation**”) for inclusion in this Offering Circular for reference purposes only. Should there be any inconsistency between the Company’s Audited Financial Statements and the Company’s Financial Statements Translation, the Company’s Audited Financial Statements shall prevail. The Company’s Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to, the financial information set out or referred to in, the Company’s Audited Financial Statements. The Company’s Audited Financial Statements are available at the following website: www.chinamoney.com.cn. None of the Joint Lead Managers or any of their respective directors, officers, employees, affiliates, advisers or agents has independently verified or checked the accuracy of the Company’s Financial Statements Translation and can give no assurance that the information contained therein is accurate, truthful or complete.

PRC GAAP differs in certain material respects from the International Financial Reporting Standards (“**IFRS**”). For a discussion of certain differences between PRC GAAP and IFRS, see “*Summary of Significant Differences between PRC GAAP and IFRS*”.

CERTAIN DEFINITIONS AND CONVENTIONS

Unless the context otherwise requires, references in this Offering Circular to “**Renminbi**” and “**RMB**” are to the lawful currency of the PRC; “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency of the United States of America (the “**United States**” or “**U.S.**”); “**S\$**” are to the lawful currency of Singapore; “**PRC**” and “**China**” are to the People’s Republic of China which for the purpose of this Offering Circular excludes Hong Kong, Macau and Taiwan; “**Hong Kong**” are to the Hong Kong Special Administrative Region of the PRC; “**Macau**” are to the Macau Special Administrative Region of the PRC; the “**PRC government**” are to the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local governmental entities, and instrumentalities thereof, or where the context requires, any of them; “**MOFCOM**” are to the Ministry of Commerce of the PRC or its competent local counterpart; “**PBOC**” are to the People’s Bank of China; “**SASAC**” are to the State-owned Assets Supervision and Administration Commission of the PRC or its competent local counterpart; the “**Nanjing City Government**” are to the People’s Government of Nanjing City of the PRC (南京市人民政府); the “**Nanjing Jiangbei New District Management Committee**” are to the management committee of the Nanjing Jiangbei New District of Nanjing City (南京市江北新区管理委员会); “**Jiangbei New District**” are to Nanjing Jiangbei New District (南京江北新区) of Jiangsu Province; the “**State Council**” are to the State Council of the PRC; “**MOF**” are to the Ministry of Finance of the PRC; “**SAFE**” are to the State Administration of Foreign Exchange of the PRC or its competent local counterpart; “**NDRC**” are to the National Development and Reform Commission of the PRC or its competent local counterpart; “**SAT**” are to the State Administration of Taxation of the PRC; and “**CBIRC**” are to the China Banking and Insurance Regulatory Commission.

This Offering Circular contains translations of certain Renminbi amounts into U.S. dollar amounts at specified rates. Unless indicated otherwise, the translation of Renminbi amounts into U.S. dollar amounts has been made at the rate of RMB6.5250 to U.S.\$1.00, the exchange rate set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States (the “**Federal Reserve Board**”) (the “**Noon Buying Rate**”) on 31 December 2020. Further information on exchange rates is set forth in “*Exchange Rate*” 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. All translations from Renminbi into U.S. dollars are provided solely for investors’ convenience and no representation is made that the amounts referred to herein have been, could have been or could be converted into U.S. dollars or Renminbi, or *vice versa*, at any particular rate, or at all. For further information relating to the exchange rates, see “*Exchange Rate*”.

In this Offering Circular, certain amounts and percentages may have been rounded up or down, including but not limited to where information has been presented in thousands, millions or billions of units. 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 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 names prevail.

FORWARD-LOOKING STATEMENTS

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

- the Group’s strategies, plans, objectives and goals and its ability to implement such strategies and achieve its plans, objectives and goals;
- future developments, trends and conditions in the industries and markets in which the Group operates;
- any events that may have a material adverse effect on the economy of the PRC;
- business prospects;
- capital expenditure plans;
- the availability and costs of various forms of financing;
- the actions and developments of competitors;
- financial condition and performance;
- dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC, including the Nanjing City Government and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group’s business;
- general political and economic conditions, including those related to the PRC;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industries and markets in which the Group operates;
- various business opportunities that the Group may pursue;

- macroeconomic measures taken by the PRC government to manage economic growth; and
- changes in global economic conditions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. The Issuer and the Company caution investors not to place undue reliance on these forward-looking statements which reflect their managements’ view only as at the date of this Offering Circular.

Neither the Issuer nor the Company undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer, the Company 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. This summary does not contain all the information that may be important to potential investors in deciding to invest in the Notes. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Potential investors should read the entire Offering Circular, including the section entitled “Risk Factors” and the financial statements and related notes thereto, before making an investment decision.

DESCRIPTION OF THE ISSUER

The Issuer was incorporated in the British Virgin Islands as a company limited by shares on 10 May 2019 under the BVI Business Companies Act, 2004 (as amended) (company number: 2012793). The Issuer’s registered office is located at Ritter House, Wickhams Cay II, PO Box 3170, Road Town, Tortola VG1110, British Virgin Islands. The Issuer is a direct wholly-owned subsidiary of New & High (HK) Limited (“**New & High (HK)**”), a direct wholly-owned subsidiary of the Company.

The Issuer’s primary purpose is to act as an offshore financing platform of the Group. In June 2019, the Issuer issued U.S.\$150,000,000 5.63 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In October 2019, the Issuer issued U.S.\$50,000,000 5.0 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2020, the Issuer issued U.S.\$300,000,000 3.80 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In August 2020, the Issuer issued U.S.\$200,000,000 3.70 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2021, the Issuer issued U.S.\$300,000,000 2.60 per cent. notes due 2022 with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. Save as disclosed in this Offering Circular and other than in connection with the Notes, the Issuer has no material business as at the date of this Offering Circular.

DESCRIPTION OF THE GROUP

Overview

Established in June 1992, the Company acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, a dispatched agency (派出机构) of the Nanjing City Government, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District, which is a national-level economic development zone established in the form of a national-level new district pursuant to the Approval Relating to Agreeing to Establish Nanjing Jiangbei New District (关于同意设立南京江北新区的批复) issued by the State Council in June 2015. As at 31 March 2021, Nanjing Yangzi State-owned Assets Investment Group Co., Ltd (南京扬子国资投资集团有限责任公司) (“**Yangzi Investment Group**”), the Nanjing Jiangbei New District Management Committee, Nanjing Jiangbei Gongrong Financial Investment No.1 Debt-to-equity Investment Partnership (Limited Partnership) (南京江北工融金投一号债转股股权投资合伙企业(有限合伙)) (“**Gongrong Investment**”) and Jianxin Financial Asset Investment Co., Ltd. (建信金融资产投资有限公司) (“**Jianxin Investment**”) held approximately 45.59 per cent., 42.84 per cent., 6.81 per cent. and 4.76 per cent., respectively, of the equity interest in the Company.

Jiangbei New District is the thirteenth national-level new district established in the PRC. It is located in Nanjing City, the provincial capital of Jiangsu Province, and is the first national-level economic development zone established in Jiangsu Province. Since its establishment, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies. In particular, Jiangbei New District is designated to serve as a regional technological and innovation hub in Nanjing City as well as an illustration for economic development, innovative economy and industrial modernisation in the PRC.

In line with the strategic planning for high-end industrial development in Jiangbei New District, the Group is designated as the high-end platform (高端平台) of the Nanjing Jiangbei New District Management Committee, focusing on infrastructure construction, land development, industrial park operation and strategic investments in Jiangbei New District. Leveraging its close and cooperative relationship with the Nanjing Jiangbei New District Management Committee and the growth and development of Jiangbei New District as a regional hub for technological and high-end industries, the Group had become a key construction entity and industrial operator in Nanjing City as at 31 March 2021.

The Group is primarily engaged in the infrastructure construction, land development, security housing assignment and property leasing businesses. It also conducts other businesses including labour services, transportation, advertising and sale of goods.

As at 31 March 2021, the Company had a registered capital of approximately RMB6,548.16 million. As at 31 December 2020, the Group had total assets of approximately RMB112.91 billion. For the years ended 31 December 2018, 2019 and 2020, the Group reported total operating income of approximately RMB1,692.62 million, RMB4,149.11 million and RMB5,124.02 million, respectively, and net profit after tax of approximately RMB173.78 million, RMB308.24 million and RMB186.32 million, respectively.

Recent Developments

The ongoing COVID-19 pandemic.

The ongoing COVID-19 pandemic has caused substantial disruptions in the PRC and international economies and markets as well as additional uncertainties in the Group's operating environment. The Group has been closely monitoring the impact of the ongoing COVID-19 pandemic on the Group's businesses and will keep its contingency measures and risk management under review as the situation evolves. See "*Risk Factors — Risks Relating to the Group's Business — The Group's business, financial condition, results of operations, profitability and prospects are subject to effects of global economic events*", "*Risk Factors — Risks Relating to the Group's Business — The Group's operations are subject to force majeure events, political unrest or civil disobedience movements, natural disasters, outbreaks of contagious diseases and other disasters*" and "*Risk Factors — Risks Relating to the Group's Business — 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.

Issue of Debt Instruments since 31 December 2020.

Since 31 December 2020, the Company has issued onshore debt securities in an aggregate principal amount of RMB7.4 billion, and the Issuer has issued offshore notes in an aggregate principal amount of U.S.\$300 million.

Unaudited and unreviewed consolidated financial information of the Group as at and for the three months ended 31 March 2021.

As at the date of this Offering Circular, the Group has prepared its unaudited and unreviewed consolidated financial information as at and for the three months ended 31 March 2021 (the “**March 2021 Financial Information**”).

For the three months ended 31 March 2021, the Group recorded decreases in, among others, net profit from continuing operation, other after tax comprehensive income attributed to parent company owner, changes in fair value of other equity instrument, changes in fair value of available-for-sale financial assets, total comprehensive income attributed to parent company owner the comprehensive income attributed to minority shareholders when compared to the corresponding period in 2020.

As at 31 March 2021, the Group recorded decreases in, among others, accounts receivable, available-for-sale financial assets, other comprehensive income and undistributed profit, and increases in, among others, short-term borrowings, notes payable, advance from customers, other accounts payable, long-term loans, long-term bonds, lease liabilities, long-term payable, deferred profits and other non-current liabilities when compared to their respective balances as at 1 January 2021.

Save for the financial information disclosed in the preceding paragraphs, the March 2021 Financial Information is not included in and does not form a part of this Offering Circular. The March 2021 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 Issuer, the Company, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of the March 2021 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 2021 Financial Information should not be taken as an indication of the expected financial condition or results of operations of the Company or the Group for the full financial year ending 31 December 2021.

Competitive Strengths

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

- the development potentials of Jiangbei New District;
- the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District;
- the Group's strategic importance to industrial investment and services in Jiangbei New District;
- close and cooperative relationship with and strong support (but not including credit support) from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group);
- diversified business portfolio and steady stream of operating income;
- diversified financing channels and strong financing capability;
- prudent financial structure and investment policy;
- experienced and motivated management team; and
- comprehensive and sound internal control system.

Business Strategies

The Group's objective is to maintain and further consolidate its leading position as a key construction entity and industrial operator in Nanjing City and to continue contributing to the strategic development of Jiangbei New District by fulfilling and consolidating its role as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee. The Company intends to implement the following strategies to achieve this objective:

- continue to fulfil its role as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District;
- actively leverage the development potential of Jiangbei New District;
- continue to expand its existing business operations and invest in new businesses;
- explore new financing channels;
- adhere to prudent financial policy with stringent risk control;
- strengthen management structure and internal control systems; and
- continue to build a professional management team.

OFFER STRUCTURE

The following is a description of the structure of the offering, which should be read in conjunction with the sections entitled “Risk Factors”, “Terms and Conditions of the Notes”, “Description of the Keepwell and Liquidity Support Deed” and “Description of the Deed of Equity Interest Purchase Undertaking”.

THE NOTES

The Notes will be issued by the Issuer. The Notes will constitute direct, general, unconditional and (subject to Condition 3(a) (*Covenants — Negative pledge*) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Issuer is incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company.

THE KEEPWELL AND LIQUIDITY SUPPORT DEED

By way of entering into the Keepwell and Liquidity Support Deed, the Company will undertake to provide intra-group credit-support for the Issuer.

The Keepwell and Liquidity Support Deed will make clear that none of the obligations contained therein and nothing done pursuant thereto by the Company shall be deemed to constitute, or shall be construed as, or shall be deemed evidence of, a guarantee by, or any similar legally binding obligation of, the Company of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer under the laws of any jurisdiction. Further, the Keepwell and Liquidity Support Deed expressly provides that in order for the Company to comply with its obligations, the Company may be required to obtain certain PRC regulatory approvals which it shall use its best endeavours to obtain in accordance with the requirements of the Trust Deed.

Material undertakings to be provided by the Company under the Keepwell and Liquidity Support Deed would include:

- (a) *Ownership of the Issuer* — (i) hold or own (directly or indirectly) 100 per cent. of the issued share capital of the Issuer; and (ii) procure that the title, rights and interests in the shares of the Issuer that are held by the Company are not pledged, charged or in any way encumbered.
- (b) *Shareholding control* — undertake with the Issuer and the Trustee that it shall directly or indirectly appoint all senior management of the Issuer.
- (c) *Limitation on business activities of the Issuer* — procure that the Issuer shall (x) not carry on any business activity whatsoever other than the activities in connection with the offering, sale or issuance of any notes and any other activities reasonably incidental thereto (such activities in connection with the notes shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the notes), and (y) either utilise the proceeds of the issue of the notes for itself or on-lend such proceeds only to the Company or any of its Subsidiaries (each a “**Group Borrower**”), and to cause such Group Borrower to pay the interest and principal in respect of such intercompany loan on time;

- (d) *Maintenance of consolidated net worth, liquidity, etc.* — procure (i) the Issuer to have a Consolidated Net Worth of at least U.S.\$1.00 (or its equivalent in any other currency) at all times; (ii) the Issuer to have sufficient liquidity to make timely payment of any amounts payable by it under or in respect of the Notes in accordance with the Conditions and/or the Trust Deed and that the Issuer to have sufficient funds to meet its obligations with respect to any and all fees, expenses and similar obligations of the Issuer, including but not limited to fees and expenses with respect to the corporate formation and administration of the Issuer; and (iii) the Issuer to remain solvent and a going concern at all times under the laws of its jurisdiction of incorporation or applicable accounting standards; and
- (e) *Restriction on relevant indebtedness* — undertake not to, and to procure that none of the Subsidiaries of the Company will, create or permit to subsist any Security Interest (as defined in the Terms and Conditions of the Notes) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness (as defined in the Terms and Conditions of the Notes) outside the PRC or Guarantee of such Relevant Indebtedness without at the same time or prior thereto (i) securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

Irrevocable Cross-Border Standby Facility, Liquidity Support and Parent Investment

Upon the occurrence of any of the following events: (i) the Consolidated Net Worth of the Issuer falls below U.S.\$1.00 (or its equivalent in any other currency) (a “**Financial Ratio Failure**”), (ii) the Issuer fails to provide a Liquidity Notice in accordance with and by the time and to the persons specified in the Keepwell and Liquidity Support Deed (a “**Liquidity Notice Failure Event**”), (iii) an Event of Default (as defined in the Terms and Conditions of the Notes), or (iv) the Issuer determines that it will have insufficient liquidity or cashflow to meet its payment obligations under the Notes or the Trust Deed as they fall due (a “**Shortfall Event**”), the Company will undertake to:

- grant the standby facility and procure remittance of the Remittance Amount (as defined in the Keepwell and Liquidity Support Deed) as a loan to the Issuer (the “**Standby Facility**”);
- provide the liquidity support to the Issuer (the “**Liquidity Support**”); and
- invest in the Issuer and/or any Offshore Subsidiary(ies) (as defined in the Keepwell and Liquidity Support Deed (the “**Parent Investment**”)).

The above steps would be subject to the Company having obtained all relevant Regulatory Approvals (as defined in the Keepwell and Liquidity Support Deed) (which the Company has undertaken to use its best endeavours to obtain) in accordance with the Trust Deed.

THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING

Under the Deed of Equity Interest Purchase Undertaking, the Company undertakes to the Trustee that upon the receipt of a written purchase notice (the “**Purchase Notice**”) given by the Trustee following the occurrence of an Event of Default, the Company agrees to, subject to obtaining all Regulatory Approvals, purchase or procure an Onshore Subsidiary (as defined in the Deed of Equity Interest Purchase Undertaking) of the Company (the “**Purchaser**”) to purchase (the “**Purchase**”):

- (a) the Equity Interest held directly by the Issuer and/or any other Offshore Subsidiary (as defined in the Deed of Equity Interest Purchase Undertaking) as designated by the Company and notified in writing to the Trustee within five Business Days after the date of the Purchase Notice; and

- (b) in the absence of such designation and notification to the Trustee within five Business Days after the date of the Purchase Notice in accordance with the Deed of Equity Interest Purchase Undertaking, the Equity Interest held directly by all Offshore Subsidiaries (as defined in the Deed of Equity Interest Purchase Undertaking),

(each such Offshore Subsidiary, a “**Relevant Transferor**”) at the Purchase Price on the relevant Purchase Closing Date pursuant to the terms set out in the Deed of Equity Interest Purchase Undertaking and the relevant Equity Interest Transfer Agreement.

Determination of Purchase Price

Within 15 Business Days after the date of the Purchase Notice, the Company shall determine (a) the aggregate purchase price of the Equity Interest(s) being the subject of the Purchase (the “**Purchase Price**”) in accordance with any applicable PRC laws and regulations effective at the time of determination; and (b) the other applicable terms relating to the Purchase, *provided that* the Purchase Price shall be no less than the aggregate of the following amounts (the “**Shortfall Amount**”):

- (a) the amount sufficient to enable the Issuer to discharge in full its obligations under the Notes and the Trust Deed (including without limitation the principal amount of the Notes then outstanding as at the date of such Purchase Notice and any interest unpaid and/or accrued but unpaid on the Notes up to but excluding the date of such Purchase Notice), plus
- (b) an amount equal to U.S.\$2,875,000, being the interest payable in respect of one full interest period on the Notes, plus
- (c) all costs, fees and expenses (including without limitation, legal expenses) and other amounts payable to the Trustee and/or the Agents under or in connection with the Notes, the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking as at the date of such Purchase Notice plus provisions for fees and expenses which may be properly incurred in connection with the Notes, the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking after the date of the Purchase Notice, as notified by the Trustee in the Purchase Notice.

See “*Risk Factors — Risks Relating to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking — Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to approvals of the PRC governmental authorities and certain limitations*” and “*Risk Factors — Risks Relating to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking — Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking may be subject to consent from third-party creditors and shareholders, and may also be restricted if any of the equity interests are secured in favour of third-party creditors*” for further information.

THE OFFERING

The following summary contains some basic information about the Notes 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 Notes” shall have the same meanings in this summary. For a complete description of the terms of the Notes, see “Terms and Conditions of the Notes” in this Offering Circular. This summary is not intended to be complete and does not contain all of the information that is important to an investor.

Issuer	Industrial Investment Overseas Limited (产投海外有限公司)
Legal Entity Identifier	3003005BQ23X4W55EY13
Company	Nanjing Jiangbei New Area Industrial Investment Group (南京江北新区产业投资集团有限公司)
Notes	U.S.\$250,000,000 2.30 per cent. Notes due 2022
Issue Price	100 per cent.
Form and Denomination	The Notes will be issued in registered form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Interest	The Notes will bear interest from 11 August 2021 at the rate of 2.30 per cent. per annum, payable in arrear on 11 February 2022 and 10 August 2022.
Issue Date	11 August 2021.
Maturity Date	10 August 2022.
Status of the Notes	The Notes constitute direct, general, unconditional and (subject to Condition 3(a) (<i>Covenants — Negative pledge</i>) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> and without any preference among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 3(a) of the Terms and Conditions of the Notes.
Redemption at Maturity	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount in U.S. dollars on the Maturity Date.

Taxation.

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Where such withholding or deduction is made by the Issuer as a result of the Issuer being deemed by PRC tax authorities to be a PRC tax resident at the rate applicable in the PRC on 4 August 2021 (the “**Applicable Rate**”), the Issuer will pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event that the Issuer is required to make (i) a deduction or withholding by or within the PRC in excess of the Applicable Rate or (ii) any deduction or withholding by or within the British Virgin Islands, the Issuer shall pay such additional amounts (the “**Additional Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note in the circumstances set out in Condition 7 (*Taxation*) of the Terms and Conditions of the Notes.

Redemption for Tax Reasons

The Notes 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 Noteholders in accordance with the Terms and Conditions of the Notes (which notice shall be irrevocable) in writing to the Trustee and the Principal Paying Agent at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (a) the Issuer has or will become obliged to pay Additional Amounts (as defined in the Terms and Conditions of the Notes) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 August 2021; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, 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 Amounts if a payment in respect of the Notes were then due.

Redemption for Change of Control

At any time following the occurrence of a Change of Control, the Holder of any Note will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date at 101 per cent. of their principal amount, together with interest accrued to (but not including) such Put Settlement Date.

a "**Change of Control**" occurs when:

- (a) the Company ceases to (directly or indirectly) hold or own 100 per cent. of the issued share capital of the Issuer;
- (b) (A) the Nanjing City Government and/or the Nanjing Jiangbei New District Management Committee and/or Nanjing SASAC and (B) any other Person directly or indirectly Controlled by the Nanjing City Government and/or the Nanjing Jiangbei New District Management Committee and/or Nanjing SASAC (such person or entity, together with the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and Nanjing SASAC, each a "**PRC Government Person**") ceases to, together, directly or indirectly, hold or own not less than 75 per cent. of the issued share capital of the Company; or
- (c) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together, except where such person(s) is/are Controlled, directly or indirectly by a PRC Government Person;

"**Control**" means with respect to a Person (where applicable): (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of such Person or (ii) the right to appoint and/or remove all or the majority of the members then in office of such Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise. For the avoidance of doubt, a Person is deemed to Control another Person so long as it fulfils one of the two foregoing requirements and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing;

"**Nanjing City Government**" means the People's Government of Nanjing City of the PRC (南京市人民政府);

"**Nanjing Jiangbei New District Management Committee**" means the management committee of the Nanjing Jiangbei New District of Nanjing City (南京市江北新区管理委员会);

“**Nanjing SASAC**” means the State-owned Assets Supervision and Administration Commission of Nanjing of the PRC.

Events of Default	Upon the occurrence of certain events as described in Condition 8 of the Terms and Conditions of the Notes, the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon the Notes shall become immediately due and payable at their principal amount together with accrued interest (if any) without further action or formality.
Cross-default	The Notes will contain a cross-default provision as further described in Condition 8(c) of the Terms and Conditions of the Notes.
Clearing Systems	The Notes will be represented by beneficial interests in the Global Note Certificate in registered form, which will be registered in the name of a nominee of, and deposited on or about the Issue Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Note Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for beneficial interests in the Global Note Certificate.
Clearance and Settlement	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS2364454293 Common Code: 236445429
Governing Law	The Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement are governed by English law.
Trustee	Bank of Communications Trustee Limited
Principal Paying Agent	Bank of Communications Co., Ltd. Hong Kong Branch
Registrar and Transfer Agent	Bank of Communications Co., Ltd. Hong Kong Branch

Listing	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Company, their respective subsidiaries, their respective associated companies (if any), the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for as long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Keepwell and Liquidity Support Deed	The Issuer and the Company will enter into the Keepwell and Liquidity Support Deed with the Trustee as further described in “ <i>Offer Structure — The Keepwell and Liquidity Support Deed</i> ” and “ <i>Description of the Keepwell and Liquidity Support Deed</i> ”.
Deed of Equity Interest Purchase Undertaking	The Company will enter into the Deed of Equity Interest Purchase Undertaking with the Trustee as further described in “ <i>Offer Structure — The Deed of Equity Interest Purchase Undertaking</i> ” and “ <i>Description of the Deed of Equity Interest Purchase Undertaking</i> ”.
Further Issues	The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date) so as to consolidate and form a single series with the Notes. However, such further notes may only be issued if (i) the Rating Agency (as defined in the Terms and Conditions of the Notes) which has provided credit ratings in respect of the Notes has been informed of such issue; and (ii) such issue will not result in any adverse change in the then credit rating of the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed, provided that such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed.
Selling Restrictions	There are restrictions on the offer, sale and delivery of the Notes in the United States, the United Kingdom, Hong Kong, the People’s Republic of China, Singapore, Japan and the British Virgin Islands. See “ <i>Subscription and Sale</i> ”.
Ratings	The Company has been assigned a “BBB (Stable)” corporate rating by Fitch. The Notes are expected to be rated “BBB” By Fitch. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agencies.

SUMMARY FINANCIAL INFORMATION OF THE COMPANY

The summary audited consolidated financial information of the Company as at and for the years ended 31 December 2018, 2019 and 2020 set forth below has been derived from the Company's Audited Financial Statements, which are included elsewhere in this Offering Circular. The audited consolidated financial statements of the Company as at and for the year ended 31 December 2019 were audited by Asia Pacific Hebei Branch, the independent auditors of the Company for the year ended 31 December 2019, in accordance with the Auditing Standards for Certified Public Accountants of China issued by the Chinese Institute of Certified Public Accountants. The audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 were audited by Mazars Jiangsu Branch, the independent auditors of the Company for year ended 31 December 2020, in accordance with the Auditing Standards for Certified Public Accountants of China issued by the Chinese Institute of Certified Public Accountants. The Company's Audited Financial Statements have been prepared and presented in accordance with PRC GAAP. The summary audited consolidated financial information of the Company below should be read in conjunction with the Company's Audited Financial Statements, including the notes thereto and the audit reports in respect of the Company's Audited Financial Statements included elsewhere in this Offering Circular.

The Company's Audited Financial Statements are in the Chinese language and have been translated into English, i.e. the Company's Financial Statements Translation, for inclusion in this Offering Circular for reference purposes only. Should there be any inconsistency between the Company's Audited Financial Statements and the Company's Financial Statements Translation, the Company's Audited Financial Statements shall prevail. The Company's Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to, the financial information set out or referred to in, the Company's Audited Financial Statements. The Company's Audited Financial Statements are available at the following website: www.chinamoney.com.cn. None of the Joint Lead Managers or any of their respective directors, officers, employees, affiliates, advisers or agents has independently verified or checked the accuracy of the Company's Financial Statements Translation and can give no assurance that the information contained therein is accurate, truthful or complete.

PRC GAAP differs in certain material respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Significant Differences between PRC GAAP and IFRS".

SUMMARY CONSOLIDATED INCOME STATEMENT OF THE COMPANY

	For the year ended 31 December		
	2018	2019	2020
	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>
1. Total revenue	1,692,622,395.89	4,149,114,040.66	5,124,015,277.97
Including: Operating income	1,692,622,395.89	4,149,114,040.66	5,124,015,277.97
2. Total cost	2,082,517,461.84	4,557,519,210.15	5,558,323,096.91
Including: Operating cost	1,244,708,504.63	3,403,758,188.85	3,973,787,614.38
Tax and surcharges	62,123,137.08	108,090,176.20	123,666,104.50
Marketing costs	43,977,234.73	42,806,824.44	14,166,083.59
Managing costs	393,261,872.12	527,772,957.33	655,552,940.68
Development costs	—	—	—
Financing costs	338,446,713.28	475,091,063.33	791,150,353.76
Where: interest expense	454,762,951.56	—	—
Interest income	36,443,564.02	—	—
Others	—	—	—
Add: Other income	167,348,079.58	320,979,932.84	197,020,942.40
Investment income (loss remarked as “-”)	142,617,511.14	173,209,308.74	121,997,845.81
Of which: income from investment in joint ventures and joint ventures	9,699,924.97	—	—
Loss & gain in fair value (loss remarked as “-”)	205,665,793.00	349,748,876.00	525,543,620.49
Assets devaluation (loss remarked as “-”)	-374,880.79	17,494,130.67	-35,771,313.89
Profit of disposition of assets (loss remarked as “-”)	120,045,549.17	-152,178.89	-6,024.80
3. Operating profit (loss remarked with “-”)	245,406,986.15	452,874,899.87	374,477,251.07
Add: Non-operating income	8,551,666.30	8,403,083.84	22,975,979.94
Less: Non-operating expenses	7,485,394.79	9,352,158.55	2,120,415.71
4. Total profits (net loss remarked with “-”)	246,473,257.66	451,925,825.16	395,332,815.30
Less: Income tax expense	72,695,866.80	143,681,741.40	209,008,140.76
5. Net profit (net loss remarked as “-”)	173,777,390.86	308,244,083.76	186,324,674.54
(1) Classified by ownership:			
1. Net profit attributed to parent company owner	175,601,599.22	284,843,797.49	185,319,396.99
2. Minority shareholder’s profit	-1,824,208.36	23,400,286.27	1,005,277.55
(2) Classified by business continuity:			
1. Net profit from continuing operation	173,777,390.86	308,244,083.76	186,324,674.54
2. Net profit from termination of operation	—	—	—
6. Other after tax comprehensive income	-197,224,773.66	273,187,368.77	1,177,485,959.82
Other after tax comprehensive income attributed to parent company owner	-197,224,773.66	273,187,368.77	1,177,485,959.82
(1) Items not be reclassified into profit or loss in subsequent periods	—	—	—
1. Changes arising from remeasurement of net liabilities or assets of the defined benefit plan	—	—	—
2. Share of other comprehensive income of the investee not to be reclassified into profit or loss under the equity method	—	—	—
3. Others	—	—	—

	For the year ended 31 December		
	2018	2019	2020
	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>
(2) Items to be reclassified into profit or loss in subsequent periods	-197,224,773.66	273,187,368.77	1,177,485,959.82
1. Other comprehensive income to be reclassified into profit or loss under equity method	—	—	—
2. Gains or losses from changes in fair value of available-for-sale financial assets	-149,872,905.04	270,572,364.82	547,233,568.97
3. Gains or losses from reclassification of held-to-maturity investments as available-for-sale financial assets	—	—	—
4. The effective portion of gains or losses from cash flow hedges	—	—	—
5. Gains and losses arising from the conversion of inventory or self-use real estate into investment real estate measured by the fair value model	45,373,794.17	—	—
6. Differences in translation of foreign currency financial statements	-92,725,662.79	-65,266,365.90	416,805,380.82
7. Others	—	67,881,369.85	213,447,010.03
Other after tax comprehensive income attributed to minority shareholders	—	—	—
7. Total comprehensive income	-23,447,382.80	581,431,452.53	1,363,810,634.36
Total comprehensive income attributed to parent company owner	-21,623,174.44	558,031,166.26	1,362,805,356.81
The comprehensive income attributed to minority shareholders	-1,824,208.36	23,400,286.27	1,005,277.55

SUMMARY CONSOLIDATED BALANCE SHEET OF THE COMPANY

	As at 31 December		
	2018	2019	2020
	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>
Current assets:			
Cash and cash equivalents	13,947,661,267.32	14,297,235,278.28	17,005,096,086.10
Financial assets measured at fair value through profit or loss	—	—	—
Financial derivative assets	—	—	—
Notes receivable	—	—	—
Accounts receivable	1,594,751,160.17	4,413,485,995.31	6,170,999,244.70
Prepayments	324,702,396.17	801,535,753.12	603,186,391.39
Other accounts receivable	9,347,039,456.31	12,156,506,770.64	11,906,809,234.56
Inventories	34,714,437,959.50	42,364,056,620.46	49,158,342,911.60
Assets classified as held for sale	—	—	—
Non-current assets maturing within one year	—	—	—
Other current assets	421,661,245.30	691,993,614.94	1,003,740,081.09
Total current assets	60,350,253,484.77	74,724,814,032.75	85,848,173,949.44
Non-current assets:			
Available-for-sale financial assets	2,920,645,391.51	3,742,024,783.20	5,768,871,135.44
Held-to-maturity investment	10,000,085.72	10,060,054.70	10,420,000.00
Long-term accounts receivable	—	—	—
Long-term equity investments	232,075,530.74	673,320,313.81	1,192,534,228.58
Investment real estate	6,828,893,558.00	11,372,580,362.00	13,188,056,198.03
Property, plant and equipment	483,215,071.02	681,464,988.55	599,949,286.04
Construction in process	1,752,242,190.50	2,761,018,362.82	3,456,082,412.36
Productive biological assets	—	—	—
Oil and gas assets	—	—	—
Intangible assets	5,507,277.37	570,183,768.09	1,057,813,333.30
Development expenses	—	—	—
Business reputation	—	—	—
Long-term deferred expenses	188,046,343.92	204,978,193.13	254,079,628.58
Deferred income tax assets	74,070,456.73	49,908,257.50	96,347,644.35
Other non-current assets	1,557,012,701.73	1,363,208,895.16	1,441,074,942.08
Total non-current assets	14,051,708,607.24	21,428,747,978.96	27,065,228,808.76
Total assets	74,401,962,092.01	96,153,562,011.71	112,913,402,758.20
Current liabilities:			
Short-term borrowings	270,000,000.00	669,000,000.00	470,000,000.00
Financial liabilities measured at fair value through profit or loss	—	—	—
Financial derivative liabilities	—	—	—
Notes payable	—	—	—
Accounts payable	1,245,353,983.77	1,753,473,941.93	2,494,616,616.72
Advance from customers	263,001,888.25	553,043,348.32	1,916,236,738.18
Payroll payable	4,730,008.95	8,334,048.01	10,136,255.76
Taxes payable	796,390,505.04	244,749,716.95	318,092,711.41
Other accounts payable	2,304,427,065.16	5,002,969,010.88	7,973,859,917.16
Liabilities classified as held for sale	—	—	—
Non-current liabilities maturing within one year	6,898,537,122.05	9,489,377,713.92	13,602,797,988.07
Other current liabilities	10,611,598.70	608,981,018.20	603,146,763.09
Total current liabilities	11,793,052,171.92	18,329,928,798.21	27,388,886,990.39

	As at 31 December		
	2018	2019	2020
	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>
Non-current liabilities:			
Long-term loans	22,793,625,656.66	24,747,602,230.00	26,753,339,567.10
Long-term bonds	11,099,904,968.60	15,549,661,310.00	15,188,316,896.00
Long-term payable	4,195,762,634.80	5,540,792,547.15	7,059,060,553.47
Long-term payroll payable	—	—	—
Estimated liabilities	—	—	—
Deferred profits	89,848,904.98	122,538,867.49	181,095,194.34
Deferred income tax liabilities	1,129,495,178.98	1,284,829,696.10	1,601,606,089.05
Other non-current liabilities	56,292,160.00	250,807,985.00	393,467,336.27
Total non-current liabilities	39,364,929,504.02	47,496,232,635.74	51,176,885,636.23
Total liabilities	51,157,981,675.94	65,826,161,433.95	78,565,772,626.62
Equity:			
Paid-in capital	5,424,700,000.00	6,482,401,305.00	6,548,164,809.00
Other equity instrument	498,875,000.00	498,875,000.00	2,555,512,735.85
Capital reserve	11,908,353,543.78	17,121,988,213.09	17,977,307,283.01
Less: Treasury share	—	—	—
Other comprehensive income	1,489,256,239.67	1,788,545,989.49	2,966,031,949.31
Special reserve	—	—	—
Surplus reserve	413,327,071.14	425,082,599.98	425,082,599.98
Undistributed profit	3,353,358,507.52	3,778,992,276.89	3,676,599,762.04
Total equity attributable to equity holders of the Company	23,087,870,362.11	30,095,885,384.45	34,148,699,139.19
Minority equity	156,110,053.96	231,515,193.31	198,930,992.39
Total equity	23,243,980,416.07	30,327,400,577.76	34,347,630,131.58
Total liabilities and equity	74,401,962,092.01	96,153,562,011.71	112,913,402,758.20

RISK FACTORS

An investment in the Notes 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 Notes. The following describes some of the significant risks relating to the Issuer, the Company, the Group, the Group's business, the markets in which the Group operates and the value of the Notes. PRC laws and regulations may differ from the laws and regulations in other countries. Some risks may be unknown to the Issuer, the Company or the Group 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, profitability or prospects of the Issuer, the Company or the Group or the value of the Notes. All of these factors are contingencies which may or may not occur and the Issuer, the Company or the Group 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 but not limited to the risks described below and elsewhere in this Offering Circular.

The Issuer, the Company or the Group does not represent that the statements below regarding the risk factors are exhaustive. Potential 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 BUSINESS

The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in Jiangbei New District, Nanjing City, Jiangsu Province and the PRC.

Substantially all of the Group's businesses, assets and operations are located in Jiangbei New District in Nanjing City, Jiangsu Province, the PRC. In particular, as the Group acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District, substantially all of the Group's businesses including infrastructure construction, land development, security housing assignment and property leasing are concentrated in Jiangbei New District. Therefore, the Group's business, financial condition, results of operations and prospects have been, and will continue to be, heavily dependent on the social conditions, governmental policies and level of economic activities in the PRC, in particular in Jiangbei New District, Nanjing City and Jiangsu Province.

As the thirteenth national-level new district established in the PRC and the first national-level economic development zone established in Jiangsu Province, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies since its establishment. In particular, Jiangbei New District is designated to serve as a regional technological and innovation hub in Nanjing City as well as an illustration for economic development, innovative economy and industrial modernisation in the PRC. Due to Jiangbei New District's strategic importance to the Nanjing City Government and the Nanjing Jiangbei New District Management Committee, the PRC government has implemented multiple favourable policies in Jiangbei New District with the aim of promoting economic and social development in Jiangbei New District. However, there can be no assurance that the PRC government will continue to implement favourable policies to support the further development of Jiangbei New District. In addition, there has been a slowdown in the overall growth of the PRC economy. See "*— Risks Relating to Doing Business in the PRC — The Group's business, financial condition, results of operations and prospects could be adversely affected by slowdown in the PRC economy and the future of the PRC economy is uncertain*" for further information. It is unclear whether and how the economic development of Jiangbei New

District, Nanjing City and Jiangsu Province will be affected by the perceived slowdown in economic growth in the PRC, and there can be no assurance that the level of economic development in Jiangbei New District, Nanjing City, Jiangsu Province and the PRC will continue to be maintained at the past rate of growth, if at all.

Given the Group's strategic role in the implementation of the policies of the Nanjing Jiangbei New District Management Committee with respect to the social and economic development of Jiangbei New District and the Company's state-owned background, the Group may not be able to further establish or invest in other new businesses outside Jiangbei New District in the future and it is expected that a substantial part of the Group's future business and operations will continue to be concentrated in Jiangbei New District. If economic growth slows down, adverse changes in social conditions or local governmental policies arise or any severe natural disasters or catastrophic events occur in Jiangbei New District, Nanjing City, Jiangsu Province or the PRC, 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, profitability and prospects are subject to effects of global economic events.

The Group's business, financial condition, results of operations, profitability 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. On 15 January 2020, the U.S. government and the PRC government signed the U.S.-China Economic and Trade Agreement (the "**Phase I Agreement**") pursuant to which the United States agreed to cancel a portion of tariffs imposed on products from the PRC, and the PRC agreed to additional purchases of goods and services from the United States. Both parties expressed a commitment to further improve various trade issues. However, there can be no assurance that the Phase I Agreement will be adhered to by both governments or successfully reduce trade tensions. Geopolitical events such as 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.

More recently, the ongoing COVID-19 pandemic has adversely affected the global economy and financial markets. In December 2019, the first case of a novel strain of coronavirus, COVID-19, was identified. The pandemic has since spread globally and there have been increased initial infection and fatality rates across the world. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. The ongoing COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have a material adverse effect on consumer confidence and the general economic conditions which the Group's business is subject to. Governments of many countries (including the PRC) have declared a state of emergency, closed their borders to international travellers and issued stay-at-home orders with a view to containing the pandemic. There can be no assurance that such measures will be effective in ending or deterring the spread of the COVID-19 pandemic. As the COVID-19 pandemic continues to spread globally, many more countries may be affected, which may result in the extension or implementation of further restrictive measures. 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. As the situation of the COVID-19 pandemic is still evolving, the heightened uncertainties surrounding the pandemic may pose a material adverse effect on the Group's business, financial condition, results of operations, profitability and prospects.

While central banks of different countries, including the Federal Reserve Board, have cut policy rates and/or announced stimulus packages, and national governments have proposed or adopted various forms of economic relief, 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. 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. 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, profitability and prospects.

The outlook for the global economy and financial markets remain uncertain. 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, instability in the global economy may materially and adversely affect the Group's business, financial condition and results of operations. 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, political unrest or civil disobedience movements, natural disasters and outbreaks or pandemic of contagious diseases and other disasters*” and “— *Risks Relating to the Market — International financial markets and world economic conditions may adversely affect the market price of the Notes*” for further information.

The performance of the Group depends, to a large extent, on the performance of its infrastructure construction, land development and security housing assignment business segments.

The Group's infrastructure construction, land development and security housing assignment business segments have been, and are expected to continue to be, its major sources of operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its infrastructure construction business segment amounted to approximately RMB771.98 million, RMB739.93 million and RMB953.29 million, respectively, representing approximately 45.61 per cent., 17.83 per cent. and 18.60 per cent., respectively, of the Group's total operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its land development business segment amounted to approximately RMB269.65 million, RMB608.84 million and RMB980.84 million, respectively, representing approximately 15.93 per cent., 14.67 per cent. and 19.14 per cent., respectively, of the Group's total operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its security housing assignment business segment amounted to approximately RMB52.27 million, RMB1,863.66 million and RMB2,346.51 million, respectively, representing approximately 3.09 per cent., 44.92 per cent. and 45.79 per cent., respectively, of the Group's total operating income.

Any economic downturn or other negative conditions affecting the Group's infrastructure construction, land development and security housing assignment business segments may have a material adverse effect on the financial condition and results of operations of the Group.

The Group may not successfully implement its growth strategy.

The Group has historically focused on infrastructure construction, land development, security housing assignment and property leasing in Jiangbei New District. Over the years, the Group has diversified its business into labour services, transportation, advertising and sale of goods. As one of its strategies, the Group continues to develop other new businesses while maintaining sustainable growth of its existing businesses. Whether the Group could successfully implement this strategy, to some extent, depends on its ability to identify attractive projects, obtain required approvals from relevant regulatory authorities in the PRC, obtain sufficient capital on acceptable terms in a timely manner and maintain close working relationships with various governmental authorities and agencies. The success of negotiations with respect to any particular project cannot be assured. There can be no assurance that the Group will be able to successfully implement this strategy, manage or integrate newly-acquired operations with its existing operations. Failure to implement the Group's growth strategy could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's business and prospects depend to a large extent upon the public spending on infrastructure and fixed asset investments by the Nanjing Jiangbei New District Management Committee.

As the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District, the Group is designated by the Nanjing Jiangbei New District Management Committee to undertake key infrastructure construction projects, carry out various land development projects and develop, assign and sell security housing in Jiangbei New District. Therefore, the Group's businesses, in particular, the Group's infrastructure construction, land development and security housing assignment businesses, and in turn, the Group's results of operations and prospects, largely depend on and are significantly affected by the continued spending and investment by the Nanjing Jiangbei New District Management Committee to build government-supported infrastructure and conduct government-supported projects such as security housing and land development in Jiangbei New District. Any significant reduction in the public budgets of the Nanjing Jiangbei New District Management Committee and any adverse changes in policies of the Nanjing Jiangbei New District Management Committee relating to infrastructure construction, land development and real estate in general could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

There are a number of factors affecting the nature, scale, location and timing of the Nanjing Jiangbei New District Management Committee's investments in urban development. The key factors include governmental policies and priorities relating to the development of different areas in Jiangbei New District and the fiscal and monetary policies of the Nanjing Jiangbei New District Management Committee. The Nanjing Jiangbei New District Management Committee's investments in urban development are also affected by the level of government income and the general economic conditions in the PRC and Jiangbei New District. If the public budget or spending of the Nanjing Jiangbei New District Management Committee on infrastructure construction, land development or real estate in Jiangbei New District decreases or the Nanjing Jiangbei New District Management Committee adopts adverse changes in its policies towards the development of Jiangbei New District, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group may not make decisions, take actions 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 Nanjing City Government and the Nanjing Jiangbei New District Management Committee can exert significant influence on the Group.

The Group acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District. In addition, as at 31 March 2021, state-owned entities, namely, the Nanjing Jiangbei New District Management Committee, a dispatched agency of the Nanjing City Government, Yangzi Investment Group, a state-owned company directly and wholly-owned by the Nanjing Jiangbei New District Management Committee, Gongrong Investment and Jianxin Investment together held the entire equity interest in the Company.

Given the Group's strategic role in the implementation of the policies of the Nanjing Jiangbei New District Management Committee with respect to the social and economic development of Jiangbei New District and the Company's state-owned background, the Group may not make decisions, take actions 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. For example, the Group may be involved in certain public interest projects which may not be commercially viable and the Group may fail to recover all of its costs for such projects. Although the Group may receive financial and other support from the Nanjing City Government or the Nanjing Jiangbei New District Management Committee intended to cover certain of these costs, such financial support may not always be available due to the government's liquidity, budgeting priorities and other considerations. Further, the Nanjing City Government and the Nanjing Jiangbei New District Management Committee may change the plans for such projects which may cause an increase in the Group's investment after the construction begins. Despite the above, the Group may continue to participate in businesses and projects for general public interests from time to time. However, as the Group has limited resources, engagement in these businesses and projects may reduce its ability to participate in other profit-generating businesses and projects. The Group's business, financial condition, results of operations and prospects may be adversely affected as a result.

In addition, the Nanjing City Government and the Nanjing Jiangbei New District Management Committee are in a position to exert significant influence on the Group's major business decisions and strategies, including the scope of its activities, investment decisions and dividend policies. There can be no assurance that the Nanjing City Government and the Nanjing Jiangbei New District Management Committee would always take actions that are in the Group's best interests or that aim to maximise the Group's profits. The Nanjing City Government and the Nanjing Jiangbei New District Management Committee may use their abilities to influence the Group's business and strategies in a manner which is beneficial to Jiangbei New District as a whole but which may not necessarily be in the Group's best interests. The Nanjing City Government and the Nanjing Jiangbei New District Management Committee may also change their policies, intentions, preferences, views, expectations, projections, forecasts and opinions as a result of changes in the economic, political and social environment as well as their projections of population and employment growth in Jiangbei New District, 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 Nanjing City Government and the Nanjing Jiangbei New District Management Committee 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 Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities) has no obligation to pay any amount under the Notes.

The PRC government (including the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes. 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 (财政部关于规范金融企业对地方政府和国有企业投融资行为有关问题的通知) (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 (国家发展改革委财政部关于完善市场约束机制严格防范外债风险和地方债务风险的通知) (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 (国家发展改革委办公厅关于对地方国有企业发行外债申请备案登记有关要求的通知) (“**Circular 666**”) promulgated on 6 June 2019 and took effect on the same day.

The PRC government (including the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) 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 Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes if the Issuer fails to meet its obligations under the Notes. Investors of the Notes are relying solely on the credit risk of the Issuer. In the event the Issuer does not fulfil its obligations under the Notes, 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 Nanjing City Government, the Nanjing Jiangbei New District Management Committee, any other local or municipal government or any other state-owned entities such as Yangzi Investment Group. 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.

In addition, any ownership or control by the PRC government (including the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) does not necessarily correlate to, or provide any assurance as to, the Issuer’s financial condition. If the Issuer does not fulfil its obligations under the Notes, the Noteholders will only have recourse against the Issuer, and not the PRC government or other state-owned entities.

Therefore, investors should base their investment decisions on the financial condition of the Issuer and the Group and any perceived credit risk associated with an investment in the Notes based on the financial information of the Group as reflected in the Company’s financial statements.

The Group heavily relies on government support and a reduction or discontinuance of government support could materially and adversely affect the 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 Nanjing Jiangbei New District Management Committee in the form of capital contributions, asset transfers and fiscal subsidies to support its investments and operation of its businesses. For example, for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2020 and 2021, the Group received fiscal subsidies amounting to approximately RMB160 million, RMB320 million, RMB200 million, RMB1 million and RMB3 million, respectively, from the Nanjing Jiangbei New District Management Committee.

There can be no assurance that the Nanjing Jiangbei New District Management Committee will continue to provide support to the Group or that the capital contributions, asset transfers and fiscal subsidies or other types of government support will not be adjusted or terminated due to changes in governmental policies or otherwise. If the favourable government support such as capital contributions, asset transfers and fiscal subsidies or other incentives 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.

The Group faces risks associated with contracting with public bodies.

The Group collaborates with, and relies on, the Nanjing Jiangbei New District Management Committee and its controlled agencies or entities for the operation of its businesses.

Although the Company believes that the Group currently maintains a close working relationship with the Nanjing Jiangbei New District Management Committee, there can be no assurance that this close working relationship will continue to be maintained in the future. The Nanjing Jiangbei New District Management Committee and its controlled agencies or entities may (i) have economic or business interests or considerations that are inconsistent with the Group's best interests; (ii) take actions or implement policies which are contrary to the Group's requests or objectives; (iii) be unable or unwilling to fulfil their contractual or other obligations; (iv) encounter financial difficulties; or (v) have disputes with the Group as to the contractual terms or other matters. In addition, the Nanjing Jiangbei New District Management Committee and its controlled agencies or entities may not honour their contractual obligations in a timely manner, if at all. They may also terminate their agreements with the Group or refuse to renew the agreements when they expire. The Nanjing Jiangbei New District Management Committee and its controlled agencies or entities may, without prior notice or consent from the Group, change existing policies and project plans in Jiangbei New District for reasons beyond the control of the Group, such as government budgeting.

Failure by the Nanjing Jiangbei New District Management Committee or any of its controlled agencies or entities to fulfil its contractual obligations, termination of their agreements with the Group or any adverse change to their policies or business plans may require the Group to adjust its construction or development plans which may in turn adversely affect its results of operations. If there is any material disagreement between the Group and the Nanjing Jiangbei New District Management Committee or any of its controlled agencies or entities, the Group may not be able to successfully resolve the disagreement in a timely manner. Disputes with public bodies may last for a considerably longer period of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these factors may materially and adversely affect the business relationship between the Group and the Nanjing Jiangbei New District Management Committee, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Group's financial condition and results of operations may be affected by changes in the regulations of the PRC government concerning local government debts and the financing platforms of local governments. In September 2014, the State Council released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (关于加强地方政府性债务管理的意见) (“**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, NDRC, PBOC, the China Securities Regulatory Commission (“**CSRC**”), the China Banking Regulatory Commission (which was merged with the China Insurance Regulatory Commission to form CBIRC in April 2018) and the Ministry of Justice of the PRC, released the Notice concerning Further Regulation of Local Government Borrowing and Financing Conduct (关于进一步规范地方政府举债融资行为的通知) 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 Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities) has no obligation to pay any amount under the Notes*” for further information.

The PRC government may continue to release new policies or amend existing regulations to control the increase in local government debts in the PRC. There can be 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 operations are subject to force majeure events, political unrest or civil disobedience movements, natural disasters and outbreaks or pandemic of contagious diseases and other disasters.

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

A substantial part of the Group's operations is based in Jiangsu Province, which is exposed to potential natural disasters including but not limited to earthquakes, flooding, landslides, mudslides and drought. If any of the Group's developments are damaged by severe weather or any other disasters, accidents, catastrophes or other events, 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 operating income and profits.

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, disobedience movements 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 financial condition and results of operations 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 liabilities 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 the Group's current coverage and at the same cost. The frequency and magnitude of natural disasters seen over the past few years could have a significant impact on the capacities of the insurance and reinsurance market and on the costs of civil liabilities and damages insurance cover for the Group. See "*— The insurance coverage of the Group may not adequately protect it against all operational risks or any potential liabilities or losses*" for further information.

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. In particular, several provinces in the PRC, including Jiangsu Province, have imposed temporary restrictions on business operations and travelling after the Lunar New Year holidays in 2020, leading to limited operations in a number of industries such as transportation, manufacturing and tourism. Major cities in the PRC, including Nanjing in Jiangsu Province, have implemented city lockdown (封城状态), semi-city lockdown (半封城状态) and/or close door community management (社区封闭式管理). Over 80 cities in the PRC have imposed city lockdown measures including forbidding non-residents of the communities from entry, road blocks and closure of public venues. A large number of workers are unable to attend work due to travel restrictions across cities in the PRC or imposition of the isolation measures by the PRC government. 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, the outbreak of severe acute respiratory syndrome ("SARS") in the PRC and Hong Kong in early 2003 had an adverse effect on all levels of business in Hong Kong and the PRC. 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 of the A/H1N1 influenza virus. On 11 June 2009, the World Health Organisation raised its pandemic alert to Phase 6 after considering data confirming the outbreak. Other recent epidemics include the Middle East Respiratory Syndrome (MERS), the H5N1 avian flu and the H7N9 avian flu, the Ebola virus disease and the Zika virus disease. The occurrence of another outbreak of SARS, the A/H1N1 influenza virus or of any other 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 in the affected areas and/or globally which in turn could have an adverse effect on its financial condition and results of operations.

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 if the pandemic is inadequately controlled. 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 infrastructure construction, land development and real estate businesses. For example, the ongoing COVID-19 pandemic may cause disruptions to the Group's construction-and property-related businesses. The Group's businesses may also be adversely affected by certain relief measures such as rent reduction measures implemented by the PRC government. Although the Group has adopted various remedial 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 income 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 properties, 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 prospect.

Delays or defaults in payments by the Nanjing Jiangbei New District Management Committee or the relevant governmental entities to the Group may affect its working capital and cash flows.

The payment collection period of the Group's construction projects is typically relatively long, and all or a large portion of the agreed remuneration payments or other payments are typically paid only after the relevant governmental entities have completed their inspection works and granted their approvals for the projects or a phase of the projects. However, the Group incurs a substantial amount of capital expenditure and ongoing costs such as material, equipment and labour costs, both at the beginning of a project and on an ongoing basis. Therefore, before achieving any project milestones, the Group already bears the risk of such expenditures relating to the project. The Nanjing Jiangbei New District Management Committee or the relevant governmental entities may postpone payments or even fail to make the remuneration payments or other payments to the Group. See "*— Significant accounts receivable and other receivables may affect the Group's liquidity and restrict the Group's business activities*" for further information. Therefore, any delay or default in the remuneration

payments or other payments by the Nanjing Jiangbei New District Management Committee or the relevant governmental entities may increase the Group's cash flow pressure, which will in turn increase its financial vulnerability and materially and adversely affect its financial condition and results of operations.

As at 31 March 2021, the Group had not experienced any significant delay in payment by the Nanjing Jiangbei New District Management Committee or any governmental entity in accordance with the agreed payment timetable. However, there can be no assurance that the Nanjing Jiangbei New District Management Committee or the relevant governmental entities will continue to make all payments in a timely manner, or that no payment default will occur in the future.

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

The Group currently has incurred a large amount of indebtedness. As at 31 December 2020, the short-term borrowings of the Group amounted to approximately RMB0.47 billion, the total current liabilities of the Group amounted to approximately RMB27.39 billion and the long-term loans of the Group amounted to approximately RMB26.75 billion while the cash and cash equivalents of the Group amounted to approximately RMB17.01 billion.

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:

- limiting the Group's ability to satisfy its obligations on its outstanding debts;
- 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 Company's subsidiaries would have a claim on the Company's subsidiaries' assets that would be prior to the claims of the Company's creditors. As a result, the payment obligations under the Company's indebtedness and liabilities will be effectively subordinated to all existing and future obligations of the Company's subsidiaries, and all claims of creditors of the Company's subsidiaries will have priority as to the assets of such entities over the Company's claims and those of its creditors.

In addition, the Group continually reviews its 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 Company's subsidiaries) in favour of the relevant creditors. Secured interests granted over such assets may limit the Group's ability to utilise such assets. In addition, 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 asset 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, certain financing contracts entered into by members of the Group contain operational and financial restrictions that prohibit the borrower from incurring additional indebtedness, restrict the borrower from creating security or granting guarantees or prohibit the borrower from changing its business and corporate structure or amending its articles of association, in each case without the lender's prior consent. Such restrictions may negatively affect the ability of the relevant member of the Group to respond to changes in market conditions, pursue business opportunities which the Group believes to be desirable, obtain future financing, fund capital expenditures or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligations including the Notes.

If the Company or any of its relevant subsidiaries is unable to comply with the restrictions (including restrictions on future investments) and covenants in its current or future debt obligations and any other financing agreement, a default under the terms of such agreement may occur. In the event of a default under such agreement, the creditors may be entitled to terminate their commitments granted to the relevant member of the Group, accelerate the debt and declare all amounts borrowed due and payable or terminate the relevant agreement, depending on the provisions of such agreement. Some financing agreements of the Group contain cross-acceleration or cross-default provisions, which enable creditors under these financing agreements to require the Group to immediately repay their loans or declare a default of borrower as a result of the acceleration or default of other financing agreements by any other member of the Group. If any of these events occurs, there can be no assurance that the Group will be able to obtain the required waivers from the relevant lenders in a timely manner or that the assets and cash flows of the Company or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Company or its subsidiaries would be able to find alternative financing. Even if the Company 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 Company or, as the case may be, its subsidiaries.

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

The Company 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 Company may be subject to their profitability and to applicable laws and regulations and restrictions on the payment of dividends and other amounts contained in financing or other agreements. For example, the 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. The PRC laws and regulations also require 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 Company and its subsidiaries, associated companies and jointly controlled entities have entered into contain restrictions on the Company'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 Company and/or the Company'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 Company 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 Company's subsidiaries, associated companies and jointly controlled entities or any restrictions in relation to the Company's usage of the dividends or amounts it receives. Since the Company 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 Company's subsidiaries, associated companies and jointly controlled entities could materially and adversely affect the Company's ability to fund its operations, service its indebtedness and satisfy its contractual obligations.

The Group has reported negative net cash flows from operating activities. If the Group continues to have negative net cash flows from operating activities in the future, the Group's liquidity and financial condition may be materially and adversely affected.

The Group's business operations require substantial cash outlays. For the years ended 31 December 2018, 2019 and 2020, the Group expended a total of approximately RMB8.36 billion, RMB10.31 billion and RMB12.95 billion on its operating activities, respectively. The Group historically satisfied its cash requirements with (i) the cash flows generated from its operations and investments, (ii) government grants and subsidies, (iii) the proceeds of bank and other borrowings and (iv) the proceeds from the issuance of debt securities in capital markets. The Company believes that the Group will continue to require substantial capital resources to support its business operations and expansion.

The ability of the Group to generate sufficient cash flows from operating activities is affected by a number of factors, such as the Group's ability to carry on its business activities in an efficient manner, due performance of the Group's contracts, changes in the general market conditions and regulatory environment and competition in certain sectors in which the Group operates. Any adverse change in any of these factors, which may be beyond the Group's control, may create capital shortfall. There can be no assurance that the Group's operating activities are able to generate sufficient cash to satisfy its cash needs at all times. For the years ended 31 December 2018, 2019 and 2020, the Group reported negative net cash flows from operating activities in the amounts of approximately RMB3.56 billion, RMB4.60 billion and RMB2.80 billion, respectively. In addition, negative net cash flows from operating activities for the three months ended 31 March 2021 were recorded in the March 2021 Financial Information. See "*Description of the Group — Recent Developments — Unaudited and unreviewed consolidated financial information of the Group as at and for the three months ended 31 March 2021*" for further information.

Negative net cash flows from operating activities may reduce the Group's financial flexibility and its ability to pay its indebtedness, satisfy its other liquidity needs or obtain additional borrowings from banks. There can be no assurance that the Group will be able to record positive cash flows from operating activities in the future. The Group's liquidity and financial condition may be materially and adversely affected should the Group's future cash flows from operating activities remain negative, and there can be no assurance that it will have sufficient cash from other sources to fund its operations.

If the Group resorts to other financing activities to generate additional cash, the Group will incur additional financing costs and there can be no assurance that the Group will be able to obtain the financing on terms acceptable to the Group, or at all. As at 31 December 2020, the Group's total indebtedness (comprising short-term borrowings, non-current liabilities maturing within one year, short-term bonds, long-term loans, long term bonds and other non-current liabilities) amounted to approximately RMB56.41 billion. As at 31 March 2021, the Group had aggregate banking credit of approximately RMB79.95 billion, of which approximately RMB39.45 billion was unused. The Group's ability to arrange for external financing and the costs of such financing are dependent on numerous factors, including:

- general economic and capital market conditions;
- changes in monetary policies with respect to bank interest rates and lending policy;
- interest rates and credit availability from banks or other lenders;
- investor confidence in the Group and success of the Group's business;
- the Group's ability to obtain the PRC governmental approvals required to access domestic or international financing;
- provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital; and
- political and economic conditions in the PRC generally.

There can be no assurance that additional financing, either on a short-term or a long-term basis, will be available, or that such financing will be obtained on terms favourable to the Group. If the Group is unable to obtain financing in a timely manner and at a reasonable cost, it may not be able to refinance its indebtedness or undertake new projects or implement them as planned. This would restrict the Group's ability to grow and, over time, may reduce the quality and reliability of the services that the Group provides and adversely affect the Group's business, financial condition, results of operations and prospects. Substantial indebtedness will in turn increase the pressure on the Group's liquidity and cause additional operational risks. See "*— The Group has substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its future strategies and operations and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations*" for further information.

The Group's decreasing profits may affect the Group's profitability, liquidity and financial condition.

The Group experienced decreases in its profits. For example, the Group's total profits decreased to approximately RMB395.33 million for the year ended 31 December 2020 from approximately RMB451.93 million for the year ended 31 December 2019 while the Group's net profits after tax decreased to approximately RMB186.32 million for the year ended 31 December 2020 from approximately RMB308.24 million for the year ended 31 December 2019. In addition, operating losses, total losses, net losses after tax and total comprehensive losses were recorded in the March 2021 Financial Information. See "*Description of the Group — Recent Developments — Unaudited and unreviewed consolidated financial information of the Group as at and for the three months ended 31 March 2021*" for further information. There can be no assurance that the Group's profit will not decrease in the future or that the Group will be able to generate profits in the future. If the Group reports decreasing profits in the future, Group's profitability, liquidity and financial condition may be materially and adversely affected.

Significant accounts receivable and other receivables may affect the Group's liquidity and restrict the Group's business activities.

As at 31 December 2018, 2019 and 2020, the Group's accounts receivable amounted to approximately RMB1.59 billion, RMB4.41 billion and RMB6.17 billion, respectively, while the Group's other accounts receivable amounted to approximately RMB9.35 billion, RMB12.16 billion and RMB11.91 billion, respectively. There are inherent risks associated with the ability of the Nanjing Jiangbei New District Management Committee or other governmental entities to make timely payments which may impair the Group's accounts receivable and other receivables. See “— *Delays or defaults in payments by the Nanjing Jiangbei New District Management Committee or the relevant governmental entities to the Group may affect its working capital and cash flows*” for further information. Any failure of the Nanjing Jiangbei New District Management Committee or the Group's other debtors to make timely payments could materially and adversely affect the value of the Group's accounts receivable or other receivables and its liquidity and in turn affect its business, financial condition and results of operations.

The Group is exposed to risks in relation to the inventories it maintains.

The Group's businesses, in particular the Group's construction-and property-related businesses, require a large amount of working capital prior to the completion of the projects and the subsequent payments by the Nanjing Jiangbei New District Management Committee or other relevant entities. As at 31 December 2018, 2019 and 2020, the Group's inventories amounted to approximately RMB34.71 billion, RMB42.36 billion and RMB49.16 billion, respectively. The Group's inventories mainly comprised development costs, product development, engineering construction, raw materials and in-stock products. Nevertheless, in accordance with the Group's accounting policies, the Group had not made provision for inventory price changes in the past three years. In the event that the value of the Group's inventories decreases significantly, the Group's business, financial condition, results of operations or prospects could be materially and adversely affected.

The Group's results of operations may be materially and adversely affected as the fair value of the Group's investment properties may fluctuate from time to time.

The Group's results of operations may from time to time be affected by adjustments in the estimated fair value of its investment properties. In accordance with PRC GAAP, the Group is required to reassess the fair value of its investment properties on each reporting date, and gains or losses arising from fair value changes and the relevant deferred tax should be accounted for in the Group's income statements in the period in which they arise. Fair value gains or losses do not, however, change the Group's cash position as long as the relevant investment properties are held by it, and accordingly do not increase its liquidity in spite of the increased profit represented by any fair value gains. For the years ended 31 December 2018, 2019 and 2020, the Group reported gain in fair value of approximately RMB205.67 million, RMB349.75 million and RMB525.54 million, respectively.

Property valuation involves the exercise of professional judgment and requires the use of certain bases and assumptions. Favourable or unfavourable changes in the assumptions of market conditions used by the Group's independent property value assessor would result in changes to the fair value of the Group's investment properties and corresponding adjustments to the amount of gains or losses reported in the Group's income statement in the future. In addition, the amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. Macroeconomic factors, including economic growth rate, interest rate, inflation rate, urbanisation and disposable income level, in addition to any government regulations, can substantially affect the fair value of the Group's investment properties and affect the supply and demand in the PRC property market. Many of these factors are beyond the Group's control and there can be no assurance that changes in market conditions will continue to create fair value gains on its investment properties at the historical levels, or at all, or that the fair value of its investment properties will not decrease in the future.

The Group consists of a number of companies operating in various business segments and is subject to challenges not found in companies with a single business line.

The Group conducts businesses in various industries and is exposed to risks associated with multiple businesses.

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 and markets in which it has limited operating experience. The Group 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, as the Company has a number of subsidiaries, 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 Company may provide direct funding, guarantees and other support to certain of its subsidiaries from time to time. For example, the Company may provide shareholder loans to, or act as a guarantor for the borrowings of, certain subsidiaries. If a subsidiary defaults on any borrowings lent or guaranteed by the Company, the Company will not receive the repayment as planned or the relevant lender may exercise its right under the guarantee to demand repayment from the Company. The occurrence of either of these types of events may result in a funding shortage of the Company and may materially and adversely affect the Company's ability to provide financial support to its other subsidiaries. If the Company's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant subsidiaries 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 fail to obtain sufficient capital resources for its continued growth and other operation needs.

Most of the Group's business activities, such as infrastructure construction and land development, are capital intensive and require substantial capital expenditure for, among other things, the purchase of materials, construction and maintenance of plant and equipment used in its operations as well as compliance with applicable laws and regulations such as environmental laws.

The Company intends to use cash on hand, funds from operations, additional debt and equity financing and the financial support (but not including credit support) provided by the Nanjing Jiangbei New District Management Committee and other governmental or state-owned entities such as fiscal subsidies to finance its 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, prevailing conditions in capital markets, regulatory requirements, the Group's financial condition, relationships with key commercial banks and costs of financing. Some of these factors are beyond the Group's control and 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 which the Group may be subject to.

The Group may not be successful in integrating and managing future investments and/or acquisitions.

The Group may from time to time consider investment and acquisition opportunities that may complement its core business portfolio and capabilities or assist in expanding the market share of its

core business operations. 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 and the Group's ability to agree commercial, technical and financing terms 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 different markets and challenges of operating in markets and industries in which the Group does not have substantial experience in;
- increases in debt, which may increase the Group's financing costs as a result of higher interest payments;
- exposure to unanticipated contingent liabilities of the acquired businesses; and
- difficulties in integrating the 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 or be able and willing to fulfil their obligations under the relevant joint venture or other agreements.

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, 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 condition, results of operations and prospects.

In addition, the Group's subsidiaries operating in different 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 expected synergies, if any. The successful completion of this type of transaction will depend on several factors, including but not limited to satisfactory due diligence findings and the receipt of necessary regulatory approval. If the Group fails to complete such business ventures or such ventures prove to be unsuccessful, the Group's business, financial condition and results of operations could be materially and adversely affected.

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. During the course of these transactions, the Group will conduct due diligence investigations with respect to the target companies. However, 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, the estimated costs associated with the acquisition and management of the target business, the 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 Notes, the market price and the trading volume of the Notes may be adversely affected.

The Group is subject to joint venture risks and risks with respect to assets, projects or subsidiaries in which the Company has minority interests.

Certain of the Group's operations are conducted through jointly controlled entities and associated companies. Cooperation and agreement among the Group's joint venture partners on existing or any future projects are important factors for the smooth operation and financial success of such projects. The Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements; or (iii) experience financial or other difficulties. Further, the Group may not be able to control the decision-making process of the joint ventures as, in some cases, it does not have majority control of the joint venture. The Group does, however, through contractual provisions or representatives appointed by it, typically have the ability to influence certain material decisions. Although the Group has not experienced any significant problems with its partners to-date, there can be no assurance that the Group will not be involved in any material disputes with its joint venture partners in the future that could adversely affect such projects.

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

The Group has engaged in and may continue to engage in related party transactions which may create potential conflicts of interest.

The Group has engaged in and may continue to engage in a variety of transactions with its related parties including 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, which in turn may materially and adversely affect the Group's ability to provide financial support to its subsidiaries. If the Group's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant subsidiaries 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 internal control regarding the management of various related party transactions can also be challenging and demanding for the Group. Failure to adequately control and manage its related party transaction could have a material adverse effect on the Group's business, financial condition and results of operations.

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

The Group has in the ordinary course of its business provided, and may from time to time provide, guarantees in respect of indebtedness of entities in Jiangbei New District and Nanjing City which were not members of the Group. As at 31 December 2020, the balance of such guarantees amounted to approximately RMB2.08 billion, representing approximately 6.04 per cent. of the Group's net assets. For details of such guarantees as at 31 December 2020, see "Notes to 2020 Annual Report Financial Statements — Part IX. Contingencies" of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 for further information. If there is a downturn in the general economic conditions in Jiangbei New District and Nanjing City 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 is subject to extensive regulatory requirements and the non-compliance or compliance costs 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, including but not limited to safety and health regulations. The Group is also subject to the supervision of a number of governmental ministries and departments, including NDRC, the Ministry of Housing and Urban-Rural Development of the PRC, the Ministry of Ecology and Environment of the PRC and the Ministry of Emergency Management of the PRC. 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 the Group's relevant operations or the suspension or revocation of the Group's licences or permits to conduct its relevant businesses.

For example, the Group is required to comply with extensive and increasingly stringent environmental protection and safety laws and regulations relating to its businesses, particularly its construction-related businesses. Before the Group is allowed to conduct these business activities or construct the operating facilities, it is required to pass stringent environmental protection and safety examinations by the relevant governmental authorities and to obtain necessary environmental and safety permits and approvals, which shall be renewed by the Group according to relevant requirements.

Among other things, these laws and regulations:

- impose fees for the discharge of waste substances exceeding the discharge standards promulgated by relevant governmental authorities;
- require the establishment of reserves for reclamation and rehabilitation;
- impose fines for serious environmental offences; and
- allow the PRC government, at its discretion, to close any facilities failing to comply with orders to correct or stop operations that have caused environmental damage.

See "— Non-compliance with environmental regulations, including those to be implemented in the future, may result in a material adverse effect on the Group's results of operations" for further information.

Given the magnitude and complexity of the laws and regulations to which the Group is subject, 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. In addition, PRC laws and regulations are constantly evolving and the PRC government is currently moving toward more rigorous enforcement of applicable laws and regulations as well as the adoption and enforcement of more stringent environmental standards. As a result, the Group's budget for regulatory compliance may be insufficient and the Group may need to allocate additional funds. Such high compliance costs may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As at 31 March 2021, the Group had not received any notice regarding any material non-compliance with the applicable laws, regulations or requirements from any governmental 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. Moreover, there can be no assurance that the Group will comply with all applicable laws and regulations that are adopted or amended in the future. If the Group fails to comply with current or future applicable laws and regulations, it may be ordered to suspend the operation of the relevant business, pay penalties or fines or take corrective actions, any or all of which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business is subject to compliance risks and any failure of the Group to comply with applicable laws, rules and regulations, including obtaining or maintaining necessary qualifications, permits, approvals, certificates and licences for its operations may adversely affect its business, financial condition and results of operations.

Pursuant to the applicable laws and regulations in the PRC, the Group is required to obtain or renew qualifications, permits, approvals, certificates and licences with respect to its relevant operations. Some members of the Group may not have the requisite qualifications, permits, approvals, certificates or licences to conduct some of the businesses described in their business licences from time to time. Although the Company believes that such non-compliance would not materially and adversely affect the Group's business, financial condition and results of operations, there can be no assurance that such non-compliance or future non-compliance would not materially and adversely affect the Group's financial condition and results of operations.

In addition, there are stringent laws and regulations affecting the Group's construction-related businesses such as the Construction Law of the People's Republic of China (中华人民共和国建筑法) and the Bidding and Tendering Law of the People's Republic of China (中华人民共和国招标投标法). Moreover, the Group must comply with rules deriving from the terms of agreement and performance of contracts with governmental entities and orders and laws governing construction activities and the applicable technical rules governing the delivery of services, supplies and works. According to applicable PRC laws and regulations, the Group needs to obtain a number of qualifications, permits, approvals, certificates and licences from different governmental authorities and to comply with extensive procedural requirements before it is qualified to carry on the relevant regulated business activities. For example, the Group is required to obtain a project approval, an environmental assessment approval, a construction land planning permit (建设用地规划许可证), a construction project planning permit (建设工程规划许可证), a construction permit (建筑工程施工许可证) and a qualification certificate for its construction operations.

There are inherent risks associated with the implementation, enforcement and interpretation of PRC laws. Governmental authorities also have a great discretion in determining the granting of qualifications, permits, approvals, certificates and licences. These factors have caused and are expected to continue to result in inconsistent application, enforcement or interpretation of law in the

PRC. There are significant uncertainties associated with the procedural requirements under applicable PRC laws and regulations for the Group's existing businesses and the new businesses which the Group intends to operate in the future. There can be no assurance that the Group will be able to obtain the necessary qualifications, permits, approvals, certificates and licences in a timely manner, or at all.

PRC governmental authorities from time to time amend existing laws and regulations and release new policies which may affect the Group's business operations. The Group may be unable to comply with new laws, regulations or policies or fail to respond to any changes in the regulatory environment in a timely manner, or at all. In addition, to ensure the restrictions and conditions of relevant business qualifications, permits, approvals, certificates and licences are fulfilled, governmental authorities typically conduct regular or special inspections, investigations and inquiries against the Group. There can be no assurance that such inspections, investigations or inquiries would not materially and adversely affect the Group.

Certain members of the Group may from time to time be found in breach of administrative regulations and be ordered to pay administrative fines as a result. If there is any material non-compliance by the Group or its business, the Group's qualifications, permits, approvals, certificates and/or licences may be suspended or revoked, and the Group may be required to pay fines or be subject to other penalties, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. There can be no assurance that the Group will be able to obtain or renew all necessary qualifications, permits, approvals, certificates and licences in a timely manner, or at all. Failure to comply with the applicable laws and regulations or the inability to obtain the relevant qualifications, permits, approvals, certificates and licences could expose the Group to the imposition of sanctions, fines, penalties, revocation of licence or other punitive actions, including suspension of the Group's business operations or restrictions or prohibitions on certain of the Group's business activities, which may materially and adversely affect the Group's financial condition and results of operations.

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 may be 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 may be in the process of applying for or will apply for the relevant certificate, permits or approvals for certain properties (including the construction in progress). In addition, some members may have leased properties from owners who do not possess valid land use rights certificate or building ownership certificate. There can be no assurance that such certificates, permits and approvals will be obtained in a timely manner, or at all, and any delay may result in a disruption to such members' business operations and may adversely affect their financial performance. In addition, some of the land that the Group uses or occupies may be 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 authorities 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, which may have an adverse effect on the Group's business and operations. In addition, restrictions of transfer of such land and properties may also have a material adverse effect on the liquidity of the Group's assets and the Group's financial condition.

Non-compliance with environmental regulations, including those to be implemented in the future, may result in a material adverse effect 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.

In addition, environmental laws and regulations are becoming increasingly stringent and may in the future impose onerous obligations on the Group or significant penalties for non-compliance. While the Company intends to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may 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 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 for any non-compliance. 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 is required 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 infrastructure construction, land development, security housing assignment and property leasing industries, 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 policy 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 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.

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 typically require substantial capital expenditure prior to and during the construction period, and construction of a property project may take many months or several years before it generates positive cash flows through pre-sales or sales. The time taken and the costs involved in completing construction can be adversely affected by many factors, including delays in obtaining necessary licences, permits or approvals from governmental agencies or authorities, relocation of existing residents and/or demolition of existing structures, shortages of materials, equipment and labour, adverse weather conditions, natural catastrophes, terrorism, labour disputes, disputes with subcontractors, accidents, changes in governmental priorities particularly in relation to city zoning, planning and plot ratios and other unforeseen circumstances. See “— *The relocation of indigenous residents and businesses on the sites where the Group’s projects are located may result in delays in its development and/or increases in its development costs*” for further information. Any of these instances could give rise to delays in the completion of the Group’s construction projects, which in turn could lead to cost overruns. Construction delays or failure to complete the construction of a project according to its planned specifications, schedules or budgets may adversely affect the Group’s financial position and results of operations and may also cause reputational damage to the Group. 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 the Group will not experience such delays in delivery of its projects in the future or that the Group will not be subject to any liabilities for any such delays.

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

The Group may from time to time engage contractors for the provision of various services, including but not limited to certain construction work for its infrastructure construction, land development and security housing assignment businesses. The Group generally selects third-party contractors through its standardised open tender process. The Group endeavours to employ those companies with good reputations, strong track records, performance reliability and adequate financial resources. The Group also implements quality control procedures and closely monitors the construction progress. However, there can be no assurance that services rendered by any of the Group’s contractors will always be satisfactory and up to the standard specified in the relevant contracts. If the performance of any contractor is unsatisfactory, the Group may need to replace such contractor or take other necessary remedial actions, which could increase costs and delay the construction progress of the affected projects. In addition, the Group is also exposed to the risk whereby its contractors may require additional capital in excess of the price originally tendered to complete their engagement and as a result, the Group may have to bear these additional costs. If any of the Group’s key contractors fail to perform their contractual obligations, the Group’s operations, business and financial condition may be materially and adversely affected. In addition, labour shortages, labour disputes or increases in labour costs of the Group’s third-party contractors could cause an extension of the construction progress and an increase in the Group’s fees payable to the contractors.

In addition, the Group may not be able to find suitable alternative contractors at commercially reasonable terms, if at all, should the Group’s contracts with its current contractors terminate or in the event that its current contractors choose not to renew any expired contracts. This may cause delays in the completion of the Group’s projects or incur additional costs, which could materially and adversely affect the Group’s business, financial condition and results of operations.

The Group may occasionally be asked to undertake one or more government projects on short notice. There can be no assurance that the Group is able to engage third-party contractors that meet its quality requirements in such situation. Moreover, the Group’s contractors may undertake projects from other

enterprises operating similar business, engage in risky undertakings or otherwise encounter financial or other difficulties, which may adversely affect their ability to complete the Group's projects on time, within budget or at all. All of these third-party related factors may have a material adverse effect on the quality of services provided by the Group's contractors and the quality and construction progress of the Group's infrastructure projects. Unsatisfactory quality or delay in the construction timetable may in turn adversely affect the Group's results of operations and prospects.

The Group is not insulated from the rising operating costs of labour and prices of raw materials, construction materials and construction equipment.

As a result of economic growth in the PRC, wages for construction workers and the prices of raw materials, construction materials and construction equipment have undergone substantial increases in recent years. In addition, the Labour Contract Law of the PRC (the "**Labour Contract Law**") which came into effect on 1 July 2013 enhanced the protection for employees and increased the liability of employers in many circumstances, which may further increase the Group's labour costs. The Group bears the risk in respect of fluctuations in wages, the price of raw materials and construction materials 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 and the prices of raw materials, 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 price movements of any raw materials, construction materials and construction equipment required by the Group and any detrimental price movements in the future could have a material adverse effect on the Group's financial condition and results of operations.

Contracting fees paid to third-party contractors are one of the main components of the Group's costs of sales. Contracting fees encompass all costs for the design and construction of a project, costs of construction materials, foundation and substructure, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Contracting fees may fluctuate as a result of the volatile price movement of construction materials such as steel and cement. The Group seeks to reduce its exposure to short-term price fluctuations of construction materials and limit project cost overruns by centralising its procurement. The Group also manages the costs of outsourced construction work through a process of tenders which, among other things, contemplates the procurement of principal construction materials such as steel and cement at fixed prices. In line with industry practice, if there are significant price fluctuations (depending on the specific terms of each contract), the Group will be required to renegotiate, top up or refund the amounts paid under existing construction contracts. In addition, should the Group's existing contractors fail to perform under their contracts, the Group might be required to pay more to contractors under replacement contracts. The Group's profit margin is sensitive to changes in market prices for construction materials and its profit margins will be materially and adversely affected if the Group is not able to pass all of the increased costs onto its customers.

The relocation of indigenous residents and businesses on the sites where the Group's projects are located may result in delays in its development and/or increases in its development costs.

Some of the projects developed by the Group, in particular many of the Group's security housing construction and land development projects, involve relocation of indigenous residents and businesses, and the Company believes that similar situations may recur when the Group develops its future projects. The Group is responsible for relocating the residents affected and paying them compensation in accordance with the applicable PRC urban housing relocation laws and regulations, although the compensation will be reimbursed by the Nanjing City Government or its controlled entities in Jiangbei New District. There can be no assurance that the relocation of indigenous residents or businesses will proceed smoothly. It is possible that the local residents or businesses may refuse to accept the amount of compensation and refuse to relocate, in which case the Nanjing City Government or its controlled entities may be asked to resolve the dispute by reviewing the arrangement and the amount of compensation. An unfavourable final ruling by the Nanjing City

Government or its controlled entities may result in the Group having to pay more compensation. Such resistance or refusal to relocate may delay the timetable of, or increase the development costs of, the Group's development projects. In addition, the compensation paid by the Group is calculated in accordance with formulae published by relevant governmental authorities. These formulae take into account the location, type of building subject to demolition, local income levels and many other factors. There can be no assurance that the governmental authorities will not change or adjust their formulae from time to time without sufficient advance notice. If they do so, the land costs may be subject to substantial increases, which can adversely affect the Group's cash flows, financial condition and results of operations.

Labour shortages or labour disputes could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group relies on third-party contractors and extensive labour to carry out its construction and development projects. As such, any labour shortages or labour disputes between the Company and third-party contractors could materially and adversely affect the Group's business, financial condition, results of operations and prospects. Industrial actions or other labour unrests could directly or indirectly prevent or hinder the construction progress, and, if not resolved in a timely manner, could lead to delays in completing the Group's projects.

In addition, as at 31 March 2021, the Group had a total of approximately 223 employees. Employees of the Group or the Group's suppliers or contractors or companies in which the Group has investments are or may become unionised in the future and the Group or the its suppliers or contractors or companies in which the Group has investments may experience labour-related instability. Although the Group enjoys good working relationships with its employees and has not experienced any labour disputes that could cause a material adverse effect to the operation and performance of the Group as at 31 March 2021, the Group is unable to predict the outcome of any future labour negotiations. Any conflicts with the Group's employees or contractors and/or their respective unions could have a material adverse effect on its financial condition and results of operations.

The development of Jiangbei New District may be affected by the existence and development of other economic development zones.

The development of Jiangbei New District may be affected by the existence, proximity and development of other economic development zones, especially those with similar development plans or development focus areas. In particular, there are certain provincial and national economic development zones in Jiangsu Province. The potential competition could have a negative impact on the development of Jiangbei New District, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group faces increasing competition from existing and new market participants in the industries in which it operates.

The Group competes with other urban construction companies, particularly those in Nanjing City or other regions of Jiangsu Province. Competitors may have greater access to capital, technology, management and other resources and may be capable of providing a wider range of services than the Group does. These competitors may also merge or form joint ventures with the other domestic or foreign competitors, which may intensify the competition which the Group faces. As the Group expands into new geographical markets or introduces new products and services, the Group may be subject to competition from other market players.

Whether the Group could successfully compete depends on its ability to anticipate and respond to many competitive factors, including but not limited to continuity of its relationships with governmental entities, customers, suppliers, partners and third-party contractors, quality of products and services provided, corporate positioning and business reputation, changes in customer preferences, funding and financing resources and introduction of new or improved technology,

products or services in the related industries or markets. There can be no assurance that the Group's existing or potential competitors will not provide similar products or services with comparable or even better quality at the same or even lower prices, or be more adaptable to industry trends or market changes than the Group does. If the Group fails to compete effectively or the competition with respect to the Group's products or services continues to increase, there would be an adverse effect on the Group's financial results and return on capital expenditures, which could cause a decline in the Group's growth rates and reduce the Group's income. The Group cannot predict the extent to which this competition will affect the Group's future results of operations.

The PRC government may impose fines or penalties on the Group or revoke the land use rights with respect to certain idle land held by the Group.

Under applicable PRC laws and regulations, the PRC government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees if (i) the Group does not commence development on the land held by the Group for more than one year after the date specified in the relevant land use rights grant contract; (ii) the Group commences development on an area which is less than one-third of the area granted; (iii) the capital invested in the development is less than one-fourth of the total investment approved for the development; or (iv) the development is suspended for more than one year without governmental approval. The PRC government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without compelling causes.

The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (国务院关于进一步促进节约集约用地的通知) which states, among other things, that the Ministry of Land and Resources of the PRC and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. In addition, the Ministry of Land and Resources of the PRC issued in August 2009 the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (关于严格建设用地管理促进批而未用土地利用的通知) which reiterates its policy on idle land.

As at 31 March 2021, the Group did not hold any land that had not commenced development within the time stipulated in the relevant land use rights grant contracts. However, the Group may have idle land in the future and the imposition of fines and penalties in relation to any idle land could have a material adverse effect on the Group's business, financial condition and results of operations.

Any failure to maintain an effective quality control system could have an adverse effect on the Group's business and operations.

The Group relies heavily on its quality control system to ensure the safety and quality of its projects. Therefore, the Group needs to maintain an effective quality control system for its construction and development activities as well as other operational activities. The effectiveness of the Group's quality control system depends significantly on a number of factors, including the design of the system, the related training programme as well as the ability to ensure that its employees would adhere to its quality control policies and guidelines. Any failure or deterioration of the Group's quality control system could result in defects in its projects, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. In addition, if any such claims were ultimately successful, the Group could be required to pay substantial monetary damages or penalties. Although the Company believes that the Group's quality control system has functioned properly, there can be no assurance that failures in its quality control system will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

Accidents in the Group's business operations may expose the Group to liabilities and harm its corporate image.

Some of the Group's operations such as its construction-related operations are exposed to inherent occupational hazards involving handling of heavy machinery and hazardous chemicals as well as the occurrence of other industrial accidents. Mishandling of heavy machinery, hazardous chemicals and other industrial accidents could result in project delays, interruption of operations, personal injury or fatality, environmental damage, monetary losses and legal liabilities. Any of these accidents may have a material adverse effect on the Group's business and results of operations. Also, it could significantly damage the Group's corporate image.

Although the Group has established and implemented internal protocols and systems relating to occupational safety, there can be no assurance that those protocols and systems will be able to address all the potential risks effectively or that they will be strictly followed. As at 31 March 2021, there had been no industrial accident during the process of the Group's business, which caused material monetary losses to the Group or caused severe personal injuries or fatality. However, there can be no assurance that the Group will not experience any industrial accident in the future.

The Group's financial condition and results of operations may be affected by material fluctuations of interest rates.

The Group's bank loans may bear interests that accrue at rates linked to the benchmark lending rates published by PBOC (the "**PBOC Benchmark Rate**"). On 28 December 2019, PBOC published No. 30 Announcement (中国人民银行公告[2019]第30号) ("**No. 30 Announcement**") requiring financial institutions to, beginning on 1 January 2020, shift from using the PBOC Benchmark Rate to the loan prime rate (the "**LPR**") as the reference rate in all floating rate loans (except for Personal Housing Accumulation Fund Loan). For existing floating rate loans using the PBOC Benchmark Rate, financial institutions are required under No. 30 Announcement to renegotiate with the borrowers during 1 March 2020 to 31 August 2020 to adjust the terms of the pricing mechanism by either changing the reference rate to the LPR or adopting a fixed rate interest. As the LPR represents the monthly average of the best lending rates used by selected banks at the time, the LPR is more susceptible to changes in the economic and market conditions and subject to fluctuations. Although the Group's financial condition and results of operations may benefit from a low-interest environment, there can be no assurance that this environment will continue. Any increase in the PBOC Benchmark Rate (for existing floating-rate loans prior to renegotiations of the pricing mechanisms) and the LPR (for new loans) in the future will increase the Group's financing costs and adversely affect its profitability, 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 Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Programme of Replacing Business Tax with Value-Added Tax in an All-round Manner (财政部、国家税务总局关于全面推开营业税改征增值税试点的通知) ("**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 value-added tax ("**VAT**") instead of business tax. According to Circular 36, the VAT for provision of construction services and transfer of land use rights shall be 11 per cent. 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 (财政部、税务总局关于调整增值税税率的通知) ("**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 of the Ministry of Finance, the State Taxation

Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (财政部、税务总局、海关总署关于深化增值税改革有关政策的公告) (“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. See “Description of the Group — Legal and Regulatory Proceedings” for further information. Litigation arising from any failure, injury or damage from the Group’s operations may result in the relevant member of the Group being named as defendant in lawsuits asserting large claims against such member of the Group or subject such member of the Group to significant regulatory penalties. These risks are often difficult to assess or quantify and their existence and magnitude often remain unknown for a substantial period of time. Actions brought against the Group may result in settlements, injunctions, fines, penalties or other sanctions adverse to the Group’s reputation, financial condition and results of operations. Even if the Group is successful in defending against these actions, the costs associated with the Group’s defence may be significant. When the market experiences a downturn, the number of legal claims and amount of damages sought in litigations and regulatory proceedings may increase. 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 liquidity, business, financial condition, reputation, results of operations and prospects.

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 insurance coverage of the Group may not adequately protect it against all operational risks or any potential liabilities or 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 and construction 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.

To manage operating risks, the Group maintains insurance policies that provide different types of risk coverage, which the Company believes to be consistent with market practice within the relevant industries that the Group operates in and in amounts that the Company believes to be adequate. However, the Group faces various risks in connection with its businesses and may lack adequate insurance coverage or may have no relevant insurance coverage. There can be no assurance that the insurance policies maintained by the Group will provide adequate coverage in all circumstances. Although the Group's facilities had a track record of safe operation and none of them has suffered any material hazards over the last three years, there can be no assurance that hazards, accidents or mishaps will not occur in the future. The occurrence of any such incident for which the Group is uninsured or inadequately insured may have a material adverse effect on its business, financial condition and results of operations.

In addition, the Group may not always be able to obtain the type and amount of insurance at commercially reasonable rates. Over time, premiums and deductibles for insurance policies may substantially increase, and certain insurance policies could become unavailable or only available with reduced amounts of coverage. There are also certain types of losses, such as losses caused by wars, acts of terrorism or acts of God, business interruption, property risks and third-party (public) liabilities, that are generally not covered by insurance policies as such events are deemed economically uninsurable. If the Group were to incur significant liabilities for which the Group is not insured or not fully insured, such liabilities could have a material adverse effect on its financial position and results of operations. In addition, any claims made under any insurance policies maintained by the Group may not be paid in a timely manner, or at all, and may be insufficient if such an event were to occur.

Failure to recruit and retain key managerial personnel and highly skilled employees and the occurrence of industrial actions or other labour unrests 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 directors, the continued service of key managerial personnel including the directors and key senior executives and its ability to attract and retain highly skilled personnel such as engineers. If the Group is not successful in recruiting or retaining its employees, its operations may be materially and adversely affected.

In addition, if any of the Group's key managerial personnel and highly skilled employees fails to observe and perform his/her obligations under his/her service agreements, or if any industrial action or labour unrest occurs, and coupled with any increase in labour costs resulting from such disputes, the Group's operations may be materially disrupted and its results of operations and profitability could be materially and adversely affected. 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 detect and prevent fraud or other misconducts committed by its former or current officers, employees, representatives, agents, customers or other third parties.

Following the 18th Chinese Communist Party Congress in 2012 and the wide-reaching anti-corruption campaign in the PRC, the Central Leading Group for Inspection Work (the “**Inspection Leading Group**”), a coordination body set up under the Central Committee of the Communist Party of China for the purpose of managing party disciplinary inspections nationwide, has dispatched inspection teams to provinces and central governmental organs such as ministries and state-owned enterprises, including the Company, in the PRC to conduct inspection work on party disciplinary enforcement.

The Company believes that the inspection team’s findings will not materially and adversely affect the business, financial condition and results of operations of the Group. However, there can be no assurance that there will not be any further investigations or actions against the Group or its former or current officers or employees resulting from the findings taken by the Inspection Leading Group or other governmental authorities or that such investigations 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 former or current officers, employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, which in turn would affect its reputation. 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, engage in certain projects 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;
- engaging in improper activities such as offering bribes to counterparties in return for any type of benefit or gain 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, fraud or other misconducts by employees, representatives, agents, customers or other third parties may be difficult to detect and prevent and could subject the Group to financial loss, sanctions imposed by governmental authorities and seriously harm its reputation. The Group's risk management systems, information technology systems and internal control procedures are designed to monitor its operations and overall compliance. However, there can be no assurance that it will be able to identify all non-compliance or suspicious transactions in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconducts, and the precautions undertaken by the Group to prevent and detect such activities may not be effective. Hence, it is possible that fraud or other misconducts may have previously occurred but was undetected, or that fraud or other misconducts may occur in the future. If such fraud or any other misconducts does occur, it may cause negative publicity as a result and the relevant governmental agencies may freeze the Group's assets or impose fines or other penalties on the Group. Any of these may materially and adversely affect the Group's reputation, business, financial condition and results of operations.

The Group's risk management and internal control systems may not be adequate or effective in identifying or mitigating the risks to which it is exposed.

The Group has been dedicated to establishing and maintaining risk management and internal control systems consisting of an organisation framework, policies, procedures and risk management measures that it considers to be tailored to the operations of each business segment. However, there can be no assurance that such systems are adequate or effective in identifying and mitigating the Group's risk exposure in the markets in which the Group operates or against all types of risks that the Group's business segments may be exposed to. Any failure of such systems to perform their functions as necessary and envisaged may result in an adverse effect on the Group's operations, which in turn could materially and adversely affect the Group's business, financial condition and results of operations.

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 limitations 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.

Although the Group's systems had not experienced major failures and delays over the last three years, there can be no assurance that the Group's systems will not experience future failures and delays, or that 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 its 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 increase in internet traffic or communication volume or expand and upgrade its systems and infrastructure to accommodate any increases in a timely manner.

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 any protective measures adopted by the Group will be sufficient to prevent any misappropriation of the Group's intellectual property. The legal regime governing intellectual property in the PRC is still evolving and the level of protection afforded in respect 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 the Group's proprietary technology or property, the Group could suffer significant losses due to the sales of competing products or services that appropriates the Group's intellectual property, which in turn could adversely affect the Group's 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 Company of certain subsidiaries or affect whether certain subsidiaries of the Company will be consolidated in the Company's consolidated financial statements. In addition, the Company may from time to time issue shares to non-state-owned entities which would in turn dilute the state-owned shareholding in the Company's registered share capital. There can be no assurance that any such organisational restructuring or changes in the Company's shareholding structure will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Under applicable PRC laws and regulations, the Company and other members of the Group are required to complete necessary registrations for changes in organisational structure including capital injections by their respective shareholders. There can be no assurance as to how long the registration processes will take place or whether the Group is able to complete the required registrations within the prescribed timing, or at all. While the Group has not been subject to any fines or administrative actions regarding its failure to complete the required registrations for changes in organisational structure, there can be no assurance that the relevant administrative authorities will not take any actions against the Company or the Group in relation to their failure to complete any necessary registration for changes in organisational structure in the future. In such event, the Company or the Group may be subject to an order by regulatory authorities to complete the necessary registrations and may be subject to monetary penalties, either of which could have an adverse effect on the Group's business, financial condition and results of operations.

Members of the Group may become listed and may therefore be subject to regulatory restrictions and listing requirements and the Company'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 Company become listed on a stock exchange, the Company'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

The Group's business, financial condition, results of operations and prospects could be adversely affected by slowdown in the PRC economy and the future of the PRC economy is uncertain.

Substantially all of the Group's businesses, assets and operations are located in the PRC. Therefore, the performance of the PRC economy affects, to a significant degree, the Group's business, prospects, financial condition and results of operations.

The economy of the PRC experienced rapid growth in the past 40 years. However, there has been a slowdown in the growth of the PRC's GDP since the second half of 2013. According to the National Statistics Bureau of the PRC, the annual growth rate of the PRC's GDP slowed down from 7.3 per cent. in 2014 to 2.3 per cent. in 2020. This has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable.

In recent years, as a result of recurring liquidity tightening in the banking system, alternative lending and borrowing outside of traditional banking practices, generally known as "shadow banking", has grown to become an integral and significant aspect of the PRC economy. Such alternative lending is loosely regulated and has led to an increase in the PRC's debt levels leading to concerns over rising bad debts and financial problems. As some of the funds obtained from shadow banking are being used for investments in speculative and risky products, should a widespread default on such investments occur, this could harm the growth prospects of the PRC economy. In 2014, there were reports of a number of shadow banking defaults in the PRC resulting in increased scrutiny and oversight by regulators who have proposed draft rules to control the industry. Even if the PRC government increases regulation over such alternative lending and borrowing, there can be no assurance that such regulations will be successful, or that they would not have an adverse impact on the overall loan markets and liquidity in the PRC, which will negatively impact the PRC economy. Although the PRC government has taken several measures with the intention of increasing investor confidence in the PRC economy, there can be no assurance that such measures will be effective. There can be no assurance that the PRC government will not implement any reforms which may conflict with such targeted growth. The Group's business, financial condition and results of operations could be adversely affected by the PRC government's inability to effect timely economic reforms.

The future performance of the PRC economy is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world, such as the United States, the United Kingdom and the European Union. Effective on 31 January 2020, the United Kingdom has officially exited from the European Union. There remains significant uncertainty as to its impact on the economic conditions of other part of the world, such as the PRC, 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. The outlook for the global economy and financial markets in 2021 remains uncertain. From time to time, the PRC and other countries may adopt, adjust or withdraw their macroeconomic measures, monetary policies and economic stimulus packages, which further increases the difficulty in predicting the outlook for the global economy and financial markets. Economic conditions in the PRC are sensitive to global economic conditions and it is impossible to predict how the PRC economy will develop in the future and whether it might slow down due to the global crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries between 2008 and 2011.

In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Furthermore, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have positive effects on the Group's operations and business development. Other political, economic and social factors may also lead to further adjustments of the reform measures. For example, the PRC government has, in the past, implemented a number of measures intended to curtail certain segments of the economy, including the property industry, which the government believed to be overheating. Other factors or events, such as the outbreak of COVID-19, which has occurred in the PRC and other countries since late 2019, may also have a significant adverse impact on the PRC's political, economic and social conditions, which in turn may materially and adversely affect the Group's business, financial condition, results of operations and prospects. There can be no assurance that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business and financial condition.

Any slowdown in the PRC economy may also increase the Group's exposure to material losses from its investments, decrease the opportunities for developing the Group's businesses, create a credit tightening environment, increase the Group's financing costs or reduce government subsidies to the Group, any of which may result in a material adverse effect on the Group's business, financial condition and results of operations.

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 will in the future continue to be, materially affected by global or regional geopolitical, 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. See “— Risks Relating to the Group's Business — The Group's business, financial condition, results of operations, profitability and prospects are subject to effects of global economic events” and “— Risks Relating to the Market — International financial markets and world economic conditions may adversely affect the market price of the Notes” for further information.

Economic, political and social conditions in the PRC and governmental policies could affect the Group's business and prospects.

The PRC economy differs from the economies of developed countries in many respects, including, among other things, level of government involvement, level of economic development, growth rate, foreign exchange controls and resource allocation. The PRC economy is in the process of transitioning from a centrally planned economy to a more market-oriented economy. For more than three decades, the PRC government has implemented various economic reform measures to utilise market forces in the development of the PRC economy. 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 the future. In addition, the PRC government continues to play a significant role in regulating certain industries and the economy through numerous policy measures. The Group cannot predict whether changes in the nation's economic, political or social conditions or in any laws, regulations and policies will adversely affect its current or future business, financial condition and results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments of the reform measures. This refining and adjustment process may not necessarily have a positive effect on the Group's operations and business development.

The Group's business, financial condition and results of operations may be adversely affected by:

- changes in PRC political, economic and social conditions;
- changes in policies of the PRC government, including changes in policies in relation to the Group's business segments;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures that may be introduced to control inflation or deflation;
- changes in the rate or method of taxation;
- the imposition of additional restrictions on currency conversion and remittances abroad; and
- a reduction in tariff protection and other import restrictions.

If the PRC's economic growth slows down or if the PRC economy experiences a recession, the Group's business, financial condition and results of operations could be materially and adversely affected.

The operations of the Group may be affected by inflation and deflation within the PRC.

Economic growth in the PRC has historically been accompanied by periods of high inflation. Increasing inflation rates have been caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and foreign 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 business, financial condition and 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 materially and adversely affect the Group's business, financial condition and results of operations.

The PRC legal system is evolving and may cause uncertainty which 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. Published court opinions are limited. Prior court decisions may be cited for reference but they have limited precedential value. Since 1979, PRC legislation and regulations dealing with economic matters such as the issuance and trading of securities, foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law, have significantly enhanced the protections afforded to market participants in the PRC. However, the PRC has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities. In particular, because these laws and regulations (including the MOF Circular promulgated on 28 March 2018 and the Joint Circular promulgated on 11 May 2018, both of which became effective on the respective dates of their promulgation) are relatively new, and because of the limited volume of published decisions related to these laws and regulations, the interpretation and enforcement of these laws and regulations involve uncertainties as compared to other more developed jurisdictions. The PRC legal system is also based, in part, on governmental policies and internal rules (some of which are not published in a timely manner, or at all) that may have a retroactive effect. As

a result, the Group may not be aware of the Group's violation of these policies and rules until some time after the violation. In addition, any litigation in the PRC may be protracted and may result in the incurrence of substantial costs, diversion of the Group's resources and management's attention and it may be difficult to obtain a swift and equitable enforcement of laws and judgments in the PRC.

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 any future developments in the PRC legal system 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 or the integration of such developments under the legal systems of other jurisdictions. Such uncertainty in interpretation, implementation and enforcement may limit legal protections available to or against the Group. In addition, any bankruptcy proceeding relating to the Group would likely involve PRC bankruptcy laws. The procedural and substantive provisions of PRC bankruptcy laws may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Noteholders are familiar. All of the above 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 Company or its directors or members of the Company's senior management who reside in the PRC in connection with judgments obtained in non-PRC courts.

Substantially all of the Group's assets and the Group's members are located in the PRC. In addition, substantially all of the assets of the Company's directors and the members of its senior management may be located within the PRC. Therefore, it may not be possible for investors to effect service of process upon the Company or its directors or members of its senior management inside the PRC. The PRC has not entered into treaties or arrangements providing for the recognition of judgment made by courts of most other jurisdictions. On 14 July 2006, Hong Kong and the PRC entered into 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 (关于内地与香港特别行政区法院相互认可和执行当事人协议管辖的民商事案件判决的安排) (the "**Choice of Court Arrangement**") which came into force as of 1 August 2008, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with a final court judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Choice of Court Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. As a result, it may be difficult or impossible for investors to

effect service of process against the Company, the Group's assets or the Company's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for foreign judgments in the PRC. On 18 January 2019, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region (关于内地与香港特别行政区法院相互认可和执行民商事案件判决的安排) (the "**2019 Arrangement**"), which seeks to establish a bilateral legal mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between the courts of Hong Kong and the PRC. The 2019 Arrangement will be implemented by local legislation in Hong Kong and will take effect after both Hong Kong and the PRC have completed the necessary procedures to enable implementation and shall apply to judgments made by the courts of Hong Kong and the PRC on or after the date of the commencement of the 2019 Arrangement. Upon commencement of the 2019 Arrangement, the Choice of Court Arrangement shall be terminated, except for "choice of court" agreements in writing made between parties before the commencement of the 2019 Arrangement, in which case the Choice of Court Arrangement shall continue to apply. However, the recognition and enforcement of judgments rendered by a Hong Kong court in the PRC are subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement. There can be no assurance that investors can successfully effect service of process against the Company or the Company's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for judgments rendered by a Hong Kong court in the PRC.

Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, most other European countries or Japan. Hence, the recognition and enforcement in the PRC of a judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

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 the PRC. Substantially all of the Group's operating income is denominated in Renminbi and 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 Notes 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 governmental 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 Notes or other foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations that would have the effect of further restricting the remittance of Renminbi into or out of the PRC will not be promulgated in the future.

The proceeds from the offering of the Notes will be received in U.S. dollars. As a result, any appreciation of Renminbi against 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 Notes. Conversely, any depreciation of Renminbi may adversely affect the Group's ability to service the Notes.

The value of Renminbi against 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 U.S. dollar was gradually widened from 0.3 per cent. to 2 per cent. On 11 August 2015, 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, a sub-institutional organisation of PBOC, published the China Foreign Exchange Trade System Renminbi exchange rate index for the first time to guide the market in order to measure the Renminbi exchange rate from a new perspective. Starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund. However, there can be no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations which have the effect of restricting the remittance of Renminbi into or outside the PRC will not be promulgated in the future.

In addition, the value of Renminbi has depreciated significantly against the U.S. dollar since the end of 2015 and there can be no assurance that Renminbi will not experience significant depreciation or appreciation against U.S. dollar or against any other currency in the future. The exchange rate between Renminbi and U.S. dollar experienced further fluctuation between 1 January 2016 and the date of this Offering Circular. On 5 August 2019, PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. There remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in further and more significant appreciation of Renminbi against U.S. dollar. If further reforms are implemented and result in devaluation of Renminbi against U.S. dollar, the Group's business, financial condition, results of operations and prospects could be adversely affected because of the Group's U.S. dollar denominated indebtedness and other obligations. Such devaluation could also adversely affect the value, translated or converted into U.S. dollars or otherwise, of the Group's earnings and ability to satisfy its obligations under the Notes.

Furthermore, the Group may be required to obtain SAFE's approval before converting significant amounts of Renminbi into or out of foreign currencies. 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 income 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.

On 28 December 2012, the PRC government enacted the Labour Contract Law, which became effective on 1 July 2013. The Labour Contract Law establishes additional restrictions and increases the costs 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 (职工带薪年休假条例) 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 (《国民旅游休闲纲要(2013-2020年)》), 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. 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 Company's auditor groups have received adverse regulatory decisions and warnings issued by relevant PRC authorities in recent years.

Asia Pacific Hebei Branch, the independent auditors of the Company for the year ended 31 December 2019, and Mazars Jiangsu Branch, the independent auditors of the Company for the year ended 31 December 2020, are registered accounting firms in the PRC supervised by relevant PRC regulatory agencies, including MOF and CSRC.

In recent years, as part of an effort to improve effective regulatory oversight, PRC regulators have increased their examinations of PRC public accountants. As a result, auditors in the PRC have been subject to more frequent examinations. CSRC's investigations are mainly focused on the independence of the auditors, the appropriateness of the implementation of accounting standards, the adequacy of professional scepticism in the auditing process and the reasonableness of the judgment made by the auditors.

Asia Pacific (Group) CPAs (special general partnership) ("**Asia Pacific Group**"), the Company's auditor group for the year ended 31 December 2019, was previously investigated by CSRC in connection with its provision of audit services to certain PRC companies. As a result of such investigations, CSRC has issued warning notices to Asia Pacific Group and certain of its employees, instructed them on certain reform and corrective actions and imposed deadlines upon Asia Pacific Group for rectification and submitting reports to CSRC. Asia Pacific Group and its auditors had also faced criminal liability in connection with their audit activities in the past. Asia Pacific Hebei Branch has confirmed that the regulatory decisions and/or warnings against Asia Pacific Group were unrelated to Asia Pacific Hebei Branch, do not restrict Asia Pacific Hebei Branch from providing audit services or other services in connection with this offering and have no material adverse effect on this issue of the Notes. Asia Pacific Hebei Branch has further confirmed that the auditors who participate in this offering were not the subject of, or involved in, the regulatory decisions and/or warnings against Asia Pacific Group and are qualified to provide audit services under applicable PRC laws, rules and guidelines. Asia Pacific Hebei Branch has further confirmed that its audit work for the Company in respect of this issue of the Notes, including in respect of the audit reports included elsewhere in this Offering Circular, remains valid and effective. Asia Pacific Hebei Branch has also confirmed that its office's registration as an accounting firm, its ability to provide comfort letters and the qualification of the auditors who participate in this offering are not affected by the regulatory decisions and/or warnings above.

Mazars Certified Public Accountants LLP ("**Mazars Group**"), the Company's auditor group for the year ended 31 December 2020, was previously investigated by CSRC in connection with its provision of audit services to certain PRC companies. As a result of such investigations, CSRC has issued warning notices to Mazars Group and certain of its employees, instructed them on certain reform and corrective actions and imposed deadlines upon Mazars Group for rectification and submitting reports to CSRC. Mazars Group and its auditors had also faced criminal liability in connection with their audit activities in the past. Mazars Jiangsu Branch has confirmed that the regulatory decisions and/or warnings against Mazars Group were unrelated to Mazars Jiangsu Branch, do not restrict Mazars

Jiangsu Branch from providing audit services or other services in connection with this offering and have no material adverse effect on this issue of the Notes. Mazars Jiangsu Branch has further confirmed that the auditors who participate in this offering were not the subject of, or involved in, the regulatory decisions and/or warnings against Mazars Group and are qualified to provide audit services under applicable PRC laws, rules and guidelines. Mazars Jiangsu Branch has further confirmed that its audit work for the Company in respect of this issue of the Notes, including in respect of its audit report included elsewhere in this Offering Circular, remains valid and effective. Mazars Jiangsu Branch has also confirmed that its office's registration as an accounting firm, its ability to provide comfort letters and the qualification of the auditors who participate in this offering are not affected by the regulatory decisions and/or warnings above.

However, the Company's auditors and their management, officers or employees may from time to time be investigated by PRC regulatory agencies such as MOF and CSRC and may be subject to adverse regulatory decisions, warnings, sanctions, penalties and/or revocations and suspension of business operations as a result of such investigations. Adverse regulatory decisions, warnings, sanctions, penalties and/or revocations and suspension of business operations against the Company's auditors may restrict the relevant auditors from providing audit services or other services in connection with the Group's financing transactions. In that case, the Company may have to discontinue its engagement with the relevant auditors, which may adversely affect the Company's business operations and harm its reputation. Also, any adverse regulatory decisions, warnings, sanctions, penalties and/or revocations and suspension of business operations against the Company's auditors may affect investor's confidence in the Company's financial statements audited by its auditors. Potential investors should consider these factors prior to making any investment decision.

The presentation of certain accounting items in the audited consolidated financial statements of the Company as at and for the years ended 31 December 2019 and 2020 may not be comparable to the financial information in the consolidated financial statements of the Company for the previous periods.

In 2019, the financial information of Nanjing Jiangbei New District Xincheng Technology Venture Co., Ltd. (南京江北新区新城科技创业有限公司) (“**Xincheng Technology Venture**”) was consolidated into the audited consolidated financial statements of the Company as at and for the year ended 31 December 2019. In 2020, the financial information of Nanjing Guangde Real Estate Co., Ltd. (南京广德置业有限公司) and Nanjing Xinbei Construction Development Co., Ltd. (南京新北建设发展有限公司) were consolidated into the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020. As a result, the presentation of certain accounting items in the audited consolidated financial statements of the Company as at and for the years ended 31 December 2019 and 2020 may not be comparable to the financial figures in the financial statements of the Company for the previous periods, including (in the case of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2019) the audited consolidated financial statements of the Company as at and for the year ended 31 December 2018, which shall not form a part of this Offering Circular, and (in the case of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020) the audited consolidated financial statements of the Company as at and for the year ended 31 December 2019 included elsewhere in this Offering Circular. See “Notes to the Financial Statements in 2019 — 6. Holding subsidiaries and joint ventures and equity companies” of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2019 and “Notes to 2020 Annual Report Financial Statements — Part VII. Business combinations and consolidated financial statements — Mergers of enterprises under the same control that occurred this year” of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 for further information. As the financial information of other entities may from time to time be

consolidated into the Company's consolidated financial statements, there can be no assurance that such consolidation of financial information would not materially and adversely affect the Company's accounting policies or the presentation of the Company's consolidated financial statements.

The Company's Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with PRC GAAP, which are different from IFRS in certain respects.

The Company's Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain material respects from IFRS. See "Summary of Significant Differences between PRC GAAP and IFRS" for further information. 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 as well as how those differences might affect the financial information contained herein.

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

The historical consolidated financial information of the Group included in this Offering Circular is not indicative of its current or future financial condition or results of operations. Such financial information is not intended to represent or predict the Group's financial condition or results of operations of any current or future periods. The Group's financial condition and results of operations may change materially if its 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 its business objectives. Period-to-period comparisons of the Group's historical results of operations must be evaluated in light of the impact of any such transactions.

The Company 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 Company from time to time issues debt securities in the domestic capital markets in the PRC. According to applicable PRC securities laws and regulations, the Company 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 Notes are issued, the Company is obligated by the terms of the Notes, among others, to provide holders of the Notes 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 Company is not responsible to holders of the Notes 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 Company, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them or any of their respective affiliates.

This Offering Circular contains facts and statistics relating to the economy of the PRC, Jiangbei New District and the industries in which the Group operates. While the Company has taken reasonable care to select reliable information sources and ensure that the facts and statistics relating to the PRC, Jiangbei New District 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 Company, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them or any of their respective affiliates 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.

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

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

RISKS RELATING TO THE NOTES

The Issuer is a special purpose company with no business activities of its own and will be dependent on funds from the Group to make payments under the Notes.

The Issuer, an indirect wholly-owned subsidiary of the Company, was established by the Group specifically for the purpose of capital raising. It will on-lend the proceeds from the issue of the Notes to the Company and/or other members of the Group. The Issuer will not conduct business or any other activities other than activities in connection with the offering, sale or issuance of notes and any other activities reasonably incidental thereto (such activities in connection with such notes shall, for the avoidance of doubt, include the on-lending of the proceeds of such notes (the “**Proceeds of the Notes**”) for itself or on-lend such proceeds only to the Company or any of its Subsidiaries (each a “**Group Borrower**”), and causing such Group Borrower to pay the interest and principal in respect of such intercompany loan on time). The Issuer does not and will not have any assets other than such loan receivables and its ability to make payments under the Notes will depend on its receipt of timely payments under its loan agreements or other financing arrangements with other members of the Group, if any. In the event that the Company and/or other members of the Group do not make such payments due under such loans or other agreements, lack of available cash flows or other factors, the Issuer’s ability to make payments under the Notes may be adversely affected.

The Notes are unsecured obligations.

As the Notes are unsecured obligations of the Issuer, the repayment of the Notes may be compromised if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's 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 and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

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

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes 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 Notes;
- understand thoroughly the terms of the Notes 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 economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

Income or gains from the Notes may be subject to income tax or VAT under PRC tax laws.

The Issuer is incorporated under the laws of the British Virgin Islands. Pursuant to the Enterprise Income Tax Law of the PRC (the "EIT Law") and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "de facto management bodies" are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law and income or gains paid with respect to the Notes may be considered to be derived from sources within the PRC.

Under the EIT Law and its implementation regulations, any income or gains realised by non-resident enterprises may be subject to PRC enterprise income tax if such income or gains are regarded as 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. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, interest paid on the Notes may be considered to be PRC-sourced, in which case the Issuer would be required to withhold income tax at a rate of 10 per cent. from payments of interest in respect of the Notes to any non-resident enterprise holders. Any capital gain realised by a non-resident enterprise from the transfer of the Notes may be regarded as being derived from sources within the PRC and, accordingly, may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, the Issuer may be obliged to withhold such individual income tax on payments of interests to non-resident individual holders of the Notes. Any capital gain realised by a non-resident individual holder from transfer of the Notes may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise. The taxable income will be the balance of the total income obtained from the transfer of the Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. As at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law.

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 (内地和香港特别行政区关于对所得避免双重征税和防止偷漏税的安排), which was promulgated on 21 August 2006, as amended, Noteholders 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 Notes, if such income is not connected with an office or establishment that the Noteholders have in the PRC and all the other conditions are satisfied.

On 23 March 2016, MOF and SAT issued Circular 36, which introduced a new VAT from 1 May 2016. VAT is applicable where the entities or individuals provide services, among others, within the PRC. VAT is unlikely to apply to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. However, Circular 36 and laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

Changes in interest rates may have an adverse effect on the price of the Notes.

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

As the Notes will carry a fixed interest rate, the trading price of the Notes will consequently vary with the fluctuations in the U.S. dollar interest rates. If the Noteholders propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

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

The Notes 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 Notes, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes 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 Notes.

The Issuer may be unable to redeem the Notes.

On certain dates, including but not limited to the occurrence of a Change of Control and at maturity of the Notes, the Issuer may, and at maturity, will be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to redeem the Notes by the Issuer, in such circumstances, would constitute an Event of Default under the Notes, which may also constitute a default under the terms of other indebtedness of the Issuer, the Company or their respective subsidiaries.

The insolvency laws of the British Virgin Islands, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Issuer is incorporated under the laws of the British Virgin Islands and the Company is incorporated under the laws of the PRC, any insolvency proceedings relating to the Issuer or the Company, even if brought in other jurisdictions, would likely involve British Virgin Islands or PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

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

If the Issuer or the Company is unable to comply with its respective current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer or the Company, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some debt agreements of the Issuer or the Company may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement of the Issuer or the Company may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements of the Issuer or the Company. If any of these events occur, the Issuer and the Company cannot assure holders that their respective assets and cash flows would be sufficient to repay in full all of their respective indebtedness, or that they would be able to find alternative financing. Even if they could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to them.

The Company's corporate rating may be changed at any time and may adversely affect the market price of the Notes. Credit ratings may not reflect all risks. Any credit rating downgrade could adversely affect the Group's business and liquidity and/or the value of the Notes.

The Company has been assigned a "BBB (Stable)" corporate rating by Fitch. No assurance can be given that a rating will remain in effect for any given period of time or that a rating will not be revised, suspended, reduced or withdrawn entirely by the relevant rating agency. Any decline in the financial position of the Issuer, the Company or any of its subsidiaries may impair the ability of the Issuer to make payments to the Noteholders under the Notes and/or result in the rating of the Company being revised, suspended or withdrawn entirely. If the rating assigned to the Company is subsequently revised, suspended, reduced or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the Notes. Any revision, suspension, reduction or withdrawal of the Company's corporate rating or the rating(s) (if any) of its subsidiaries may have an adverse effect on the Group's business and liquidity and/or the value of the Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Company or other of the Company's subsidiaries. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed in this Offering Circular and other factors that may affect the Group's business and liquidity and/or the value of the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. The significance of each rating should be analysed independently from any other rating.

Any adverse revision to the Company's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies such as Fitch may adversely affect the Group's business, its financial performance and the trading price of the Notes. Further, the Group's ability to obtain financing or to access to capital markets may also be limited, thereby lowering its liquidity.

The credit ratings assigned to the Notes may not reflect all risks.

The Notes are expected to be assigned a rating of "BBB" by Fitch. One or more independent credit rating agencies may assign credit ratings to an issue of the Notes. The rating represents only the opinions of the rating agencies and their assessment of the ability of the Issuer to perform its obligations under the Notes and the credit risks in determining the likelihood that payments will be made when due under the Notes. The rating of the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Notes will remain in effect for any given period or that the ratings will not be revised or withdrawn by the rating agencies in the future if, in their judgement, the circumstances so warrant. The Issuer has no obligation to inform holders of the Notes of any such qualification, reduction, suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Notes at any time may adversely affect the market price of the Notes.

The Notes will be represented by a Global Note Certificate and holders of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems.

The Notes will be represented by beneficial interests in a Global Note Certificate. Such Global Note Certificate will be deposited with a common depository for the Clearing Systems. Interests in the Global Note Certificate representing the Notes will trade in book-entry form only, and Notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Except in the circumstances described in the Global Note Certificate, investors will not be entitled to receive individual Note certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Note Certificate. For so long as the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

For so long as the Notes are represented by the Global Note Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Notes. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. 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. Similarly, holders of beneficial interests in the Global Note Certificate will not have a direct right under the Global Note Certificate to take enforcement actions against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Trust Deed. See “*Summary of Provisions Relating to the Notes in Global Form*” for further information.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Where the Trustee is under the provisions of the Terms and Conditions of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking the Trustee will be bound to act at the request or direction of the Noteholders. The Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may render itself liable and all costs, charges and expenses which it may incur by it in connection therewith. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding, in breach of the terms of the Trust Deed or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable laws, it will be for the holders of the Notes to take such actions directly.

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

The Terms and Conditions of the Notes contain provisions for calling meetings of the holders of the Notes to consider matters relating to the Notes. These provisions permit defined majorities to bind all Noteholders including those Noteholders who did not attend and vote at the relevant meeting and those Noteholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of individual holders of the Notes.

The Terms and Conditions of the Notes also provide that the Trustee may, but shall not be obligated to, without the consent of the holders of the Notes, agree to any modification of the Terms and Conditions of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement (other than in respect of a Reserved Matter (as defined in the Terms and Conditions of the Notes)) which is, in the opinion of the Trustee, will not be materially prejudicial to the interests of the holders of the Notes and to any modification of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, but shall not be obligated to, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

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

Following the issue of the Notes, some or all of the proceeds received by the Issuer may be on-lent to the Company to make equity investments in the PRC. As a holding company, the Company will depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking. The ability of the Company's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Company cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. In particular, the Company does not maintain complete control over its jointly controlled entities or associates in which it might hold a minority interest. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Company to make payments on the Notes. These factors could reduce the payments that the Company receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking.

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

No assurances are made by the Issuer as to whether or not payments on the Notes may be made without withholding taxes or deductions applying from the Issue Date on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax. Although pursuant to the Terms and Conditions of the Notes the Issuer is required to gross up payments on account of any such withholding taxes or deductions, the Issuer also has the right to redeem the Notes at any time in the event it has or will become obliged to pay Additional Amounts (as provided or referred to in Condition 7 of the Terms and Conditions of the Notes) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands, the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 29 April 2021, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

The Issuer may issue additional Notes in the future.

The Issuer may, from time to time, and without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (other than the issue date) so as to consolidate and form a single series with the Notes (see “*Terms and Conditions of the Notes — Further Issues*”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

Notes which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The denominations of the Notes are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000 will not receive a definitive certificate in respect of such holding of Notes (should definitive certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Noteholders should be aware that Notes with aggregate principal amounts that are not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what Noteholders are accustomed to.

A change in English law which governs the Notes may adversely affect the Noteholders.

The Terms and Conditions of the Notes are 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 Notes.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts, and the Noteholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts. There can be 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 of the Notes and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law-governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Choice of Court Arrangement, 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 Choice of Court Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts in respect of a dispute 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 holders of the Notes will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

Certain facts and statistics are derived from publications not independently verified by the Group or the Joint Lead Managers.

Facts and statistics in this Offering Circular relating to global economy and the relevant industry are derived from publicly available sources. While each of the Issuer and the Company has taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by any of the Issuer, the Joint Lead Managers, the Trustee and the Agents (or any of their respective directors, officers, employees, affiliates, advisers or agents) and, therefore, neither the Issuer, the Company nor such parties make any representation as to the accuracy of such facts and statistics. Due to possibly flawed or 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. Further, each of the Issuer and the Company cannot assure investors that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

RISKS RELATING TO THE MARKET

An active trading market for the Notes may not develop.

The Notes are a new issue of securities for which there is currently no trading market. No assurance can be given that an active trading market for the Notes will develop or be sustained. No assurance can be given as to the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes or that a liquid market will develop. The liquidity of the Notes will be adversely affected if the Notes are held or allocated to limited investors. None of the Joint Lead Managers is obligated to make a market in the Notes, and if the Joint Lead Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

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

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There can be no assurance that these developments will not occur in the future.

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

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes 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 issues in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, 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 Notes could be adversely affected.

For example, the trade dispute between the PRC and the United States may have an adverse effect on the global and the PRC economies resulting in continuing uncertainty for the overall prospects for the global and the PRC economies. In 2018, the United States announced a series of tariffs on imported goods from the PRC. The PRC imposed tariffs on a wide range of products from the United States in retaliation for the new U.S. tariffs. In December 2018, the PRC and the United States commenced negotiations to resolve their trade conflicts. In May 2019, the United States raised additional tariffs on certain goods imported from the PRC, which the PRC government responded by announcing further tariffs on certain goods of U.S. origin. In January 2020, the PRC and the United States signed a phase one trade deal, which includes, among others, commitments by the PRC to increase purchases of goods and services from the United States. However, the Group cannot predict as to the implementation or effect of the phase one trade deal between the PRC and the United States. It remains uncertain whether or not the PRC and the United States would be able to reach any further trade agreement or otherwise resolve their remaining trade issues in the near future or at all. The adoption and expansion of trade restrictions, the occurrence and escalation of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact the PRC economy, which in turn could adversely impact the business, financial condition and results of operations of the Group.

Further, the World Health Organisation declared the COVID-19 outbreak to be a global pandemic in March 2020. There has been rapid and widespread increase in new infections in the United States, Europe and other parts of the world and increased fatality rates in many countries. Citizens in many affected countries and areas are being advised or required to stay at their homes subject to limited exceptions. The reduced consumption, commercial activities and industrial production will severely disrupt their economies and the global supply chain and may result in recessions in these economies. See “— *Risks Relating to the Group's Business — The Group's business, financial condition, results of operations, profitability and prospects are subject to effects of global economic events*” for further information.

There is also a disagreement between Saudi Arabia and Russia on their daily production outputs of crude oil. Saudi Arabia has significantly increased its daily output which has led to a significant decline in global crude oil prices. The oil price remains volatile, in spite of reports that a deal has been reached between the OPEC+ group, an alliance between OPEC and other oil producers including Russia to cut oil production. There have also been extreme volatilities in the global markets across all asset classes: stocks, bonds, oil and metals and these volatilities may continue.

As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatilities which may adversely affect the market price of the Notes. Investors must exercise caution before making any investment decisions.

RISKS RELATING TO THE KEEPWELL AND LIQUIDITY SUPPORT DEED AND THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING

Neither the Keepwell and Liquidity Support Deed nor the Deed of Equity Interest Purchase Undertaking from the Company is a guarantee of the payment obligations of the Issuer under the Notes and may not give rise to a debt claim in the event of any insolvency proceedings in relation to the Company.

The Company will enter into the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking in connection with the issuance of the Notes. See “Offer Structure — The Keepwell and Liquidity Support Deed”, “Description of the Keepwell and Liquidity Support Deed”, “Offer Structure — The Deed of Equity Interest Purchase Undertaking” and “Description of the Deed of Equity Interest Purchase Undertaking” for further information. Upon a breach of the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking, the Trustee may take actions against the Company to enforce the provisions of the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking. However, none of the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking nor any actions taken by the Company under the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking can be construed as, or deemed as evidence of, a guarantee by the Company for the payment obligations of the Issuer under the Notes. Accordingly, pursuant to the terms of the Keepwell and Liquidity Support Deed, the Company will only be obliged to make sufficient funds available to the Issuer, or in the case of the Deed of Equity Interest Purchase Undertaking, undertake certain specific actions rather than jointly or severally assume payment obligations as in the case of a guarantee. Furthermore, even if the Company intends to perform its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking, depending on the manner in which the Company arranges for sufficient funds to meet the payment obligations of the Issuer under the Notes, such performance may be subject to obtaining prior consent or approvals from relevant PRC governmental authorities, including PBOC, NDRC, MOFCOM, CBIRC, SASAC and SAFE. Similarly, even if the Company intends to, in accordance with its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking, grant the Issuer a standby facility pursuant to which the Company will remit an amount sufficient to discharge the Issuer’s payment obligation under the Notes, the Trust Deed and the Keepwell and Liquidity Support Deed, the Company may not be able to grant such standby facility due to reasons beyond its control, such as the failure or inability to obtain any required consents, approvals, registrations and/or filing from relevant PRC government authorities and unforeseeable changes in government policies or regulations. Although the Company is required to use its best endeavours to obtain any required consents and approvals in order to fulfil its respective obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking, there can be no assurance that such consents or approvals will be obtained in a timely manner, or at all.

In addition, under the Keepwell and Liquidity Support Deed, the Company will undertake with the Issuer and the Trustee, among other things, to cause the Issuer to have sufficient liquidity to ensure timely payment of any amounts payable in respect of the Notes and/or the Trust Deed. However, any claim by the Issuer and/or the Trustee against the Company in relation to the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking will be effectively subordinated to all existing and future obligations of the subsidiaries of the Company (which do not provide a guarantee in respect of the Notes), particularly the PRC incorporated subsidiaries, and all claims by creditors of such PRC incorporated subsidiaries will have priority to the assets of such entities over the claims of the Issuer and/or the Trustee under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking.

In addition, the obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking may not give rise to a debt claim in the event of any insolvency proceedings in relation to the Company. Accordingly, the holders of the Notes may have limited or no remedies against the Company, in connection with such insolvency proceedings.

Further, even if the Noteholders or the Trustee have successfully obtained a judgment in Hong Kong courts in relation to the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking, there can be no assurance that PRC courts will recognise and enforce such a judgment in insolvency proceedings relating to the Company. Accordingly, the Noteholders may have limited or no remedies against the Company in connection with such insolvency proceedings. See “— *Risks Relating to the Notes — Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts, and the Noteholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts. There can be 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*” for further information.

Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to approvals of the PRC governmental authorities and certain limitations.

The Company intends to assist the Issuer to meet its obligations under the Notes by entering into the Deed of Equity Interest Purchase Undertaking. Under the Deed of Equity Interest Purchase Undertaking, the Company agrees to purchase, upon receipt of a Purchase Notice provided by the Trustee following an Event of Default, from any of the Issuer and/or any other subsidiary of the Company incorporated outside the PRC as designated by the Company or in the absence of a designation, all the subsidiaries of the Company incorporated outside the PRC (each, a “**Relevant Transferor**”) the equity interest held by certain onshore or offshore subsidiaries of the Company at a purchase price, i.e. the Purchase, subject to the terms in the Deed of Equity Interest Purchase Undertaking and the applicable PRC laws and regulations, not lower than the amount sufficient to enable the Issuer to discharge in full its obligations under the Notes and/or the Trust Deed.

Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to the approval of or registration with the following PRC governmental authorities or their respective local counterparts (as the case may be):

- NDRC or its local office in respect of the transfer of the equity interest in the offshore subsidiaries from the Relevant Transferor to the Company;
- the MOFCOM or its local office in respect of the transfer of the equity interest in the offshore subsidiaries from the Relevant Transferor to the Company;
- the State Administration for Market Regulation or its local office in respect of the transfer of the equity interest in the onshore subsidiaries from the Relevant Transferor to the Company;
- the relevant PRC tax authorities in respect of withholding tax for the Relevant Transferor; and
- SAFE or its local office in respect of (i) changing the SAFE registration of, or in connection with, the onshore or offshore companies being sold, and (ii) the remittance of the purchase price, denominated in U.S. dollars, from the Company in the PRC,

or other approvals, registrations and/or filings required under the applicable PRC laws, regulations or policies.

As the approval process is beyond the control of the Company (particularly in the situation where the Deed of Equity Interest Purchase Undertaking is triggered by the winding-up of the Company), there can be no assurance that the Company will successfully obtain any of the requisite approvals or registrations in time, or at all, or that the PRC Government’s relevant policies or regulations will not change in the future. In the event that the Company fails to obtain the requisite approvals or registrations, the Issuer may still have insufficient funds to discharge its outstanding payment obligations to the Noteholders.

Further, in the event of an insolvency of a Relevant Transferor, any sale proceeds received by that Relevant Transferor may be subject to the insolvency claims of third parties. The Trustee will not have a direct claim against the sale proceeds received by such Relevant Transferor.

Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking may be subject to consent from third-party creditors and shareholders, and may also be restricted if any of the equity interests are secured in favour of third-party creditors.

Under the terms of the Deed of Equity Interest Purchase Undertaking, the Company agrees to purchase, upon the occurrence of an Event of Default, from the Relevant Transferor the equity interest of indirectly held subsidiaries of the Company held by it. The ability of the Company to perform this undertaking may be affected by any present or future financing agreements of the Company and its subsidiaries:

- in the event that such financial agreements contain non-disposal or other restrictive covenants that would prevent the sale of an equity interest by a Relevant Transferor, the Company and its subsidiaries would need to obtain the consent from the third-party creditor before the Relevant Transferor is able to proceed with the sale of such equity interest; and
- in the event that certain equity interests have been secured in favour of third-party creditors, the Company and its subsidiaries would need to arrange for these security interests to be released before the Relevant Transferor is able to proceed with the sale of such equity interests.

Under the Terms and Conditions of the Notes and the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking, there are no restrictions on the Company or its subsidiaries entering into financing agreements with such non-disposal or other restrictive covenants or securing the equity interests of any member of the Group in favour of its creditors (not being holders of relevant indebtedness/debt securities issued outside the PRC by the Company or any of its subsidiaries).

In the event the obligation to purchase under the Deed of Equity Interest Purchase Undertaking becomes effective, there can be no assurance that the Relevant Transferor will be able to obtain any required consents from its creditors or that it will be able to arrange for any existing security arrangement to be released in order for the sale of the equity interest to proceed. If the Relevant Transferor is not able to do so, it may need to repay the indebtedness owed to its third-party creditors in order to be able to sell the relevant equity interests to the Company. In the event that the required consents or waivers from third-party creditors are not able to be obtained and in the case of third-party creditors, the relevant indebtedness cannot be repaid in a timely manner, the sale of the equity interest may not be able to proceed and the Issuer may have insufficient funds to discharge their respective payment obligations to the holders of the Notes.

In addition, the sale of the equity interests in certain non-wholly-owned companies may be subject to pre-emptive rights or other restrictions in such company's articles of association, shareholders' agreement or otherwise that would require the selling shareholder to obtain consent or waiver from other third-party shareholders before any equity interest can be sold to the Company. In the event the obligation to purchase under the Deed of Equity Interest Purchase Undertaking becomes effective there can be no assurance that any required consents or waivers can be obtained from third-party shareholders in a timely manner, or at all.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Note Certificates (as defined below) issued in respect of the Notes.

The U.S.\$250,000,000 2.30 per cent. notes due 2022 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further Issues*) and consolidated and forming a single series therewith) of Industrial Investment Overseas Limited (产投海外有限公司) (the “**Issuer**”) are constituted by, are subject to, and have the benefit of, a trust deed dated on or about 11 August 2021 (as amended, restated, replaced or supplemented from time to time, the “**Trust Deed**”) between the Issuer, Nanjing Jiangbei New Area Industrial Investment Group (南京江北新区产业投资集团有限公司) (the “**Company**”) and Bank of Communications Trustee Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated on or about 11 August 2021 (as amended, restated, replaced or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Company, Bank of Communications Co., Ltd. Hong Kong Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the transfer agents named therein (the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the Principal Paying Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them.

The Notes also have the benefit of (i) a keepwell and liquidity support deed dated on or about 11 August 2021 (as amended, restated, replaced or supplemented from time to time, the “**Keepwell and Liquidity Support Deed**”) between the Issuer, the Company and the Trustee; and (ii) a deed of equity interest purchase undertaking dated on or about 11 August 2021 (as amended, restated, replaced or supplemented from time to time, the “**Deed of Equity Interest Purchase Undertaking**”) between the Company and the Trustee.

Certain provisions of these Conditions are summaries of the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking applicable to them. Copies of the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking are available for inspection by Noteholders during normal business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays) upon prior written request and satisfactory proof of holding at the registered office for the time being of the Trustee, being at the date hereof 1/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Status

- (a) *Form and denomination*: The Notes are in registered form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, an “**Authorised Denomination**”).

- (b) *Status of the Notes*: The Notes constitute direct, general, unconditional and (subject to Condition 3(a) (*Covenants - Negative pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Upon issue, the Notes will be evidenced by a global note certificate (the “Global Note Certificate”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”), and will be exchangeable for individual Note Certificates (as defined below) only in the circumstances set out therein.

2. Register, Title and Transfers

- (a) *Register*: The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title*: The Holder of each Note shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers*: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing system.

- (d) *Registration and delivery of Note Certificates*: Within five business days of the surrender of a Note Certificate and provision of such evidence as required in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first

class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: Noteholders may not require transfers to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium or interest in respect of the Notes; (ii) during the period of 15 days ending on (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(b) (*Redemption for tax reasons*); and (iii) after a Put Exercise Notice (as defined in Condition 5(c) (*Redemption for Change of Control*)) has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for Change of Control*).
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder who requests in writing a copy of such regulations and provides satisfactory proof of holding.

3. Covenants

- (a) *Negative pledge*: So long as any Note remains outstanding (as defined in the Trust Deed):
 - (i) the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without at the same time or prior thereto (A) securing the Notes equally and rateably therewith or (B) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders; and
 - (ii) the Company shall not, and shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness outside the PRC or Guarantee of such Relevant Indebtedness without at the same time or prior thereto (A) securing the Notes equally and rateably therewith or (B) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.
- (b) *Consolidated Net Worth of the Issuer*: So long as any Note remains outstanding, the Issuer shall, and the Company undertakes to procure the Issuer to, have a Consolidated Net Worth

of at least U.S.\$1.00 (or its equivalent in any other currency) at all times. The Trustee is under no obligation to monitor compliance by the Issuer or the Company with this Condition 3(b) (*Consolidated Net Worth of the Issuer*) and shall not be responsible or liable to any Noteholder or any other person for not doing so.

- (c) *Limitation on Business Activities:* So long as any Note remains outstanding:
- (i) the Issuer shall, and the Company has undertaken in the Keepwell and Liquidity Support Deed to, procure that the Issuer shall (x) not carry on any business activity whatsoever other than the activities in connection with the offering, sale or issuance of any notes and any other activities reasonably incidental thereto (such activities in connection with the notes shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the notes), and (y) either utilise the proceeds of the issue of the notes for itself or on-lend such proceeds only to the Company or any of its Subsidiaries (each a “**Group Borrower**”), and to cause such Group Borrower to pay the interest and principal in respect of such intercompany loan on time; and
 - (ii) the Issuer shall not, and the Company has undertaken in the Keepwell and Liquidity Support Deed to procure that the Issuer shall not, issue any equity interest, capital stock or shares other than ordinary shares to the Company or any of its wholly-owned Subsidiaries and the Company shall at all times (directly or indirectly) maintain ownership of 100 per cent. of the equity interest in the Issuer and shall procure that the title, rights and interests in the shares of the Issuer are not pledged, charged or in any way encumbered.
- (d) *Financial Statements, etc.:* So long as any Note remains outstanding:
- (i) the Issuer shall provide a Compliance Certificate (on which the Trustee may rely as to such compliance) within 14 days of a written request by the Trustee and at the time of provision of the Company Audited Financial Reports; and
 - (ii) the Company shall provide (i) a Compliance Certificate (on which the Trustee may rely as to such compliance) within 14 days of a written request by the Trustee and at the time of provision of the Company Audited Financial Reports; (ii) a copy of the Company Audited Financial Reports within 180 days of the end of each Relevant Period prepared in accordance with PRC GAAP (audited by a nationally or internationally recognised firm of independent accountants of good repute); and (iii) a copy of the Company Unaudited Financial Reports within 120 days of the end of each Relevant Period prepared on a basis consistent with the Company Audited Financial Reports,

provided that, if at any time the capital stock of the Company is listed for trading on a recognised stock exchange, the Company may make available to the Trustee, as soon as they are available but in any event not more than 14 days after any financial or other reports of the Company are filed with the exchange on which the Company’s capital stock is at such time listed for trading, true and correct copies of any financial or other reports filed with such exchange in lieu of the reports identified in this Condition 3(d) and if such reports or statements referred to in this Condition shall be in the Chinese language, together with an English translation of the same translated by (x) a nationally or internationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants of good repute, together with a certificate signed by a director or an Authorised Signatory of the Company certifying that such translation is complete and accurate.

(e) *Irrevocable Cross-Border Standby Facility, Liquidity Support and Parent Investment*: The Trustee shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) provide a written notice (the “**Trigger Notice**”) to the Company in accordance with the Trust Deed (i) if the Trustee does not receive the Liquidity Notice (as defined in the Keepwell and Liquidity Support Deed) from the Issuer within three KWD Business Days (as defined in the Keepwell and Liquidity Support Deed) after the relevant Liquidity Notice Date (as defined in the Keepwell and Liquidity Support Deed) in accordance with the terms of the Keepwell and Liquidity Support Deed, (ii) upon being notified in writing by the Issuer and/or the Company that a Triggering Event (as defined below) has occurred pursuant to the terms of the Keepwell and Liquidity Support Deed or (iii) if any Triggering Event has occurred and if so requested in writing by Holders of at least 25 per cent. of the aggregate principal amount of the Notes then outstanding. Upon the receipt of the Trigger Notice, the Company has undertaken in the Keepwell and Liquidity Support Deed to:

- (i) grant the standby facility and procure remittance of the Remittance Amount (as defined in the Keepwell and Liquidity Support Deed) as a loan to the Issuer (the “**Standby Facility**”);
- (ii) provide the liquidity support to the Issuer (the “**Liquidity Support**”); and
- (iii) invest in the Issuer and/or any Offshore Subsidiary(ies) (as defined in the Keepwell and Liquidity Support Deed) (the “**Parent Investment**”),

in each case, in accordance with the Keepwell and Liquidity Support Deed and subject to it having obtained all relevant Regulatory Approvals (as defined in the Keepwell and Liquidity Support Deed) (which the Company has undertaken to use its best endeavours to obtain); and

A “**Triggering Event**” means the occurrence of any of the following events:

- (a) the Consolidated Net Worth of the Issuer falls below U.S.\$1.00 (or its equivalent in any other currency) (a “**Financial Ratio Failure**”);
 - (b) the Issuer fails to provide a Liquidity Notice in accordance with and by the time and to the persons as specified in the Keepwell and Liquidity Support Deed (the “**Liquidity Notice Failure Event**”);
 - (c) an Event of Default; or
 - (d) the Issuer determines that it will have insufficient liquidity or cashflow to meet its payment obligations under the Notes or the Trust Deed as they fall due (a “**Shortfall Event**”).
- (f) *Deed of Equity Interest Purchase Undertaking*: Upon the occurrence of an Event of Default, the Trustee shall give to the Company (with a copy to the Issuer) a notice in writing in accordance with the Trust Deed notifying the Company of its obligations to carry out purchase(s) of certain equity interest held by any other offshore subsidiary or subsidiaries of the Company pursuant to the Deed of Equity Interest Purchase Undertaking. Upon the completion of any Purchase (as defined in the Deed of Equity Interest Purchase Undertaking), the Company has undertaken in the Deed of Equity Interest Purchase Undertaking, in the event that a Relevant Transferor (as defined in the Deed of Equity Interest Purchase Undertaking) is not the Issuer, that it shall procure such Relevant Transferor to promptly on-lend or distribute in full the relevant portion of the Purchase

Price (as defined in the Deed of Equity Interest Purchase Undertaking) being an amount no less than the Shortfall Amount (as defined in the Deed of Equity Interest Purchase Undertaking), received by such Relevant Transferor to the Issuer prior to any other use, disposal or transfer of the proceeds received.

- (g) *Use of Proceeds received pursuant to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking:* The Issuer shall, and the Company has undertaken in the Keepwell and Liquidity Support Deed and the Trust Deed to procure the Issuer to, take all actions necessary for the proceeds received from the Standby Facility, the Liquidity Support, the Parent Investment and/or the Purchase(s) to be applied in and towards (i) the payment in full of any outstanding amounts as they fall due under the Trust Deed and the Notes (including without limitation, the payment of the principal amount of the Notes then outstanding as at the date of the Trigger Notice and any interest unpaid and/or accrued but unpaid on the Notes) if the Triggering Event is an Event of Default or (ii) the payment in full of any outstanding amounts as they fall due on the immediately following Interest Payment Date under the Trust Deed and the Notes (including without limitation, the payment of the principal amount of the Notes then outstanding as at the date of the Trigger Notice, if applicable, and any interest unpaid and/or accrued but unpaid on the Notes) if the Triggering Event is a Liquidity Notice Failure Event or (iii) the remedy of the Financial Ratio Failure or the Shortfall Event if such Triggering Event has occurred, prior to any other use, disposal or transfer of the proceeds received.

The Company has undertaken in the Deed of Equity Interest Purchase Undertaking that upon the completion of any Purchase, that it shall promptly do all such things (including entering into and executing any agreements or arrangements required) and take all actions necessary for the Purchase Price (as defined in the Deed of Equity Interest Purchase Undertaking) received by the Issuer from the Company or pursuant to any on-loan or distribution referred to above to be applied solely towards the payment in full of the Issuer's obligations under the Notes and the Trust Deed (including without limitation the payment of the principal amount of the Notes then outstanding as at the date of such payment and any interest due and unpaid and/or accrued but unpaid on the Notes up to but excluding the date of payment) prior to any other use, disposal or transfer of the proceeds received.

- (h) *Rating Maintenance:* So long as any Note remains outstanding, save with the approval of an Extraordinary Resolution, the Issuer and the Company shall maintain a rating on the Notes by at least one Rating Agency, and notify the Trustee within ten business days of any downgrade in, or withdrawal of, such rating(s) in accordance with the Trust Deed.

In these Conditions:

“Company Audited Financial Reports” means the annual audited consolidated balance sheet, income statement, statement of cash flows and statement of changes in shareholders' equity of the Company and its Subsidiaries together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them;

“Company Unaudited Financial Reports” means the semi-annual unaudited and unreviewed consolidated balance sheet, income statement, statement of cash flows and statement of changes in shareholders' equity of the Company and its Subsidiaries together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them, if any;

“**Compliance Certificate**” means a certificate of the Issuer or, as the case may be, the Company signed by any one of their respective directors or Authorised Signatories certifying that, having made all due enquiries, to the best of the knowledge, information and belief of the Issuer or, as the case may be, the Company as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (a) no Event of Default or an event or circumstance (being an event or circumstance which has not been remedied to the satisfaction of the Trustee or waived in writing by the Trustee) 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 8 (*Events of Default*) become an Event of Default or other Triggering Event had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (b) each of the Issuer and the Company has complied with all its obligations under the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement (as applicable) or, if the Issuer or the Company has not complied with all such obligations, giving details of that non-compliance;

“**Consolidated Net Worth**” means, in respect of the Issuer, the excess of the total assets of the Issuer and its consolidated Subsidiaries over the total liabilities of the Issuer and its consolidated Subsidiaries, each of “total assets” and “total liabilities” to be determined in accordance with PRC GAAP consistently applied;

“**Guarantee**” means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness including (without limitation):

- (a) any obligation to purchase such indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such indebtedness; and
- (d) any other agreement to be responsible for such indebtedness;

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

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

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

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

“**PRC GAAP**” means the Accounting Standards for Business Enterprises and other specific standards issued by the Ministry of Finance of the PRC, and all applicable guidance, bulletins and other relevant accounting regulations issued from time to time;

“Principal Subsidiary” means any Subsidiary of the Company:

- (a) whose total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited income statement is at least five per cent. of the consolidated total revenue as shown by the latest published audited income statement of the Company and its consolidated Subsidiaries; or
- (b) whose net profit (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement, is at least five per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Company and its consolidated Subsidiaries including, for the avoidance of doubt, the Company and its consolidated Subsidiaries’ share of net profit of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet, are at least five per cent. of the consolidated total assets of the Company and its Subsidiaries as shown by the latest audited published consolidated balance sheet of the Company and its Subsidiaries, including, for the avoidance of doubt, the investment of the Company and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests;

provided that, in relation to paragraphs (a), (b) and (c) above:

- (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 Company relate, the reference to the then latest consolidated audited accounts of the Company and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Company 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 Company and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Company or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total revenue, net profit or total assets of the Company 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 Company;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Company; and
- (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Company, 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 Company; or

- (d) 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* (i) 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 forthwith become a Principal Subsidiary and (ii) on or after the date on which the first published audited accounts (consolidated, if appropriate), of the Company prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above.

A certificate signed by a director or an Authorised Signatory of the Company stating that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties. The certificate shall, if there is a dispute as to whether any Subsidiary of the Company is or is not a Principal Subsidiary be accompanied by a report by an internationally recognised firm of accountants addressed to the directors of the Company as to proper extraction of the figures used by the Company in determining the Principal Subsidiaries of the Company and mathematical accuracy of the calculation.

“Rating Agencies” means (a) Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors (**“Moody’s”**); (b) Fitch Ratings Ltd. and its successors (**“Fitch”**); (c) S&P Global Ratings, a division of S&P Global Inc. (**“S&P”**) and (d) if one or more of Moody’s, S&P or Fitch shall not make a rating of the Notes publicly available, any internationally recognised securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Moody’s, S&P or Fitch or any combination thereof, as the case may be;

“Relevant Indebtedness” means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“Relevant Period” means:

- (a) in relation to the Company Audited Financial Reports, each period of twelve months ending on the last day of the financial year of the Company (currently being 31 December of that financial year); and
- (b) in relation to the Company Unaudited Financial Reports, each period of six months ending on the last day of the first half financial year of the Company (currently being 30 June of that financial year);

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

“Subsidiary” of any Person means (a) any company or other business entity of which that Person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that Person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that Person.

4. Interest

The Notes bear interest from 11 August 2021 (the “**Issue Date**”) at the rate of 2.30 per cent. per annum (the “**Rate of Interest**”), payable in arrear on 11 February 2022 and 10 August 2022 (each, an “**Interest Payment Date**”), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will 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 Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on the Interest Payment Date falling on 11 February 2022 and 10 August 2022 shall be U.S.\$11.50 and U.S.\$11.437, respectively, in respect of each U.S.\$1,000 principal amount of the Notes.

If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means U.S.\$1,000; and

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 10 August 2022, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes 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 Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable) in writing to the Trustee and the Principal Paying Agent at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
 - (i) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 7 (*Taxation*)) as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 August 2021; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, 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 Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee:

- (i) a certificate signed by a director or an Authorised Signatory of the Issuer stating that the circumstances referred to in (b)(i) and (b)(ii) above prevail and setting out the details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Trustee of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obligated) to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the circumstances set out in (b)(i) and (b)(ii) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice period as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for Change of Control:* At any time following the occurrence of a Change of Control, the Holder of any Note will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date at 101 per cent. of their principal amount, together with interest accrued to (but not including) such Put Settlement Date. To exercise such right, the Holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "**Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 15 (*Notices*). The "**Put Settlement Date**" shall be the 14th 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 Notes subject to the Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders in accordance with Condition 15 (*Notices*) and to the Trustee and the Principal Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c).

In this Condition 5(c):

a "**Change of Control**" occurs when:

- (i) the Company ceases to (directly or indirectly) hold or own 100 per cent. of the issued share capital of the Issuer;
- (ii) (A) the Nanjing City Government and/or the Nanjing Jiangbei New District Management Committee and/or Nanjing SASAC and (B) any other Person directly or indirectly Controlled by the Nanjing City Government and/or the Nanjing Jiangbei New District Management Committee and/or Nanjing SASAC (such person or entity,

together with the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and Nanjing SASAC, each a “**PRC Government Person**”) ceases to, together, directly or indirectly, hold or own not less than 75 per cent. of the issued share capital of the Company; or

- (iii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together, except where such person(s) is/are Controlled, directly or indirectly by a PRC Government Person;

“**Control**” means with respect to a Person (where applicable): (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of such Person or (ii) the right to appoint and/or remove all or the majority of the members then in office of such Person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise. For the avoidance of doubt, a Person is deemed to Control another Person so long as it fulfils one of the two foregoing requirements and the terms “**Controlling**” and “**Controlled**” have meanings correlative to the foregoing; and

“**Nanjing City Government**” means the People’s Government of Nanjing City of the PRC (南京市人民政府);

“**Nanjing Jiangbei New District Management Committee**” means the management committee of the Nanjing Jiangbei New District of Nanjing City (南京市江北新区管理委员会);

“**Nanjing SASAC**” means the State-owned Assets Supervision and Administration Commission of Nanjing of the PRC;

- (d) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (c) (*Redemption for Change of Control*) above.
- (e) *Purchase*: The Issuer, the Company or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (f) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Company or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.
- (g) *Calculations*: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Noteholders or any other person for not doing so.
- (h) *No duty to monitor*: Neither the Trustee nor any of the Agents shall be obliged to take any steps to ascertain whether a Change of Control or Event of Default has occurred or to monitor the occurrence of any Change of Control or Event of Default, and shall not be liable to the Noteholders or any other person for not doing so.

6. Payments

- (a) *Principal*: Payments of principal shall be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest*: Payments of interest shall be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) 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 (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 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days*: Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph, “**business day**” means any day on which banks are open for general business (including dealings in foreign currencies) in New York City and Hong Kong and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date*: Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (the “**Record Date**”).

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

7. Taxation

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

Where such withholding or deduction is made by the Issuer as a result of the Issuer being deemed by PRC tax authorities to be a PRC tax resident at the rate applicable in the PRC on 4 August 2021 (the “**Applicable Rate**”), the Issuer will pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event that the Issuer is required to make (i) a deduction or withholding by or within the PRC in excess of the Applicable Rate or (ii) any deduction or withholding by or within the British Virgin Islands, the Issuer shall pay such additional amounts (the “**Additional Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands or the PRC, references in these Conditions to the British Virgin Islands or the PRC shall be construed as references to the British Virgin Islands or, as the case may be, the PRC and/or such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 (*Taxation*) or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction.

8. Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded

to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon the Notes shall become immediately due and payable at their principal amount together with accrued interest (if any) without further action or formality:

- (a) *Non-payment*: there is a failure to pay any amount of principal in respect of the Notes on the due date for payment thereof or there is a failure to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure to pay interest continues for a period of seven days; or
- (b) *Breach of other obligations*: the Issuer or the Company defaults in the performance or observance of any of their other respective obligations under or in respect of the Notes, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Trust Deed (as applicable) (other than where it gives rise to a right of redemption pursuant to Condition 5(c) (*Redemption for Change of Control*)) and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer and the Company; or
- (c) *Cross-default of Issuer, Company or Subsidiary*:
 - (i) any indebtedness for money borrowed or raised of the Issuer, the Company or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such indebtedness for money borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Company or (as the case may be) the relevant Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such indebtedness for money borrowed or raised; or
 - (iii) the Issuer, the Company or any of their respective Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any Guarantee of any indebtedness for money borrowed or raised;

provided that the amount of indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.\$25,000,000 (or its equivalent in any other currency or currencies) (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 8(c) operates); or
- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount is rendered against the Issuer, the Company or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Company or any of the Principal Subsidiaries and such action is not discharged or stayed within 45 days; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Company or any of the Principal Subsidiaries becomes insolvent or is unable to pay all or a substantial part of its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, the Company or any of the Principal Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Company or any

of the Principal Subsidiaries, (iii) the Issuer, the Company or any of the Principal Subsidiaries takes any action for a readjustment or deferment of all or a substantial part of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its indebtedness or any Guarantee of such indebtedness given by it or (iv) the Issuer, the Company or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Principal Subsidiary (x) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring pursuant to terms approved by an Extraordinary Resolution of the Noteholders; or (y) whereby all or substantially all the undertaking, assets and revenues of such Principal Subsidiary are transferred or otherwise vested in the Issuer, the Company or any of their respective Subsidiaries; or (z) a solvent winding up of such Principal Subsidiary); or

- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Company or any of the Principal Subsidiaries, except in the case of a Principal Subsidiary (A) for the purpose of and followed by a solvent winding up, dissolution, a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) whereby all or substantially all the undertaking, assets and revenues of such Principal Subsidiary are transferred or otherwise vested in the Issuer, the Company or any of the Principal Subsidiaries; or (B) a solvent winding up of such Principal Subsidiary; or (C) a disposal of or by such Principal Subsidiary on an arm's length basis where the assets (whether in cash or otherwise) from such disposal shall be transferred to or otherwise vested in the Issuer, the Company or any of their respective Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of the British Virgin Islands or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable each of the Issuer and the Company lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Trust Deed (as applicable), (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Trust Deed admissible in evidence in the courts of the British Virgin Islands and the PRC is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Company to perform or comply with any of their respective obligations under or in respect of the Notes, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Trust Deed (as applicable); or
- (k) *Keepwell and Liquidity Support Deed and Deed of Equity Interest Purchase Undertaking*: the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking is not (or is claimed by the Company not to be) in full force and effect, or any of the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking is modified, amended or terminated other than strictly in accordance with its terms or these Conditions; or
- (l) *Government intervention*: (i) all or any substantial part of the undertaking, assets and revenues of the Issuer, the Company or any of the Principal Subsidiaries is condemned, compulsorily acquired, expropriated, nationalised, seized or otherwise appropriated by any

person acting under the authority of any national, regional or local government or (ii) the Issuer, the Company or any of the Principal Subsidiaries is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

9. Prescription

Claims for principal, premium (if any) and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years (in the case of principal or premium (if any)) and five years (in the case of interest) of the appropriate Relevant Date.

10. Replacement of Note Certificates

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

11. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or provided with security and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Company and any entity relating to the Issuer or the Company without accounting for any profit.

The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or these Conditions. None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Company and any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer or the Company to the contrary, the Trustee and each Agent shall assume that the same are being duly performed.

Neither the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by Holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction to seek directions or clarification of directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or clarification of directions where the Trustee is seeking such directions from the Noteholders or in the event that no such directions or clarifications are received.

In the exercise of its powers and discretions under these Conditions, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Company and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. Each of the Issuer and the Company reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or principal paying agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer and the Company shall at all times maintain a principal paying agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders.

12. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to effect the exchange, conversion or substitution of the Notes for other obligations or securities, to amend Condition 3 (*Covenants*), to cancel or amend the terms of the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 75 per cent. of the aggregate principal amount of the Notes then outstanding who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. 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 Noteholders.

So long as the Notes are represented by the Global Note Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders of not less than 75 per cent. in aggregate principal amount of the Notes for the time being outstanding.

- (b) *Modification and waiver:* The Trustee may, but shall not be obligated to, without the consent of the Noteholders, agree to any modification of these Conditions, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, but shall not be obligated to, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

- (c) *Certificates and Reports:* The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any lawyers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, opinion or certificate or advice and such report, confirmation, opinion or certificate or advice shall be binding (to the extent applicable) on the Issuer, the Company, the Trustee and the Noteholders.

13. Enforcement

The Trustee may at any time, at its absolute discretion and without notice, institute such actions, steps or proceedings as it thinks fit to enforce its rights under the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Company unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date) so as to consolidate and form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed, *provided that* such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. However, such further notes may only be issued if (i) the Rating Agency which has provided credit ratings in respect of the Notes has been informed of such issue; and (ii) such issue will not result in any adverse change in the then credit rating of the Notes.

15. Notices

Notices to the Noteholders will be sent to them by mail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

Until such time as any individual Note Certificates are issued and so long as the Global Note Certificate is held in its entirety on behalf of Euroclear and Clearstream any notice to the Noteholders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

16. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify the Trustee and each Noteholder, on the written demand of the Trustee or such Noteholder addressed to the Issuer and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

17. Governing Law and Jurisdiction

- (a) *Governing law:* The Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement are governed by English law.

Jurisdiction: The courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

- (b) *Appropriate forum:* Each of the Issuer and the Company agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (c) *Service of Process:* Each of the Issuer and the Company agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to New & High (HK) Limited at its Hong Kong address at 6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, or to such other person with an address in Hong Kong and/or at such other address in Hong Kong as the Issuer may specify by notice in writing to the Trustee. Such service shall be deemed completed on delivery to New & High (HK) Limited (whether or not it is forwarded to and received by the Issuer or the Company, as the case may be). If for any reason New & High (HK) Limited ceases to be able to act as such or no longer has an address in Hong Kong, the Issuer and the Company each irrevocably agrees to forthwith appoint a substitute process agent in Hong Kong and deliver to the Trustee a copy of the agent’s acceptance of that appointment within 30 days of such cessation. Nothing in this paragraph shall affect the right to serve process in any other manner permitted by law. This Condition applies to Proceedings in Hong Kong and to Proceedings elsewhere.
- (d) *Consent to enforcement etc.:* Each of the Issuer and the Company consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

Waiver of immunity: To the extent that the Issuer or the Company may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or the Company or their respective assets or revenues, each of the Issuer and the Company agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Global Note Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. Terms defined in the Terms and Conditions of the Notes have the same meaning in the paragraphs below. The following is a summary of certain of those provisions.

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

Under the Global Note Certificate, the Issuer, for value received, promises to pay such principal and interest on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Notes, together with any additional amounts payable in accordance with the Terms and Conditions of the Notes, all subject to and in accordance with the Terms and Conditions of the Notes.

The Global Note Certificate will become exchangeable in whole, but not in part, for individual definitive Certificates if (i) either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays) or announces an intention permanently to cease business; or (ii) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

Whenever the Global Note Certificate is to be exchanged for individual definitive Certificates, such individual definitive Certificates shall be issued in an aggregate principal amount equal to the principal amount of this Global Note Certificate within five business days of the delivery, by or on behalf of the Holder, Euroclear and/or Clearstream, to the Registrar of such information as is required to complete and deliver such individual definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the individual definitive Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office (as defined in the Terms and Conditions of the Notes) of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

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

PAYMENT

So long as the Notes are represented by the Global Note Certificate, each payment in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**"), where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

TRUSTEE'S POWERS

In considering the interests of the Noteholders whilst the Global Note 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 Notes and (b) consider such interests on the basis that such accountholders were the holders of the Notes in respect of which the Global Note Certificate is issued.

NOTICES

So long as the Notes are represented by the Global Note Certificate and the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an “**Alternative Clearing System**”), notices to holders of the Notes shall be given by delivery of the relevant notice to Euroclear or Clearstream or (as the case may be) such Alternative Clearing System.

TRANSFERS

Transfers of interests in the Notes 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 Note by the Issuer following its redemption or purchase by the Issuer will be effected by reduction in the principal amount of the Notes in the register of the Noteholders.

MEETINGS

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Note Certificate shall (unless the Global Note Certificate represents only one Note) be treated as two persons representing or holding not less than the relevant percentage of the aggregate principal amount of the outstanding Notes for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each U.S.\$1,000 in principal amount of the Notes.

NOTEHOLDERS' REDEMPTION

In order to exercise the option contained in Condition 5(c) (*Redemption for Change of Control*) (the “**Put Option**”) of the Terms and Conditions of the Notes, the Holder must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note Certificate and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

ISSUER'S REDEMPTION

The option of the Issuer provided for in Condition 5(b) (*Redemption for tax reasons*) shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by that Condition.

The Global Note 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 Notes, after deducting commissions and other estimated expenses payable (including roadshow expenses) in connection with the offering of the Notes, will be approximately U.S.\$248 million. The Issuer intends to use the net proceeds from the offering of the Notes for refinancing offshore indebtedness and general corporate purposes.

EXCHANGE RATE

PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi with reference to a basket of currencies in the market during the prior day. PBOC also takes into account other factors such as general conditions existing in the international foreign exchange markets. Since 1994, the conversion of Renminbi into foreign currencies, including U.S. dollars, has been based on rates set by PBOC, which are set daily based on the previous day's interbank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currency for current account items, conversion of Renminbi into foreign exchange for capital items, such as foreign direct investment, loans or securities, requires the approval of the SAFE and other relevant authorities. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On 19 June 2010, PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate and the band was expanded to 1.0 per cent. on 16 April 2012 and was further expanded to 2.0 per cent. on 17 March 2014. On 11 August 2015, PBOC announced that the exchange rates between the Renminbi and foreign currencies would become more market driven, taking into account of the closing exchange rates on the previous trading day, supply and demand of foreign currencies and the fluctuations of exchanges rates between major international currencies. From 11 August to 13 August 2015, the value of the Renminbi depreciated by approximately 4.4 per cent. against the U.S. dollar. In January and February 2016, the Renminbi experienced further fluctuations in value against the U.S. dollar. 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, PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC government may make further adjustments to the exchange rate system in the future.

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

Period	Noon Buying Rate ⁽¹⁾			
	Low	Average ⁽²⁾	High	Period End
	<i>(RMB per U.S.\$1.00)</i>			
2015	6.1870	6.2869	6.4896	6.4778
2016	6.4480	6.6549	6.9580	6.9430
2017	6.4773	6.7350	6.9575	6.5063
2018	6.2649	6.6090	6.9737	6.8755
2019	6.6822	6.9014	7.1786	6.9618
2020	6.5208	6.8878	7.1681	6.5250
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4344	6.4601	6.4869	6.4730
March	6.4648	6.5109	6.5716	6.5518
April (through 16 April).....	6.5203	6.5448	6.5649	6.5203

⁽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⁾ Averages are calculated by averaging the rates on the last business day of each month during the relevant year. Monthly averages are calculated by averaging the daily rates during the relevant monthly period.

CAPITALISATION AND INDEBTEDNESS OF THE COMPANY

The following table sets forth the consolidated capitalisation and indebtedness of the Company as at 31 December 2020 and as adjusted to give effect to the issuance of the Notes (before deducting commissions and other estimated expenses payable). This table should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020, including the notes thereto and the audit report in respect of the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 included elsewhere in this Offering Circular.

	As at 31 December 2020			
	Actual		As adjusted	
	<i>(RMB)</i>	<i>(U.S.\$)</i>	<i>(RMB)</i>	<i>(U.S.\$)</i>
	<i>(audited)</i>	<i>(unaudited and unreviewed)</i>	<i>(unaudited and unreviewed)</i>	<i>(unaudited and unreviewed)</i>
Short-term indebtedness				
Short-term borrowings	470,000,000.00	72,030,651.34	470,000,000.00	72,030,651.34
Non-current liabilities maturing within one year	13,602,797,988.07	2,084,719,998.17	13,602,797,988.07	2,084,719,998.17
Short-term bonds	600,000,000.00	91,954,022.99	600,000,000.00	91,954,022.99
Notes to be issued	—	—	1,631,250,000.00	250,000,000.00
Total short-term indebtedness	14,672,797,988.07	2,248,704,672.50	16,304,047,988.06	2,498,704,672.50
Long-term indebtedness				
Long-term loans	26,753,339,567.10	4,100,128,669.29	26,753,339,567.10	4,100,128,669.29
Long-term bonds	15,188,316,896.00	2,327,711,401.69	15,188,316,896.00	2,327,711,401.69
Other non-current liabilities	393,467,336.27	60,301,507.47	393,467,336.27	60,301,507.47
Total long-term indebtedness	42,335,123,799.37	6,488,141,578.45	42,335,123,799.37	6,488,141,578.45
Total indebtedness	57,007,921,787.44	8,736,846,250.95	58,639,171,787.45	8,986,846,250.95
Total equity	34,347,630,131.58	5,264,004,617.87	34,347,630,131.58	5,264,004,617.87
Total capitalisation	91,355,551,919.02	14,000,850,868.82	92,986,801,919.05	14,250,850,868.82

Notes:

- (1) For convenience only, all translations from Renminbi into U.S. dollars are made at the rate of RMB6.5250 to U.S.\$1.00, based on the Noon Buying Rate on 31 December 2020.
- (2) Total indebtedness equals the sum of short-term indebtedness and long-term indebtedness.
- (3) Total capitalisation represents the sum of total indebtedness and total equity.

Since 31 December 2020, the Company has issued onshore debt securities in an aggregate principal amount of RMB7.4 billion, and the Issuer has issued offshore notes in an aggregate principal amount of U.S.\$300 million.

In addition, increases in the Group’s short-term borrowings, long-term loans, long-term bonds and other non-current liabilities were recorded in the March 2021 Financial Information. See “*Description of the Group — Recent Developments — Unaudited and unreviewed consolidated financial information of the Group as at and for the three months ended 31 March 2021*” for further information.

Except as otherwise disclosed above, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Company since 31 December 2020.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer was incorporated in the British Virgin Islands as a company limited by shares on 10 May 2019 under the BVI Business Companies Act, 2004 (as amended) (company number: 2012793). The Issuer's registered office is located at Ritter House, Wickhams Cay II, PO Box 3170, Road Town, Tortola VG1110, British Virgin Islands. The Issuer is a direct wholly-owned subsidiary of New & High (HK), a direct wholly-owned subsidiary of the Company.

BUSINESS ACTIVITIES

The Issuer's primary purpose is to act as an offshore financing platform of the Group. In June 2019, the Issuer issued U.S.\$150,000,000 5.63 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In October 2019, the Issuer issued U.S.\$50,000,000 5.0 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2020, the Issuer issued U.S.\$300,000,000 3.80 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In August 2020, the Issuer issued U.S.\$200,000,000 3.70 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2021, the Issuer issued U.S.\$300,000,000 2.60 per cent. notes due 2022 with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. Save as disclosed in this Offering Circular and other than in connection with the Notes, the Issuer has no material business as at the date of this Offering Circular.

DIRECTOR

The sole director of the Issuer is Qi Lyu. The sole director of the Issuer holds no shares or options to acquire shares of the Issuer.

SHARE CAPITAL

As at the date of this Offering Circular, the Issuer is authorised to issue a maximum of 50,000 shares with no par value each of a single class. As at the date of this Offering Circular, no part of the equity securities of the Issuer was listed or dealt in on any stock exchange and no listing or permission to deal in such securities was being or was proposed to be sought.

FINANCIAL STATEMENTS

Under the law of the British Virgin Islands, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep records and underlying documentation which are sufficient to show and explain its transactions and will, at any time, enable its financial position to be determined with reasonable accuracy.

DESCRIPTION OF THE GROUP

OVERVIEW

Established in June 1992, the Company acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, a dispatched agency of the Nanjing City Government, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District, which is a national-level economic development zone established in the form of a national-level new district pursuant to the Approval Relating to Agreeing to Establish Nanjing Jiangbei New District issued by the State Council in June 2015. As at 31 March 2021, Yangzi Investment Group, the Nanjing Jiangbei New District Management Committee, Gongrong Investment and Jianxin Investment held approximately 45.59 per cent., 42.84 per cent., 6.81 per cent. and 4.76 per cent., respectively, of the equity interest in the Company.

Jiangbei New District is the thirteenth national-level new district established in the PRC. It is located in Nanjing City, the provincial capital of Jiangsu Province, and is the first national-level economic development zone established in Jiangsu Province. Since its establishment, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies. In particular, Jiangbei New District is designated to serve as a regional technological and innovation hub in Nanjing City as well as an illustration for economic development, innovative economy and industrial modernisation in the PRC.

In line with the strategic planning for high-end industrial development in Jiangbei New District, the Group is designated as the high-end platform of the Nanjing Jiangbei New District Management Committee, focusing on infrastructure construction, land development, industrial park operation and strategic investments in Jiangbei New District. Leveraging its close and cooperative relationship with the Nanjing Jiangbei New District Management Committee and the growth and development of Jiangbei New District as a regional hub for technological and high-end industries, the Group had become a key construction entity and industrial operator in Nanjing City as at 31 March 2021.

The Group is primarily engaged in the infrastructure construction, land development, security housing assignment and property leasing businesses. It also conducts other businesses including labour services, transportation, advertising and sale of goods.

As at 31 March 2021, the Company had a registered capital of approximately RMB6,548.16 million. As at 31 December 2020, the Group had total assets of approximately RMB112.91 billion. For the years ended 31 December 2018, 2019 and 2020, the Group reported total operating income of approximately RMB1,692.62 million, RMB4,149.11 million and RMB5,124.02 million, respectively, and net profit of approximately RMB173.78 million, RMB308.24 million and RMB186.32 million, respectively.

Infrastructure Construction Business Segment

Pursuant to the entrusted construction agreements entered into by the Company with the Nanjing Jiangbei New District Management Committee, the Company is entrusted by the Nanjing Jiangbei New District Management Committee to undertake key infrastructure construction projects including municipal roads, bridges, subways, public squares, city greenery and other municipal utilities in Jiangbei New District with the aim to channel investments into, and facilitate the continuous development of, Jiangbei New District.

The Group's infrastructure construction business constitutes one of its major sources of operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its infrastructure construction business segment amounted to approximately RMB771.98 million, RMB739.93 million and RMB953.29 million, respectively, representing approximately 45.61 per cent., 17.83 per cent. and 18.60 per cent., respectively, of the Group's total operating income.

Land Development Business Segment

The Group is commissioned by the Nanjing Jiangbei New District Management Committee to carry out various land development projects with the aim to utilise the land resources to serve the demand for constructed land in Jiangbei New District. In line with the "Multiple Parks in One District" (一区多园) municipal planning policy for Jiangbei New District, the Group is primarily entrusted with the primary development of commercial and industrial land in Jiangbei New District. As at 31 March 2021, the Group had invested a total of approximately RMB27.00 billion into developing approximately 10,000 mu (亩) of land in Jiangbei New District.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its land development business segment amounted to approximately RMB269.65 million, RMB608.84 million and RMB980.84 million, respectively, representing approximately 15.93 per cent., 14.67 per cent. and 19.14 per cent., respectively, of the Group's total operating income.

Security Housing Assignment Business Segment

The Company conducts its security housing assignment business primarily through one of its subsidiaries, namely, Nanjing Xinju Construction Group Co., Ltd. (南京新居建设集团有限公司) ("**Xinju Construction**"), which holds a Level II Qualification for Real Estate Development (房地产开发二级资质). As at 31 March 2021, the Company held approximately 96.90 per cent. of the equity interest in Xinju Construction.

In addition to facilitating economic and industrial development in Jiangbei New District, the Group is also tasked to synchronise economic growth in Jiangbei New District with enhanced social development. In particular, the Group is designated by the Nanjing Jiangbei New District Management Committee to develop, assign and sell security housing in Jiangbei New District to achieve this objective. As at 31 March 2021, the Group had completed the construction of an aggregate of approximately 3.00 million square metres of security housing in Jiangbei New District. As at 31 March 2021, the Group was a key security housing development entity in Jiangbei New District.

The Group's security housing assignment business constitutes one of its major sources of operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its security housing assignment business segment amounted to approximately RMB52.27 million, RMB1,863.66 million and RMB2,346.51 million, respectively, representing approximately 3.09 per cent., 44.92 per cent. and 45.79 per cent., respectively, of the Group's total operating income.

Property Leasing Business Segment

The Company conducts its property leasing business primarily through four of its subsidiaries, namely, Nanjing Software Park Economic Development Co., Ltd. (南京软件园经济发展有限公司) (“**Software Economic Development**”), Nanjing Software Park Science and Technology Development Co., Ltd. (南京软件园科技发展有限公司) (“**Software Science and Technology**”), Nanjing Intelligent Manufacturing Industrial Park Construction and Development Co., Ltd. (南京智能制造产业园建设发展有限公司) (“**Nanjing Intelligent Manufacturing**”) and Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物医药谷建设发展有限公司) (“**Nanjing Biotech and Pharmaceutical**”). As at 31 March 2021, Software Economic Development and Nanjing Intelligent Manufacturing were the Company’s wholly-owned subsidiaries and the Company held approximately 67.37 per cent. and 88.81 per cent. of the equity interest in Software Science and Technology and Nanjing Biotech and Pharmaceutical, respectively.

As the primary construction entity and industrial operator in Jiangbei New District, the Group holds various commercial and industrial properties in Jiangbei New District and is primarily engaged in leasing out these properties to the business community in Jiangbei New District. As at 31 March 2021, the Group had completed the construction of an aggregate of approximately 2.05 million square metres of commercial and industrial properties for leasing and had leased approximately 87 per cent. of commercial and industrial properties including office buildings, exhibition centres, factories and business apartments to the business community in Jiangbei New District. As at 31 March 2021, the lease term of the Group’s property leasing contracts typically ranged from three to five years.

For the years ended 31 December 2018, 2019 and 2020, the Group’s operating income from its property leasing business segment amounted to approximately RMB325.52 million, RMB438.17 million and RMB556.25 million, respectively, representing approximately 19.23 per cent., 10.56 per cent. and 10.86 per cent., respectively, of the Group’s total operating income.

Other Businesses

The Group also conducts other businesses including labour services, transportation, advertising and sale of goods. The Company conducts its other businesses primarily through two of its subsidiaries, namely, Nanjing Brand New City Management and Maintenance Centre (南京全新城市管理维护中心) (“**City Management Centre**”) and Nanjing Jiangbei Cultural Tourism and Media Development Co., Ltd. (南京江北文旅传媒发展有限公司) (“**Jiangbei Cultural Tourism**”). As at 31 March 2021, City Management Centre and Jiangbei Cultural Tourism were the Company’s wholly-owned subsidiaries.

For the years ended 31 December 2018, 2019 and 2020, the Group’s operating income from its other businesses amounted to approximately RMB273.20 million, RMB498.51 million and RMB287.13 million, respectively, representing approximately 16.14 per cent., 12.01 per cent. and 5.60 per cent., respectively, of the Group’s total operating income.

RECENT DEVELOPMENTS

The ongoing COVID-19 pandemic.

The ongoing COVID-19 pandemic has caused substantial disruptions in the PRC and international economies and markets as well as additional uncertainties in the Group's operating environment. The Group has been closely monitoring the impact of the ongoing COVID-19 pandemic on the Group's businesses and will keep its contingency measures and risk management under review as the situation evolves. See "*Risk Factors — Risks Relating to the Group's Business — The Group's business, financial condition, results of operations, profitability and prospects are subject to effects of global economic events*", "*Risk Factors — Risks Relating to the Group's Business — The Group's operations are subject to force majeure events, political unrest or civil disobedience movements, natural disasters and outbreaks of pandemic of contagious diseases and other disasters*" and "*Risk Factors — Risks Relating to the Group's Business — 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.

Issue of Debt Instruments since 31 December 2020.

Since 31 December 2020, the Company has issued onshore debt securities in an aggregate principal amount of RMB7.4 billion, and the Issuer has issued offshore notes in an aggregate principal amount of U.S.\$300 million.

Unaudited and unreviewed consolidated financial information of the Group as at and for the three months ended 31 March 2021.

As at the date of this Offering Circular, the Group has prepared the March 2021 Financial Information.

For the three months ended 31 March 2021, the Group recorded decreases in, among others, net profit from continuing operation, other after tax comprehensive income attributed to parent company owner, changes in fair value of other equity instrument, changes in fair value of available-for-sale financial assets, total comprehensive income attributed to parent company owner the comprehensive income attributed to minority shareholders when compared to the corresponding period in 2020. As at 31 March 2021, the Group recorded decreases in, among others, accounts receivable, available-for-sale financial assets, other comprehensive income and undistributed profit, and increases in, among others, short-term borrowings, notes payable, advance from customers, other accounts payable, long-term loans, long-term bonds, lease liabilities, long-term payable, deferred profits and other non-current liabilities when compared to their respective balances as at 1 January 2021.

Save for the financial information disclosed in the preceding paragraphs, the March 2021 Financial Information is not included in and does not form a part of this Offering Circular. The March 2021 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 Issuer, the Company, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, affiliates, advisers or agents makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of the March 2021 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 2021 Financial Information should not be taken as an indication of the expected financial condition or results of operations of the Company or the Group for the full financial year ending 31 December 2021.

HISTORY AND DEVELOPMENT

The Company was established in June 1992 with an initial registered capital of RMB1 million and was formerly known as Nanjing High and New Technology Industrial Development Zone Economic and Trade Company (南京高新技术产业开发区经济贸易公司) upon its establishment. The Company subsequently changed its name to Nanjing High and New Technology Economic Development Corporation (南京高新技术经济开发总公司) in November 1997 and was further renamed as Nanjing High and New Technology Economic Development Co., Ltd. (南京高新技术经济开发有限责任公司) in March 2015. In December 2017, the Company further changed to its current name, Nanjing Jiangbei New District Industrial Investment Group (南京江北新区产业投资集团有限公司).

As at 31 March 2021, the Company had a registered capital of approximately RMB6,548.16 million.

The table below sets forth selected key milestones in the Company's development history:

Year	Milestone
1991	In March 1991, Nanjing Pukou High and New Technology Export-Oriented Development Zone (南京浦口高新技术外向型开发区) (which was subsequently renamed as High and New Technology Industrial Development Zone of Nanjing City (南京高新技术产业开发区)) (" Nanjing High-tech Zone ") was established in Nanjing City as one of the first batch of national high and new technology industrial development zones (国家高新技术产业开发区) approved by the State Council.
1992	<p>In June 1992, the management committee of the High and New Technology Industrial Development Zone of Nanjing City (南京高新技术产业开发区管理委员会) (the "Nanjing High-tech Zone Management Committee") was established.</p> <p>On 10 June 1992, the Company was established with an initial registered capital of RMB1 million, which was contributed by the Nanjing High-tech Zone Management Committee.</p>
1997	<p>In October 1997, the Company's registered capital was increased by RMB169 million, which was contributed by the Nanjing High-tech Zone Management Committee.</p> <p>In November 1997, the Company changed its name to Nanjing High and New Technology Economic Development Corporation (南京高新技术经济开发总公司).</p>
2001	In August 2001, the Company's registered capital was increased by RMB176.20 million, which was contributed by the Nanjing High-tech Zone Management Committee.
2003	On 26 February 2003, Nanjing Software Park Entrepreneurship Services Centre (南京软件园创业服务中心) was established.
2005	In December 2005, the Company's registered capital was increased by RMB1,878.50 million, which was contributed by the Nanjing High-tech Zone Management Committee.

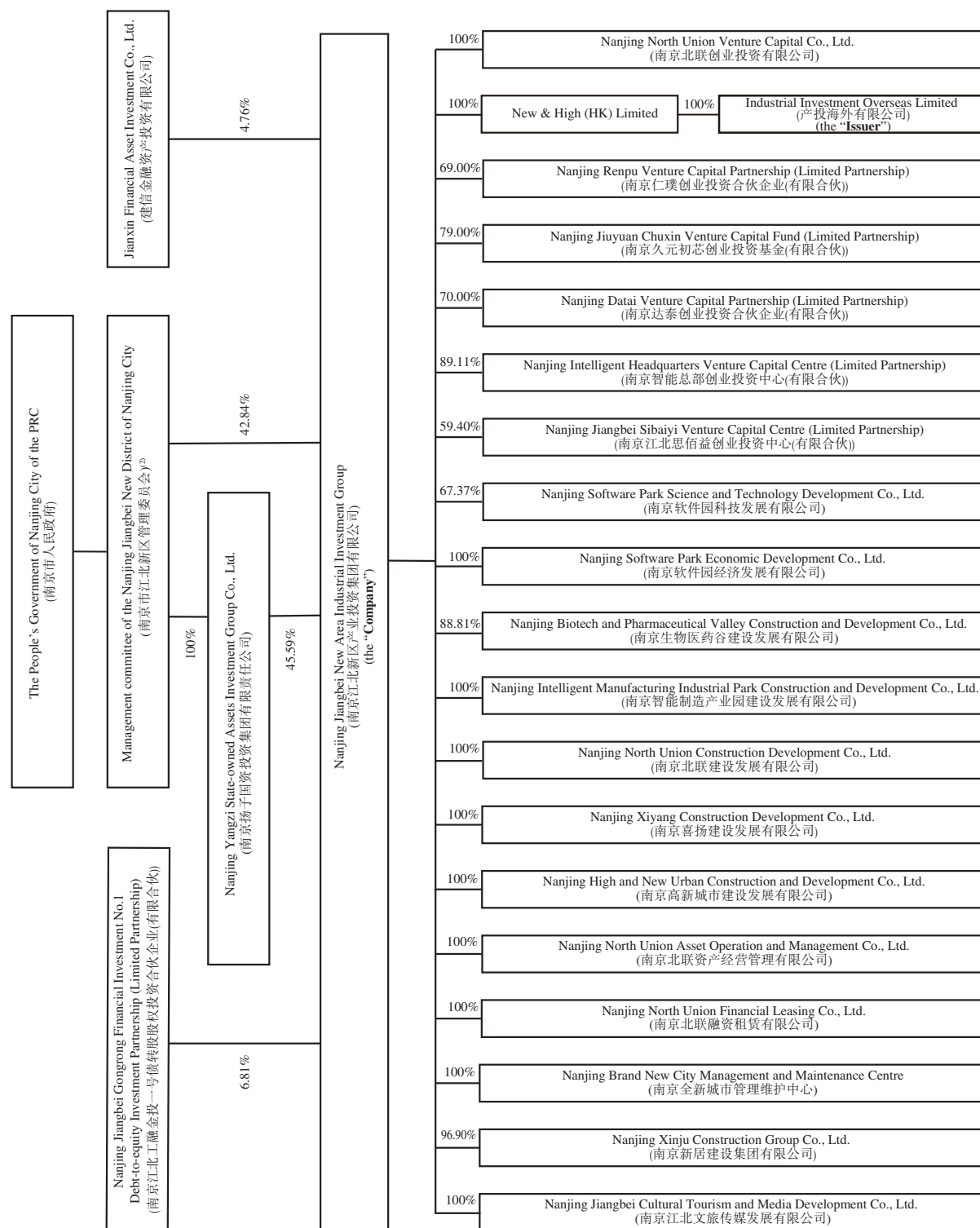
Year	Milestone
2011	<p>On 7 June 2011, Software Economic Development was established.</p> <p>On 29 September 2011, Software Science and Technology was established.</p>
2012	<p>In October 2012, the Company's registered capital was increased by RMB1,000 million, which was contributed by the Nanjing High-tech Zone Management Committee.</p> <p>In November 2012, the Company's registered capital was increased by RMB2,000 million, which was contributed by the Nanjing High-tech Zone Management Committee.</p>
2013	<p>On 6 March 2013, Nanjing Jiangbei New District Independent Innovation Services Co., Ltd. (南京江北新区自主创新服务有限公司) was established.</p>
2015	<p>In March 2015, the Company changed from an enterprise owned by the whole people (全民所有制企业) into a limited liability company (有限责任公司) and was renamed as Nanjing High and New Technology Economic Development Co., Ltd. (南京高新技术经济开发有限责任公司).</p> <p>In June 2015, Jiangbei New District, which is a national-level economic development zone established in the form of a national-level new district, was established in Nanjing City pursuant to the pursuant to the Approval Relating to Agreeing to Establish Nanjing Jiangbei New District issued by the State Council. Nanjing High-tech Zone forms part of the planned area of Jiangbei New District.</p>
2017	<p>In January 2017, the Group was commissioned to carry out the 16 Blocks of Tree Houses Project (树屋十六栋项目) in Nanjing High-tech Zone.</p> <p>In March 2017, the Group was commissioned to carry out the Commercial Centre Project (商务中心项目) in Nanjing High-tech Zone.</p> <p>In June 2017, the Company became one of the Nanjing Jiangbei New District Management Committee's portfolio companies pursuant to the consolidation of the Nanjing High-tech Zone Management Committee into the institutional structure of the Nanjing Jiangbei New District Management Committee.</p> <p>In December 2017, the Company changed to its current name, Nanjing Jiangbei New District Industrial Investment Group (南京江北新区产业投资集团有限公司).</p>

Year	Milestone
	<p>In December 2017, the Group was commissioned to carry out the Intelligent Manufacturing Research, Development and Design Centre Project (智能制造研发设计中心项目) in Industrial Technology Research and Innovation Park (产业技术研创园) and the Nanyuan Neighbourhood Service Centre Project (南苑邻里服务中心项目) in Dingshan Residential District (顶山街道).</p>
2018	<p>In January 2018, the Group was commissioned to carry out the New District Modern Industrial Innovation Centre Project (新区现代产业创新中心项目) in Biotech and Pharmaceutical Valley (生物医药谷) and established, in collaboration with Lanpu Capital (兰璞资本), the Jiangbei Intelligent Manufacturing Industrial Fund (江北智能制造产业基金).</p> <p>On 9 May 2018, the Group established the Nanjing Jiangbei New District Strategic Investment Collaborative Innovation Fund (南京江北新区战略投资协同创新基金) in collaboration with, among others, Yangzi Investment Group.</p> <p>In July 2018, the Company's registered capital was increased by RMB200 million, which was contributed by Yangzi Investment Group.</p> <p>On 7 November 2018, the Group established the Jiangbei Medical Innovation Industrial Fund (江北医疗创新产业基金) in collaboration with, among others, Nanjing Jiangbei New District Science and Technology Development Investment Group Co., Ltd. (南京江北新区科技发展投资集团有限公司).</p>
2019	<p>In June 2019, the Company's registered capital was increased by RMB300 million, which was contributed by Yangzi Investment Group.</p> <p>In August 2019, the Group was commissioned to carry out the Jiangbei Neighbourhood Centre Project (江北邻里中心项目) in Pancheng Residential District (盘城街道).</p> <p>On 23 October 2019, Nanjing Jiangbei SBI Equity Investment Management Co., Ltd. (南京江北思佰益股权投资管理有限公司) was established.</p> <p>In December 2019, the state-owned equity interest in Xincheng Technology Venture was allocated into the Group by Nanjing Chemistry Industrial Park State-owned Assets Management Co., Ltd. (南京化学工业园区国有资产经营管理有限公司).</p> <p>In December 2019, the Company's registered capital was increased by approximately RMB757.70 million, which was contributed by Gongrong Investment and Jianxin Investment in the amounts of approximately RMB445.71 million and RMB311.99 million, respectively.</p>

Year	Milestone
2020	In October 2020, the Company’s registered capital was increased by approximately RMB65.76 million, which was contributed by Yangzi Investment Group. As at 31 December 2020, the Company had a registered capital of approximately RMB6,548.16 million.
2021	<p>In January 2021, NDRC granted the approval to the Company to issue up to RMB4.5 billion of corporate bonds (the “RMB4.5 billion Quota”) for the purposes of capital injections or contributions to the industrial funds or venture capital funds financed by the PRC government, development and operation of projects in accordance with the PRC government’s industrial policies, and replenishing the Group’s operating capital.</p> <p>In March 2021, the Company issued RMB1,200,000,000 3.87 per cent. corporate bonds due 2028 in the PRC via utilising the RMB4.5 billion Quota.</p> <p>In March 2021, the Company issued RMB500,000,000 3.90 per cent. technical innovation corporate bonds due 2024 in the PRC (the “March 2021 Innovation Corporate Bonds”). The March 2021 Innovation Corporate Bonds were one of the first batch of technical innovation bonds issued in Jiangsu Province and the PRC and were the first technical innovation bonds issued in Jiangsu Province.</p>

CORPORATE STRUCTURE

The chart below sets forth a simplified corporate structure of the Group, which shows the Company, its shareholders and major subsidiaries as at 31 March 2021:



Notes:

- (1) Equity interest holding percentages include the percentages of both directly and indirectly held equity interests.
- (2) The management committee of the Nanjing Jiangbei New District of Nanjing City is a dispatched agency of the People's Government of Nanjing City of the PRC.

JIANGBEI NEW DISTRICT

As substantially all of the Group's operations and investments are located in Jiangbei New District, the Group's business, operations and prospects are to a significant degree affected by the development and economic conditions in Jiangbei New District.

The following is a brief description of Jiangbei New District:

Strategic geographical location.

Jiangbei New District was established as the thirteenth national-level new district in the PRC pursuant to the Approval Relating to Agreeing to Establish Nanjing Jiangbei New District issued by the State Council in June 2015. It is located in Nanjing City, the provincial capital of Jiangsu Province, and is the first national-level economic development zone established in Jiangsu Province. Jiangbei New District has a planned area of approximately 2,451 square kilometres, covering major districts in Nanjing City including Pukou District (浦口区), Luhe District (六合区) and Baguazhou Residential District in Qixia District (栖霞区八卦洲街道). Since its establishment, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies. For example, it is situated at the geometric centre of Yangtze River Economic Belt (长江经济带), Yangtze River Delta Urban Economic Circle (长三角城市经济圈) and China (Jiangsu) Pilot Free Trade Zone (中国(江苏)自由贸易试验区) (“**Jiangsu Free Trade Zone**”). It is also located at the starting point of the Silk Road's sea route to central Asia and is adjacent to China (Shanghai) Pilot Free Trade Zone (中国(上海)自由贸易试验区) (“**Shanghai Free Trade Zone**”).

Strategically situated at multiple key economic development areas, Jiangbei New District serves as an important gateway for Nanjing City to access further economic opportunities from the agglomerated regional planning policies as well as enhanced foreign trade and exchange in the region. Jiangbei New District is accessible by various means of transport and has a comprehensive transportation network consisting of air traffic, shipping, railway, expressway and intra-city transportation. In particular, Xiba Port Area (西坝港区), which is one of the two deep water bays in Nanjing City, is located in Jiangbei New District. Nanjing North Station (南京北站), one of the largest railway hubs in Nanjing City, as well as Nanjing Luhe Airport (六合马鞍机场), a large-scale international airport in Nanjing City, are also planned to be constructed in Jiangbei New District.

Strategic importance in the national-level economic and social development blueprint.

As the first national-level economic development zone established in Jiangsu Province, Jiangbei New District plays an important role in the implementation of national development strategies in Jiangsu Province and Nanjing City. In particular, Jiangbei New District is designated to serve as a regional technological and innovation hub in Nanjing City as well as an illustration for economic development, innovative economy and industrial modernisation in the PRC.

Since its establishment, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies. The PRC government has implemented multiple favourable economic policies including tax, commercial and trade policies in Jiangbei New District with the aim to promote high-end industrial development in Jiangbei New District. For example, the Nanjing Jiangbei New District Management Committee had promulgated a series of ten regional innovation and entrepreneurship encouragement policies in 2016 and had entered into a strategic cooperation agreement with the Intellectual Property Office of Jiangsu Province (江苏省知识产权局) with the aim to develop Jiangbei New District into a “demonstration new district for intellectual property-and innovation-driven development” (知识产权引领创新驱动发展示范新区). In addition, in order to develop Jiangbei New District as a pilot zone for innovative industrial development in the PRC, the PRC government has offered a 15 per cent. corporate tax reduction to modern technological enterprises in Jiangbei New District.

In addition to economic planning, the Nanjing Jiangbei New District Management Committee has laid down a comprehensive plan for coordinated municipal development in Jiangbei New District, under which the municipal planning for Jiangbei New District is primarily designed based on three frameworks, namely, “Two Cities and One Centre” (两城一中心), “Three Zones and One Platform” (三区一平台) and “Multiple Parks in One District”, as further illustrated below:

- under the “Two Cities and One Centre” framework, industrial development in Jiangbei New District is to be implemented by establishing two technological cities and one financial centre in Jiangbei New District, namely, the City of Chips (芯片之城) which includes an integrated circuit industrial chain, the City of Genes (基因之城) which includes the National Medical Healthcare Big Data Centre (国家健康医疗大数据中心), and the New Financial Centre (新金融中心) which includes designated zones for various modern financial industries including the asset management, funds, banking and insurance industries;
- under the “Three Zones and One Platform” framework, the industrial landscape in Jiangbei New District is to be shaped by establishing three industrial zones and one economic platform, namely, the Independent Innovation Pilot Zone (自主创新先导区), New Urbanisation Demonstration Zone (新型城镇化示范区), Yangtze River Delta Region Modern Industrial Agglomeration Zone (长三角地区现代产业集聚区) and the Key Platform for Opening Up Yangtze River Economic Belt to External Cooperation (长江经济带对外开放合作重要平台), in Jiangbei New District; and
- under the “Multiple Parks in One District” framework, business agglomeration in Jiangbei New District is to be achieved by establishing various industrial parks such as Nanjing Software Park (南京软件园), Biotech and Pharmaceutical Valley, Photoelectric Industrial Park (光电子产业园), Creative Industrial Park (创意产业园), Transportation Industrial Park (交通产业园), Environmental-friendly New Materials Industrial Park (环保新材料产业园) and Modern Agriculture Demonstration Park (现代农业示范园) in Jiangbei New District.

National strategic planning for Jiangbei New District is further enhanced pursuant to the establishment of Jiangsu Free Trade Zone, a national-level pilot free trade zone established in Jiangsu Province pursuant to the Overall Plan for China (Jiangsu) Pilot Free Trade Zone (中国(江苏)自由贸易试验区总体方案) issued by the State Council in August 2019. Jiangsu Free Trade Zone has a planned area of approximately 119.97 square kilometres and comprises three districts, namely, Nanjing District (南京片区), Suzhou District (苏州片区) and Lianyungang District (连云港片区). In particular, the entire Nanjing District of Jiangsu Free Trade Zone is located within Jiangbei New District and is designated to be a development platform for high-end and modern industries including the integrated circuit, life and healthcare, artificial intelligence, internet of things and modern financial industries. The PRC government has implemented multiple favourable policies in Nanjing District of Jiangsu Free Trade Zone via promulgating the “1+9” series of documents. Policies contemplated under the “1+9” series of documents primarily aim to promote free trade and investment, facilitate innovation-driven industrial development and encourage talent inflow in Nanjing District of Jiangsu Free Trade Zone. In December 2019, Nanjing District of Jiangsu Free Trade Zone entered into a strategic cooperation framework with Lingang New District (临港新片区) of Shanghai Free Trade Zone pursuant to which Nanjing District of Jiangsu Free Trade Zone would strengthen cooperation with Lingang New District of Shanghai Free Trade Zone in six key areas including innovative system exploration, industrial landmark development, high-level innovation exchanges, financial services integration, mutual data connection as well as personnel exchanges. Since its establishment, Nanjing District of Jiangsu Free Trade Zone has reported approximately eight innovative systemic reform precedents to the Department of Commerce of Jiangsu Province (江苏省商务厅), of which the regional environmental assessment reform (区域环评改革), credit and undertaking system reform (信用承诺制改革) and expedient cancellation new model (快速撤销新模式) were selected as among the first batch of promotional precedents that Jiangsu Free Trade Zone had reported to the central government. Going forward, Nanjing District of Jiangsu Free Trade Zone aims to focus on approximately 21 types of construction projects based on the regional

environmental assessment and environmental standard reform models as well as further develop various high-end industries including healthcare services, scientific research and education, headquarter economy, integrated circuit designs and artificial intelligence research. Leveraging its strong track record and capitalising on the new economic opportunities brought in by the establishment and continued development of Jiangsu Free Trade Zone, Jiangbei New District has benefited from the dual economic drivers created by a national-level new district combined with a national-level pilot free trade zone.

Regional platform for technological innovation and business agglomeration.

In the approximately five years since its establishment, Jiangbei New District has rapidly developed into a regional centre for high-end industrial development and a core industrial base for a wide range of modern technological companies in multiple high-end industries including intelligent manufacturing, new energy, electronic and digital technology, scientific equipment, semi-conductors, modern logistics and biotechnology.

As Jiangbei New District continues to grow and develop as a regional hub for technological and high-end industries, multiple domestic and international prestigious enterprises and research institutions have established a presence in Jiangbei New District. As at 31 March 2021, Jiangbei New District was a base to market-leading industrial brand names and institutions such as Nanjing Intelligent Manufacturing Industrial Development Alliance (南京智能制造产业发展联盟) (which comprised multiple intelligent manufacturing enterprises such as SAIC Motor Nanjing Automobile Group Co., Ltd. (上汽南京汽车集团有限公司), CRRC Nanjing Puzhen Co., Ltd. (中车南京浦镇车辆有限公司) and Nanjing Iron & Steel United Co., Ltd. (南京钢铁联合有限公司)), Mingfa Group (明发集团), NARI Technology Development Co., Ltd. (国电南瑞科技股份有限公司), Guodian Nanjing Automation Co., Ltd. (国电南京自动化股份有限公司), TSMC (台湾积体电路制造股份有限公司), Alibaba Cloud (阿里云), CIM Holdings HK Limited (熙麦香港控股有限公司), NetEase, Inc. (网易), X-Times Design Automation Co., Ltd. (芯行纪科技有限公司), X-EPIC Cooperation Limited (芯华章科技股份有限公司), Sino-German Intelligent Manufacturing Research Institute (中德智能制造研究院), Swedish Healthcare Development AB (瑞典医疗健康发展中心) and the University of Michigan.

In addition, the PRC government has utilised Jiangbei New District as its strategic technological development platform and has established a number of national-level advanced technology industrial parks such as Nanjing Cross-Strait Technology Industrial Park (南京海峡两岸科技工业园), Nanjing Chemistry Industrial Park (南京化学工业园) and Nanjing High-tech Zone in Jiangbei New District. In addition, Jiangbei New District also homes one of the largest human whole genome sequencing data centres in the PRC.

Leveraging the benefits from business agglomeration, Jiangbei New District has further developed into a platform of cooperation for various enterprises and research institutions in the high-end industries. For example, an integrated circuit design and manufacturing industrial chain was gradually formed in Jiangbei New District as TSMC's entry into Jiangbei New District in July 2016 and has motivated the onboarding of other industrial brand names including Tsinghua Unigroup (清华紫光), Huada Semiconductor (华大半导体), Zhanxin Communication (展信通信), Vimicro Corporation (中星微电子) and Huada Empryan (华大九天). In addition, the establishment of Nanjing Integrated Circuit University (南京集成电路大学) in Jiangbei New District in October 2020 has further facilitated talent nurturing in the integrated circuit industry and further developed Jiangbei New District into a global technological innovation, industrial talents and production hub in Nanjing City. As at 31 March 2021, more than 500 circuit companies in both upstream and downstream supply chain in the circuit industry and a number of key circuit companies in the PRC had established their offices in Jiangbei New District, establishing Jiangbei New District as a new integrated circuit service platform in the PRC. In October 2016, the National Medical Healthcare Big Data Centre was awarded as the Pilot Project for the Construction of National Medical Healthcare Big Data Centres and Industrial Parks (国家健康医疗大数据中心及产业园建设试点工程), at the ceremony of which the National Health

Commission of the PRC (国家卫生健康委员会) had entered into strategic cooperation agreements with six enterprise units. In September 2019, Jiangbei New District entered into an investment agreement with CIM Holdings HK Limited, pursuant to which the parties agreed to establish CIM (Nanjing Jiangbei) Intelligent Science and Technology Logistics Park (熙麦(南京江北)智慧科技物流园), an industrial park which focuses on logistic science and technology research and application, logistic big data, financial services and intelligent industrial park operations, in Jiangbei New District. In November 2020, AUTOAI (北京四维智联科技有限公司) entered into an agreement with Jiangbei Intelligent Manufacturing Industrial Park (南京智能制造产业园), pursuant to which AUTOAI had agreed to establish its Jiangbei New Area Automobile Intelligent Networking System Research and Development and Operation Headquarters Base Project (江北新区汽车智能网联系统研制及运营总部基地项目) in Jiangbei New District.

Yangzi Investment Group has been mandated by the Nanjing City Government on an exclusive basis to implement the PRC government's and the Nanjing City Government's plans to develop Jiangbei New District.

Yangzi Investment Group is a state-owned company which held approximately 45.59 per cent. of the equity interest in the Company as at 31 March 2021. Established in April 2014, Yangzi Investment Group is directly and wholly-owned by the Nanjing Jiangbei New District Management Committee and is designated to act as the Nanjing City Government's primary municipal construction, investment and state-owned capital operation platform in Jiangbei New District. In particular, Yangzi Investment Group has been mandated by the Nanjing City Government on an exclusive basis to implement the PRC government's and the Nanjing City Government's plans to develop Jiangbei New District. As at 31 March 2021, Yangzi Investment Group was the sole platform of the Nanjing City Government that focuses on infrastructure development and provision of public utility services in Jiangbei New District as well as shantytown transformation in Nanjing City. In addition, Yangzi Investment Group is tasked by the Nanjing City Government to promote industrial modernisation in Nanjing City and has been mandated to strategically invest in various industrial funds in Jiangbei New District. As at 31 March 2021, Yangzi Investment Group was the largest investment and financing platform of the Nanjing City Government in terms of total assets.

Over the years, Yangzi Investment Group has established a strong track record of infrastructure and security housing construction and primary land development in Jiangbei New District, and has played a key role in enhancing the commercial attractiveness and competitiveness of Jiangbei New District via simultaneously exploring and integrating social wellness, natural scenery, historical preservation and industry resources in Jiangbei New District. Yangzi Investment Group engages in a wide range of business activities, which include:

- *municipal infrastructure development:* Yangzi Investment Group undertakes infrastructure construction on behalf of the Nanjing City Government on an exclusive basis in Jiangbei New District. Over the years, Yangzi Investment Group has led the construction of a large number of infrastructure projects of great importance to Jiangbei New District, including transportation terminals, transportation networks, relics preservation, environmental restoration and preservation and rural-urban coordination projects. As at 31 March 2021, Yangzi Investment Group's key municipal infrastructure development projects in Jiangbei New District included the National Medical Healthcare Big Data Centre, Nanjing North Station, Southern Extension of Metro Line No. S8 (S8号地铁线南延) and Jiangbei Harbour Hub Economic Zone (江北海港枢纽经济区);
- *security housing development and city construction:* Yangzi Investment Group is the sole entity commissioned by the Nanjing City Government to undertake shantytown transformation and integrated city development (棚户区改造与城镇综合开发) in Nanjing City. In 2014, the Nanjing City Government initiated the "Tri-Unification" model under which Yangzi Investment Group was dedicated as the unified financing platform to manage shantytown transformation projects

in 13 districts in Nanjing City. In addition, Yangzi Investment Group is among the first companies nationwide to promote public-private partnerships with the governments and established the first fund dedicated to social housing projects, namely the Yangzi Town Development Fund (Phase I) (扬子城镇发展基金(一期)). As at 31 March 2021, Yangzi Investment Group was engaged in the Dongmen (东门) and Pukou-Yizheng Expressway (浦仪高速) shantytown renovation projects in Jiangbei New District; and

- *facilitating high-end industrial development in Jiangbei New District:* Yangzi Investment Group has played a key role in facilitating high-end industrial development in Jiangbei New District. For example, Nanjing International Health Service Community Investment and Development Co., Ltd. (南京国际健康服务社区投资发展有限公司) which was jointly established by Yangzi Investment Group and the People's Government of Pukou District of Nanjing City (南京市浦口区人民政府) has set up a Nanjing International Health Service Community Investment Platform in Core District (核心区) of Jiangbei New District, which has been attracting investment for life and healthcare projects from various companies such as Novogene (诺禾致源), CloudHealth (云健康) and Geneseeq (世和基因). In addition, Yangzi Investment Group also implements the Nanjing City Government's "Two Implementation and One Integration" (两落地一融合) strategy by attracting foreign innovation resources and intelligent manufacturing enterprises. For example, Yangzi Investment Group's investment in Sino-German Intelligent Manufacturing Research Institute and establishment of Sino-European Mini-Silicon Valley Innovation Centre (中欧迷你矽谷创新中心) have motivated the onboarding of Fraunhofer Institute for Production Systems and Design Technology. In addition, Yangzi Investment Group is also establishing an intelligent network communication and research platform with Southeast University (东南大学) and building a key quantum data laboratory of the Chinese Academy of Science (中国科学院量子信息重点实验室) with University of Science and Technology of China (中国科学技术大学).

COMPETITIVE STRENGTHS

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

The development potentials of Jiangbei New District.

Jiangbei New District is the thirteenth national-level new district established in the PRC and the first national-level economic development zone established in Jiangsu Province. Strategically situated at the geometric centre of Yangtze River Economic Belt, Yangtze River Delta Urban Economic Circle, Jiangsu Free Trade Zone, Shanghai Free Trade Zone and the Silk Road, Jiangbei New District has been placed at the core of intensive national-level economic and municipal planning policies since its establishment. In particular, Jiangbei New District is designated to serve as a regional technological and innovation hub in Nanjing City as well as an illustration for economic development, innovative economy and industrial modernisation in the PRC. In approximately five years since its establishment, Jiangbei New District has rapidly developed into a regional centre for high-end industrial development and a core industrial base for a wide range of modern technological companies in multiple high-end industries including intelligent manufacturing, new energy, electronic and digital technology, scientific equipment, semi-conductors, modern logistics and biotechnology, with national strategic planning for Jiangbei New District further enhanced in December 2019 pursuant to the establishment of Jiangsu Free Trade Zone. See "*— Jiangbei New District*" and "*— Business Strategies — Actively leverage the development potential of Jiangbei New District*" for further information.

Leveraging its state-owned background and the close and cooperative relationships with the Nanjing Jiangbei New District Management Committee, Yangzi Investment Group and the Nanjing City Government, the Company believes that the Group will continue to perform a significant role in the development and urbanisation of Jiangbei New District and maintain and consolidate its leading position as a state-owned industrial investment, construction and operation platform in Jiangbei New District.

The primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District.

Acting as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District, the Group plays a key role in engineering the municipal landscape in Jiangbei New District by undertaking multiple infrastructure construction and land development projects. The Group is also commissioned to carry out various key infrastructure construction and land development projects in Jiangbei New District pursuant to its business arrangements with the Nanjing Jiangbei New District Management Committee. In addition, the Group acts as the primary operator of various industrial parks and offers a wide range of ancillary business services to the business community in Jiangbei New District. Moreover, the Group serves as one of the Nanjing Jiangbei New District Management Committee's important investment platforms and plays a critical role in promoting high-end industrial development in Jiangbei New District via its strategic investments in various industrial funds including the Jiangbei Intelligent Manufacturing Industrial Fund, Nanjing Jiangbei New District Strategic Investment Collaborative Innovation Fund and Jiangbei Medical Innovation Industrial Fund.

Leveraging the Group's strong track record, extensive industry and execution experience as well as its leading position in Jiangbei New District, the Company believes that the Group is well-positioned to fulfil and further capitalise on its strategic role in Jiangbei New District and is in an advantageous position to capture further business opportunities, expand its business operations and consolidate its leading position as Jiangbei New District continues to grow and develop as a regional economic and social development hub.

The Group's strategic importance to industrial investment and services in Jiangbei New District.

The Group plays a strategic role in the implementation of the plan of the Nanjing Jiangbei New District Management Committee and the Nanjing City Government in relation to the promotion of high-end industrial development in Jiangbei New District via its strategic investments in various industrial funds with a focus on strategic emerging industries and fields such as biotechnology and pharmacy, integrated circuit, intelligent manufacturing, 5G and internet. The Group partnered with professional fund management institutions including China Capital Investment Group, Addor Capital and SBI Group, and established various funds of an aggregate investment amount of over RMB40 billion such as Nanjing Hanyuan Beishu Healthcare Industrial Fund (南京含元倍数健康产业基金), Jiangbei Intelligent Manufacturing Industrial Fund, Nanjing Jiangbei New District Strategic Investment Collaborative Innovation Fund, Nanjing Jinpu Consumer Manufacturing Equity Investment Fund (南京金浦消费制造股权投资基金), Nanjing Jiuyuan Chuxin Technology Venture Capital Fund (南京久元初芯科技股权投资基金), Jiangbei Sibaiyi Intelligent Headquarters Funds (江北思佰益智能总部基金), China Electronics Technology (Nanjing) Industrial Investment Fund (中电科(南京)产业投资基金) and Nanjing Jiangbei Jiakang Intelligent Technology Fund (南京江北佳康智能科技基金). Approximately 75 per cent. of the projects invested by the Group's participating funds were located in Jiangbei New District. The Group's participating funds have invested in more than 100 companies, approximately 40 per cent. of which are high-tech enterprises. For example, in March 2020, the Group invested in X-EPIC Cooperation Limited (芯华章科技股份有限公司), a company primarily engaged in the development, production and sales of exploratory data analysis (EDA) software and systems via Nanjing Jiuyuan Chuxin Technology Venture Capital Fund.

In addition, the Group strategically participated in the leading projects in the industry and cooperated with leading industrial players to attract more industrial brands to establish their businesses and operations in Jiangbei New District and gradually form a comprehensive industrial chain as well as industrial bases for various strategic emerging industries in Jiangbei New District. For example, Jiangbei Intelligent Manufacturing Industrial Park entered into an agreement with AUTOAI, pursuant to which the latter had agreed to establish its Jiangbei New Area Automobile Intelligent Networking System Research and Development and Operation Headquarters Base Project in Jiangbei New District, which is expected to be conducive to the onboarding of more leading players in the fields of intelligent networking and internet autopilot in Jiangbei New District.

Close and cooperative relationship with and strong support (but not including credit support) from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group).

The Company has established and maintained close relationships with the Nanjing Jiangbei New District Management Committee and the Nanjing City Government. In particular, the Group acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District. The Group is also commissioned to carry out various key infrastructure construction and land development projects in Jiangbei New District pursuant to its business arrangements with the Nanjing Jiangbei New District Management Committee. See “— Business Segments — Infrastructure Construction Business Segment — Business Model” and “— Business Segments — Land Development Business Segment — Business Model” for further information. Leveraging its close and cooperative relationship with the Nanjing Jiangbei New District Management Committee and the strategic role it plays in implementing the economic and municipal policies of the Nanjing Jiangbei New District Management Committee, the Group enjoyed a competitive advantage in the infrastructure construction and land development industries in Jiangbei New District as at 31 March 2021.

In addition, the Nanjing Jiangbei New District Management Committee closely monitors the Group’s operations and continues to provide talent support to the Group. As at 31 March 2021, a majority of the Company’s board of directors were appointed by the Nanjing Jiangbei New District Management Committee, Yangzi Investment Group, Gongrong Investment and Jianxin Investment. A number of the Company’s directors and senior management have also previously served as senior officials of various governmental departments or major state-owned enterprises. Therefore, they are familiar with governmental policies, regulations and procedures and have significant experience in managing state-owned capital. The Group has benefited from the extensive knowledge and leadership skills of its directors and senior management members. See “*Directors, Supervisors and Senior Management*” for further information.

Moreover, Yangzi Investment Group is a state-owned company which held approximately 45.59 per cent. of the equity interest in the Company as at 31 March 2021. Established in April 2014, Yangzi Investment Group is directly and wholly-owned by the Nanjing Jiangbei New District Management Committee and is designated to act as the Nanjing City Government’s primary municipal construction, investment and state-owned capital operation platform in Jiangbei New District. In particular, Yangzi Investment Group has been mandated by the Nanjing City Government on an exclusive basis to implement the PRC government’s and the Nanjing City Government’s plans to develop Jiangbei New District. As at 31 March 2021, Yangzi Investment Group was the sole platform of the Nanjing City Government that focuses on infrastructure development and provision of public utility services in Jiangbei New District as well as shantytown transformation in Nanjing City. In addition, Yangzi Investment Group is tasked by the Nanjing City Government to promote industrial modernisation in Nanjing City and has been mandated to strategically invest in various industrial funds in Jiangbei New District. As at 31 March 2021, Yangzi Investment Group was the largest investment and financing

platform of the Nanjing City Government in terms of total assets. See “— *Jiangbei New District* — *Yangzi Investment Group has been mandated by the Nanjing City Government on an exclusive basis to implement the PRC government’s and the Nanjing City Government’s plans to develop Jiangbei New District*” for further information.

In light of the Group’s key and strategic role in promoting social and economic development in Jiangbei New District and in line with the PRC government’s favourable policies to develop Jiangbei New District as a regional economic and modern industrial centre in Nanjing City, the Group has received strong support (but not including credit support) from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) for the development and operations of its business, as illustrated by the following examples:

- *capital contributions*: since the Company’s establishment in 1992, the Nanjing Jiangbei New District Management Committee (formerly known as the Nanjing High-tech Zone Management Committee) and Yangzi Investment Group had made a number of capital contributions to the Company. As at 31 March 2021, the Nanjing Jiangbei New District Management Committee and Yangzi Investment had together made capital contributions in an aggregate amount of approximately RMB5,790.46 million to the Company;
- *asset transfers*: the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) transfers state-owned assets to the Group from time to time and in various forms such as infrastructure, intangible properties and equity interests. For example, as at 31 March 2021, the Group had received assets of an aggregate amount of approximately RMB4.41 billion, including direct and indirect equity interests in multiple companies such as Xincheng Technology Venture, Nanjing Zhongshan Science and Technology Industrial Co., Ltd. (南京中山科技实业有限公司) and Nanjing Guoding Investment Real Estate Co., Ltd. (南京国鼎投资置业有限公司) from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group); and
- *fiscal subsidies*: the Nanjing Jiangbei New District Management Committee has from time to time provided fiscal subsidies to the Group to support the Group’s business and operations. For the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2020 and 2021, the Group received fiscal subsidies amounting to approximately RMB160 million, RMB320 million, RMB200 million, RMB1 million and RMB3 million, respectively, from the Nanjing Jiangbei New District Management Committee.

With continued strong support (but not including credit support) from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group), the Company believes that the Group will be able to continue to operate and invest in capital-intensive and large-scale construction projects, expand its business operations and consolidate its leading position in the infrastructure construction, land development, security housing assignment and property leasing industries in Jiangbei New District.

The description of support from the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) in this Offering Circular is based on the support given to the Group's business operations and should not be read as any indication that the PRC government (including the Nanjing Jiangbei New District Management Committee and other state-owned entities such as Yangzi Investment Group) will provide any financial support to the Issuer, the Company or the Group in respect of its obligations under the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking. See "*Risk Factors — Risks Relating to the Group's Business — The PRC government (including the Nanjing City Government, the Nanjing Jiangbei New District Management Committee and other state-owned entities) has no obligation to pay any amount under the Notes*" and "*Risk Factors — Risks Relating to the Group's Business — PRC regulations on the administration of the financing platforms of local governments may have a material impact on the Group's business and sources of financing*" for further information.

Diversified business portfolio and steady stream of operating income.

Throughout its years of operation, the Group has developed into an integrated investment, construction and operation platform focusing on high-end industrial development in Jiangbei New District and has established a presence in a broad range of industries with a wealth of subsidiaries operating in diverse industries. The Group is primarily engaged in the infrastructure construction, land development, security housing assignment and property leasing businesses. While the Group's infrastructure construction, land development and security housing assignment businesses constitute its major sources of operating income, the Group also engages in property leasing and other businesses which have also generated attractive returns and cash flows and provided the Group with a steady stream of operating income.

The Group's diversified business portfolio has enhanced the Group's risk resilience. It also allows the Group to minimise 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, construction costs or other factors within any one sector. In addition, it has also enabled the Group to achieve synergies among its business segments, improve operational efficiency and sharpen its competitive edges. The Company believes that its diversified business portfolio, sources of income and cash flows will enhance the Group's stability as well as flexibility in managing its operations.

Diversified financing channels and strong financing capability.

Apart from its own capital, the Group has access to various sources of funding including bank borrowing and direct financing to support its business operations and development. Leveraging the Group's strong track record and strategic importance to the economic and social development in Jiangbei New District, the Group is typically able to secure various sources of financing with competitive financing costs.

The Group maintains good and long term relationships with a number of banks and has access to different sources of funding. A number of commercial banks, such as China Construction Bank, Bank of Communications, China Minsheng Bank, China Everbright Bank, Industrial and Commercial Bank of China, Agricultural Development Bank of China, Agricultural Bank of China, China Guangfa Bank, Shanghai Pudong Development Bank, Bank of Jiangsu, Bank of Nanjing, Bank of Beijing and Bank of Guangzhou, have provided banking facilities to the Group to support its various funding needs. As at 31 March 2021, the Group had aggregate banking credit of approximately RMB79.95 billion, of which approximately RMB39.45 billion was unused.

In addition, the Group has diversified its sources of funding through issuing various debt securities, including but not limited to ultra-short-term financing bills, ultra-short-term bonds, medium-term notes, corporate bonds, targeted financing instruments and privately placed notes in the PRC. As at 30 June 2021, the Group had an outstanding balance of bonds of approximately RMB23.86 billion. Since 2019, the Group has entered the international debt capital markets and has completed a number

of offshore note issuances. In June 2019, the Issuer issued U.S.\$150,000,000 5.63 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company and Xi Yang Overseas Limited, another wholly-owned subsidiary of New & High (HK), issued U.S.\$500,000,000 4.30 per cent. Guaranteed Bonds due 2024 which are unconditionally and irrevocably guaranteed by Yangzi Investment Group. In October 2019, the Issuer issued U.S.\$50,000,000 5.0 per cent. Guaranteed Notes due 2020 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2020, the Issuer issued U.S.\$300,000,000 3.80 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In August 2020, the Issuer issued U.S.\$200,000,000 3.70 per cent. Guaranteed Notes due 2021 which are unconditionally and irrevocably guaranteed by New & High (HK) and with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In May 2021, the Issuer issued U.S.\$300,000,000 2.60 per cent. notes due 2022 with the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company.

The Group actively manages its cash flows and capital commitments to ensure that it has sufficient funds to meet its existing and future cash flow requirements. The Company believes that the Group's robust liquidity position and access to different funding sources has effectively minimised the Group's financial costs and has enabled it to fulfil the capital needs of its businesses as well as capitalise on various business opportunities from time to time.

Prudent financial structure and investment policy.

The Group puts great emphasis on maintaining a prudent financial structure, which the Company believes is the key to sustainable business development and maximising returns on the Group's investments.

The Group has adopted prudent financial management policies to achieve greater financial efficiency and has implemented strict internal control measures to monitor its funds, investment, financing and working capital. The establishment of a cash pool within the Group helps the Group to achieve an adequate and effective capital allocation, matches cash on hand and matured debt and maintains an adequate level of cash to cater for general operating requirements. For example, the Group has maintained an adequate level of cash balance and current assets to fulfil its liquidity needs. As at 31 December 2018, 2019 and 2020, the Group held cash and cash equivalents of approximately RMB13.95 billion, RMB14.30 billion and RMB17.01 billion, respectively, while the Group's total current assets were approximately RMB60.35 billion, RMB74.72 billion and RMB85.85 billion, respectively.

The Group strictly controls its leverage level based on local government requirements and it focuses on long-term borrowing to reduce repayment risks. Also, the maturity dates of the Group's current assets and non-current assets generally match with the maturity dates of the Group's short-term and mid-to long-term loans, respectively. In addition, the Group has prudently managed its balance sheet by maintaining its debt ratio at a level that it considers to be reasonable. For example, the Group's debt asset ratio, which is defined as total liabilities over total assets, was maintained at a reasonable level. As at 31 December 2018, 2019 and 2020, the Group's debt asset ratio was approximately 68.76 per cent., 68.46 per cent. and 69.58 per cent., respectively. The Group will continue to closely manage the level of its debt ratio to avoid any potential liquidity risk.

With respect to its investment management, the Group has implemented effective control measures from the commencement to the completion of its construction projects, which enable it to manage and control operational costs to improve its results of operations and lower investment risks. In addition, in respect of its investment projects, an investment plan has to be submitted to the Company's shareholders and relevant regulatory authorities for examination and approval. Investment projects must be in line with the Group's strategic development and business portfolio. The Group primarily focuses on projects that are beneficial for the Group's sustained and stable development. The return on investment and the tenor of investment are typically in line with the market level.

Experienced and motivated management team.

The Group has an experienced management team with extensive knowledge of the industries in which the Group operates. As at 31 March 2021, a majority of the Company's board of directors were appointed by the Nanjing Jiangbei New District Management Committee, Yangzi Investment Group, Gongrong Investment or Jianxin Investment. A number of the Company's directors and senior management have also previously served as senior officials of various governmental departments or major state-owned enterprises. Therefore, they are familiar with governmental policies, regulations and procedures and have significant experience in managing state-owned capital. The Group has benefited from the extensive knowledge and leadership skills of its directors and senior management members. See "*Directors, Supervisors and Senior Management*" for further information. The Company believes that the team's government background, industry knowledge and technical expertise enable the Group to maintain close relationships with various governmental authorities and consolidate its leading position in Jiangbei New District.

The Group's experienced management team is also supported by a strong team of staff with extensive technical and industry knowledge. As at 31 March 2021, the Group had a total of approximately 223 employees, approximately 90.58 per cent. of whom held an undergraduate degree or above. The Company believes in the benefits of improving the skills and knowledge of its management team and employees, and conducts both in-house and external management and professional training programmes from time to time.

Comprehensive and sound internal control system.

The Group has established a comprehensive internal control system covering various areas including corporate governance, financial management, investment management, capital management, human resources management, administrative management, corporate management, legal management and guarantee management. Further, the Nanjing Jiangbei New District Management Committee, Yangzi Investment Group, Gongrong Investment and Jianxin Investment as shareholders of the Company, participate in and closely monitor the Group's decision-making process for key investments and review the Group's development strategies and investment primarily via their personnel appointments into the Company's board of directors. The Company's board of directors and senior management would assess the Group's key business development plans from time to time and detailed appraisal procedures are conducted before any important decision is taken. See "*Internal Control System*" for further information.

The Company believes that the Group's comprehensive internal control system ensures an efficient management of its business operations and enables it to identify and deal with various risks emerging from its operations.

BUSINESS STRATEGIES

The Group's objective is to maintain and further consolidate its leading position as a key construction entity and industrial operator in Nanjing City and to continue contributing to the strategic development of Jiangbei New District by fulfilling and consolidating its role as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee. The Company intends to implement the following strategies to achieve this objective:

Continue to fulfil its role as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District.

The Group has been, and strives to continue to be, the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District.

Through the completion of various key infrastructure construction and land development projects in Jiangbei New District, the Group has built a strong presence and track record and established itself as a leading market player driving and promoting the overall economic and municipal development in Jiangbei New District. Going forward, the Group plans to utilise its "One Core, Two Drivers and Three Missions" development strategy which focuses on optimising the Group's monopolistic presence in Jiangbei New District as a core competitive edge, adopting both state-owned capital directives and market-oriented drivers in its investment decision making process as well as focusing on the Group's investment, construction and operation missions in Jiangbei New District. The Group will also continue to actively seek opportunities with the aim to enhance its investment portfolio, expand its business operations and consolidate its leading market position in Jiangbei New District.

Actively leverage the development potential of Jiangbei New District.

The Company will continue to actively leverage Jiangbei New District's strategic importance in the national-level economic and social development blueprint with the aim to capture further business opportunities and expand its business operations.

The Group plans to capitalise on the "4+2" development plan for Jiangbei New District, under which Jiangbei New District is set to be further developed into a key industrial modernisation driver in the PRC by primarily focusing on four advanced manufacturing industries, namely, intelligent manufacturing, life and healthcare, new materials and high-end equipment, and two manufacturing service industries, namely, modern logistics and technological services. In addition, the establishment of Jiangsu Free Trade Zone in August 2019 and the strategic cooperation framework entered into between Jiangsu Free Trade Zone and Shanghai Free Trade Zone in December 2019 have opened up Jiangbei New District to a broader national planning purview and fostered further integration of the economic and municipal planning policies in Jiangbei New District with the other regional strategic planning initiatives in Yangtze River Delta region.

In line with the strategic planning for Jiangbei New District and in order to capitalise on the ample new economic opportunities presented by the establishment and continued development of Jiangsu Free Trade Zone, the Group will continue to actively facilitate industrial transformation, technological innovation and scientific advancement in Jiangbei New District via exploring further investment opportunities in high-end industrial funds and business ventures. In addition, as a prominent state-owned industrial investment and operation platform in Jiangbei New District, the Company aims to expand the Group's presence in the regional development framework by leveraging Jiangbei New District's pioneering experience in industrial transformation as well as expanding its businesses to the broader area including Jiangsu Province and Yangtze River Delta region.

Continue to expand its existing business operations and invest in new businesses.

The Company plans to utilise the Group's abundant resources in Jiangbei New District to diversify its business portfolio and strengthen the synergies among the existing business segments. While the Group plans to leverage the continued urbanisation and strong economic growth in Jiangbei New District to expand its infrastructure construction and land development businesses, it will also strive to develop other existing businesses including security housing assignment, property leasing, labour services, transportation, advertising and sale of goods as well as actively invest in new businesses with development potential. In addition, the Group will actively explore new business opportunities which creates synergy with the Group's existing businesses and aligns with the governmental development plans for Jiangbei New District and Jiangsu Free Trade Zone. The Company believes that expanding and diversifying the Group's business portfolio will enable the Group to benefit from the diversified sources of income as well as contribute to a steady growth of the Group's operating income.

Explore new financing channels.

The Company intends to continue to diversify the Group's financing sources to secure stable funding for its business operations, development, investment activities and working capital. While the Group has traditionally funded its business operations and working capital through bank loans and issuance of debt securities in the domestic market, it has been actively exploring and employing new financing channels such as issuing debt instruments in international capital markets in recent years. In addition, the Group seeks to build and reinforce close and cooperative relationships with banks and financial institutions to secure funding on more favourable terms and with lower interest rates. The Company believes that continuing to diversify the Group's financing channels will enable the Group to better fulfil its financing needs for development and operations and maintain a reasonable and balanced financial structure.

Adhere to prudent financial policy with stringent risk control.

The Company believes that a prudent financial management system can reduce operational and financial risks and help achieve long-term sustainable growth. The Group has established standardised capital management mechanism to monitor capital, capital efficiency and capital risk prevention. For financial management, the Group focuses on financial risk control, value creation, implementation of budget management and establishment of information platform in order to encourage communications and interactions between business operations, contribute to the sustainable, healthy and rapid development of the Group and provide financial stability. For interest rate risks, the Group will adjust its composition of onshore and offshore debts as well as its direct and indirect financing structure in accordance with its credit policies and market changes. For foreign exchange risks, the Group will hedge with high-quality counterparties if necessary. The Group has developed a set of prudent liquidity management indicators to control its liquidity risks and will maintain its liquidity ratio, accounts receivable turnover ratio, inventory turnover ratio and other relevant liquidity ratios at a reasonable level. It will also maintain a sufficient amount of banking facilities to support the Group's business operations. The Group strives to prudently manage its financials while fulfilling investment and development needs to drive its profitability.

Strengthen management structure and internal control systems.

The Company believes that disciplined internal controls are essential to long-term development and sustainable growth of the Group's businesses. The Group strives to further strengthen its internal controls and streamline its management structure so as to further increase its capability in terms of safety and quality control. In addition, the Group considers effective project management to be critical to enhancing its overall operational efficiency.

Continue to build a professional management team.

The Company believes that its experienced and professional management team has been a key factor in contributing to its growth and development. The Group will continue to build its professional management team with well-qualified and experienced personnel and carry out training to its team from time to time so as to improve the Group's operational efficiency and achieve the Group's strategic goals through the expertise, and continuity, of its management team.

BUSINESS SEGMENTS

The Group acts as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee, focusing on implementing the strategic blueprint for economic and municipal development in Jiangbei New District. The Group is primarily engaged in the infrastructure construction, land development, security housing assignment and property leasing businesses. It also conducts other businesses including labour services, transportation, advertising and sale of goods.

For the years ended 31 December 2018, 2019 and 2020, the Group reported total operating income of approximately RMB1,692.62 million, RMB4,149.11 million and RMB5,124.02 million, respectively.

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

Business segment	For the year ended 31 December					
	2018		2019		2020	
	<i>(RMB million)</i>	<i>(%)</i>	<i>(RMB million)</i>	<i>(%)</i>	<i>(RMB million)</i>	<i>(%)</i>
	<i>(audited)</i>		<i>(audited)</i>		<i>(audited)</i>	
Infrastructure construction	771.98	45.61	739.93	17.83	953.29	18.60
Land development	269.65	15.93	608.84	14.67	980.84	19.14
Security housing assignment	52.27	3.09	1,863.66	44.92	2,346.51	45.79
Property leasing	325.52	19.23	438.17	10.56	556.25	10.86
Others	273.20	16.14	498.51	12.01	287.13	5.60
Total	<u>1,692.62</u>	<u>100</u>	<u>4,149.11</u>	<u>100</u>	<u>5,124.02</u>	<u>100</u>

Infrastructure Construction Business Segment

Pursuant to the entrusted construction agreements entered into by the Company with the Nanjing Jiangbei New District Management Committee, the Company is entrusted by the Nanjing Jiangbei New District Management Committee to undertake key infrastructure construction projects including municipal roads, bridges, subways, public squares, city greenery and other municipal utilities in Jiangbei New District with the aim to channel investments into, and facilitate the continuous development of, Jiangbei New District.

The Group's infrastructure construction business constitutes one of its major sources of operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its infrastructure construction business segment amounted to approximately RMB771.98 million, RMB739.93 million and RMB953.29 million, respectively, representing approximately 45.61 per cent., 17.83 per cent. and 18.60 per cent., respectively, of the Group's total operating income.

Business Model

The Group conducts its infrastructure construction business primarily via the entrusted construction model.

Under the entrusted construction model, the Group typically enters into an entrusted construction agreement (委托建设协议) with the Nanjing Jiangbei New District Management Committee on an annual basis, pursuant to which the Company is entrusted by the Nanjing Jiangbei New District Management Committee to carry out various key infrastructure construction projects in Jiangbei New District. The Company primarily relies on its own funds and fiscal subsidies to finance its infrastructure construction projects. The Company typically selects its contractors through a public bidding process.

Upon the completion of an infrastructure construction project, government officials from the relevant governmental authorities typically carry out a site inspection to ensure that the infrastructure is constructed in accordance with the agreed plans and specifications. Upon passing inspection and acceptance by the government, the project, together with certain documents and management rights relating to the project, would typically be transferred to the Nanjing Jiangbei New District Management Committee pursuant to the procedures outlined in the relevant entrusted construction agreements. For each infrastructure construction project undertaken by the Group, the Nanjing Jiangbei New District Management Committee would typically pay to the Group an annual remuneration calculated based on the total infrastructure construction costs incurred by the Group plus a mark-up on such total costs. Such annual remuneration paid to the Group would typically support the operational sustainability of the Group's infrastructure construction business as well as completion of the various infrastructure construction projects undertaken by the Group. As at 31 March 2021, the annual remuneration received by the Group for its infrastructure construction projects was calculated at a mark-up of approximately 20 per cent. to 40 per cent. and the time limit for government repayment for the Group's infrastructure construction projects was typically within one year.

Business Activities

The Group is entrusted to act as the primary construction entity of certain key industrial parks in Jiangbei New District such as Industrial Technology Research and Innovation Park, Biotech and Pharmaceutical Valley as well as Intelligent Manufacturing Industrial Park. In addition to engineering the industrial landscape in the business districts, the Group is also entrusted to carry out comprehensive urban construction, governance and enhancement projects in key residential districts in Jiangbei New District including Taishan Sub-district (泰山街道), Pancheng Residential District and Yanjiang Residential District (沿江街道). As at 31 March 2021, the Group had approximately 101 infrastructure construction projects under construction and the Group's infrastructure construction projects in Jiangbei New District included:

- *key municipal infrastructure construction in industrial parks*: the Group is commissioned to develop various industrial parks in Jiangbei New District and is engaged in constructing key municipal infrastructure in the course of developing the industrial parks. See “— *Land Development Business Segment*” for further information;

- *security housing construction*: the Group plays a key role in facilitating social development in Jiangbei New District via undertaking various security housing development projects. See “— *Security Housing Assignment Business Segment*” for further information; and
- *ancillary infrastructure construction*: as the primary construction entity and industrial operator in Jiangbei New District, the Group has undertaken various ancillary infrastructure construction projects with the aim to facilitate the overall economic and social development in Jiangbei New District. For example, the Group is engaged in the construction of Zhongda Hospital (中大医院), an affiliated hospital of Southeast University which is designated to be developed as an integrated medical service, education, research and rehabilitation base in Jiangbei New District, Nanyuan Neighbourhood Service Centre, an integrated social, business and healthcare service centre with a planned area of approximately 22,130 square metres and total construction area of approximately 94,284 square metres, and Xinbei Times Plaza (新北时代广场), a commercial plaza which comprises service apartments, shops, boutique hotels, office buildings, public spaces, greenery and waterscape.

Completed Projects

The table below sets forth the key infrastructure construction projects completed by the Group since 2017 up to 31 March 2021:

Project	Project commencement year	Project completion year	Total investment	Recognised operating income
			<i>(RMB billion)</i>	<i>(RMB billion)</i>
Bairun Road (百润路)	2016	2018	0.13	0.17
Tianhua Road (天华路)	2016	2018	0.09	0.12
Nanpu Road (南浦路)	2016	2018	0.10	0.13
Northern extension of Yongxin Road (永新路北延)	2015	2018	0.20	0.26
Yongjin Road (永锦路)	2016	2018	0.25	0.33
Electronic Industrial Park (电子产业园)	2016	2018	0.05	0.07
Pusi Road (浦泗路)	2016	2018	0.04	0.05
Yanshan Avenue (沿山大道)	2016	2018	0.24	0.31
Wire system intervention works for the voltaic conversion into 110kV by NAC MG and Kumho Tire, Gaoxin District (高新区南汽名爵变与锦湖轮胎变110千伏进线介入系统工程)	2016	2018	0.08	0.10
Yong'an Road, Yongqiang Road and Yonggu Road (永安路、永强路、永固路)	2016	2018	0.10	0.13
Gaoke 11th Road and Xinke 12th, 14th, 15th and 16th Roads (高科十一路、新科十二路、十四路、十五路、十六路)	2016	2018	0.18	0.23
Qiaoyi Road, Qiaokang Road and Lanhai Road (侨谊路、侨康路、蓝海路)	2016	2018	0.04	0.05

Project	Project commencement year	Project completion year	Total investment <i>(RMB billion)</i>	Recognised operating income <i>(RMB billion)</i>
Old District Urban Maintenance Project (老区城市维护项目).....	2016	2018	0.15	0.20
Other urban maintenance works in Old District (老区其他城市维护).....	2016	2018	0.35	0.46
Greening in Industrial Zone (Phase III) (产业区三期绿化).....	2016	2018	0.05	0.07
Other urban maintenance works in Yanjiang Residential District (沿江街 道其他城市维护).....	2016	2018	0.05	0.07
River excavation works for Anye River (Phase I), Tuweiba River (Phase I), Minbing River and Central and Northern River (安业河一期、秃尾巴 河一期、民兵河、中心北河施工)....	2016	2018	0.10	0.13
Road construction works of eastern extension of Weiba Road (Taifeng Road to Tianhua North Road section) (纬八路东延道路新建工程 (泰冯路-天华北路段)).....	2018	2020	0.21	0.27
Road construction works of Gaoke 12th Road (高科十二路道路工程).....	2017	2020	0.10	0.12
Total			2.51	3.27

Projects under Construction

The table below sets forth the Group's key infrastructure construction projects under construction as at 31 March 2021:

Project	Project commencement year	Total planned investment <i>(RMB billion)</i>	Actual investment <i>(RMB billion)</i>
Road and river construction works in District A, Industrial Zone (Phase IV), Gaoxin District (高新区产业区四期A片区道路、河道建设工程)	2018	0.47	0.07
Relocation of the high-voltage power lines along Xinghuo Road, Yongjin Road and Wanjiaba Road (星火路、永锦路、万家坝路高压走廊迁改工程)	2017	0.42	0.40
Rainwater and sewage diversion works in Dachang Residential District and Pancheng Residential District (大厂、盘城街镇片区雨污分流工程)	2018	1.25	0.47
Rainwater and sewage diversion works in Dingshan Segment, Jiangbei New District (江北新区顶山板块雨污分流工程)	2018	0.39	0.27
Tangpan Highway (汤盘公路)	2018	0.36	0.32
Wanjiaba Road, Gaoxin District (高新区万家坝路)	2019	0.31	0.16
Northern extension of Xinghuo Road (Tangpan Highway to Yongjin North Road section), Gaoxin District (高新区星火路北延(汤盘公路-永锦北路))	2017	0.16	0.15
Gaoxin District (four roads including Xinhua West Road) and Wanjiaba Road- Ninglian Expressway connecting section (高新区新华西路等四条道路及万家坝路下穿宁连高速公路)	2018	0.16	0.13
Western extension of Yongxin Road, Gaoxin District (高新区永新路西延)	2017	0.12	0.08
Total		<u>3.64</u>	<u>2.05</u>

Land Development Business Segment

Primary land development generally refers to the process of preparing land to conditions ready for public tender, auction and listing-for-sale, and typically involves relocating existing business establishments and residents, demolishing existing buildings and other structures, clearing the site and installing basic infrastructure for future property development.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its land development business segment amounted to approximately RMB269.65 million, RMB608.84 million and RMB980.84 million, respectively, representing approximately 15.93 per cent., 14.67 per cent. and 19.14 per cent., respectively, of the Group's total operating income.

Business Model

Pursuant to the business agreements entered into by the Company with the Nanjing Jiangbei New District Management Committee, the Company is commissioned by the Nanjing Jiangbei New District Management Committee to carry out various land development projects in Jiangbei New District. The business operation model for the Group's land development business segment is substantially similar to that described under “— *Infrastructure Construction Business Segment — Business Model*” above. As at 31 March 2021, the annual remuneration received by the Group for its land development projects was calculated at a mark-up of approximately 30 per cent. and the time limit for government repayment for the Group's land development projects was typically within one year.

Business Activities

The Group is commissioned by the Nanjing Jiangbei New District Management Committee to carry out various land development projects with the aim to utilise the land resources to serve the demand for constructed land in Jiangbei New District. In line with the “Multiple Parks in One District” municipal planning policy for Jiangbei New District, the Group is primarily entrusted with the primary development of commercial and industrial land in Jiangbei New District. As at 31 March 2021, the Group had invested a total of approximately RMB27.00 billion into developing approximately 10,000 mu of land in Jiangbei New District, including:

- *Industrial Technology Research and Innovation Park:* Industrial Technology Research and Innovation Park has a planned area of approximately 24.8 square kilometres and is located in Core District of Jiangbei New District. It is designated to be a research and innovation base for, primarily, the integrated circuit design, intelligent manufacturing design and big data, cloud computing and artificial intelligence industries. In particular, the Group is commissioned to undertake the development of various industrial establishments in Industrial Technology Research and Innovation Park including a specialised research institute of Jiangsu Industrial Technology Research Institute (江苏省产业技术研究院专业研究所), Intelligent Manufacturing Research, Development and Design Centre, Industrial Technology Research and Innovation Park Communal Space (研创园共享空间), Jiangbei New District Big Data Industrial Park (江北新区大数据产业园), Nanjing Software Park Photoelectric Research and Development Centre (南京软件园光电研发中心), Huichuang Research and Development Base (汇创研发基地) and Software Park Development Base (软件园孵化器). Industrial Technology Research and Innovation Park, in which the Big Data Management Centre of Jiangsu Province (江苏省大数据管理中心), the National Medical Healthcare Big Data Centre, the Offshore Big Data Centre (离岸大数据中心) and other big data projects has been established, was named in the “List of Big Data Industrial Parks in Jiangsu Province in 2019” (2019年度江苏省大数据产业园名单) published by the Department of Industry and Information Technology of Jiangsu Province. It was recognised as Venture Capital Cluster Development Demonstration Zone in Jiangsu Province (江苏省创业投资集聚发展示范区) by the Jiangsu Provincial Development and Reform Commission in 2019.

- Biotech and Pharmaceutical Valley:* Biotech and Pharmaceutical Valley has a planned area of approximately 14.92 square kilometres and is located at Core District of Jiangbei New District. It is one of the first batch of Pilot Demonstration Zones for the Transfer and Transformation of National Pharmaceutical Innovation Success (国家新药创新成果转化试点示范区) and is designated as an integrated service base for, primarily, the pharmaceutical research and development as well as genome sequencing and data application industries. Biotech and Pharmaceutical Valley has received a number of awards such as the Best Biomedicine Park in the PRC in 2018 (2018 年中国生物医药最佳园区) and National Demonstration Zone for Science and Technology Achievement Transfer (国家科技成果转移化示范区). As at 31 March 2021, the Group had developed approximately 300,000 square metres of development cluster (孵化器楼群) (including two national biotechnology and pharmaceutical development bases), approximately 160,000 square metres of biotechnology and pharmaceutical accelerator cluster (加速器楼群), approximately 30,000 square metres of specialised doses accelerator cluster, approximately 60,000 square metres of Biotech and Pharmaceutical Valley Convention and Exhibition Centre (生物医药谷会展中心), approximately 10,000 square metres of Biotech and Pharmaceutical Valley Convention and Service Centre (生物医药谷服务中心) and approximately two square kilometres of public utilities including water, electricity, gas, road and pipe networks in Biotech and Pharmaceutical Valley; and
- Intelligent Manufacturing Industrial Park:* Intelligent Manufacturing Industrial Park has a planned area of approximately 14.16 square kilometres and is designated to be a public service platform for, primarily, the railway transportation equipment research and development, new energy fuelled vehicle, high-end medical equipment, BeiDou satellite navigation and detection (北斗卫星导航检测), meteorological service and technology, artificial intelligence and intelligent manufacturing industries. It was recognised as one of the third batch of Service and Trade Agglomeration Development Demonstration Zones in Nanjing City (南京市服务贸易集聚发展示范区) in 2019.

Completed Projects

The table below sets forth the key land development projects completed by the Group since 2017 up to 31 March 2021:

<u>Land</u>	<u>Land use type</u>	<u>Land area</u> <i>(square metre)</i>	<u>Project commencement year</u>	<u>Project completion year</u>	<u>Total investment</u> <i>(RMB billion)</i>	<u>Recognised operating income</u> <i>(RMB billion)</i>
The Lot east of Qilihe Street and south of Jiufuzhou Road (七里河大街以东、九洲路以南地块)	Residential, commercial, institutional and greenery	200,000.00	2014	2017	0.39	0.50
Lot pkb01307-06, East side of Mount Longwang, Gaoxin District (高新区龙王山东侧pkb01307-06地块)	Residential	66,200	2014	2017	0.13	0.16
Taishan Park District (泰山园区)	Residential, commercial, institutional, transportation and greenery	67,438.31	2015	2018	0.12	0.15
Industrial Zone (Phase III) (产业区三期)	Residential, commercial, institutional, transportation and greenery	32,981.51	2015	2018	0.08	0.11
Old District (老区)	Residential, commercial, institutional, transportation and greenery	3,553.46	2015	2018	0.01	0.01
Total					0.73	0.93

Projects under Construction

The table below sets forth the Group's key land development projects under construction as at 31 March 2021:

Land	Land area (square metre)	Project	Total planned	Actual
		commencement year	investment (RMB billion)	investment (RMB billion)
Comprehensive environmental governance of Industrial Zone (Phase IV), Gaoxin District (高新区产业区四期环境综合整治项目)	136,046.67	2016	2.04	1.96
Comprehensive environmental governance of Industrial Park District, Pancheng Residential District (盘城镇工业园片区环境综合整治项目)	92,880.00	2016	1.70	1.71
Northern extension of Gaoxin Road (高新路北延)	62,500.00	2016	0.80	0.40
Comprehensive environmental governance of Pancheng Residential District (盘城镇街环境综合整治项目)	59,640.00	2016	0.98	0.49
Total			5.52	4.56

Security Housing Assignment Business Segment

The Company conducts its security housing assignment business primarily through one of its subsidiaries, namely, Xinju Construction, which holds a Level II Qualification for Real Estate Development. As at 31 March 2021, the Company held approximately 96.90 per cent. of the equity interest in Xinju Construction.

In addition to facilitating economic and industrial development in Jiangbei New District, the Group is also tasked to synchronise economic growth in Jiangbei New District with enhanced social development. In particular, the Group is designated by the Nanjing Jiangbei New District Management Committee to develop, assign and sell security housing in Jiangbei New District to achieve this objective. Security housing generally refers to standard-fixing, price-fixing or rental-fixing housing for medium-to-low income households for social security purpose and generally includes affordable housing, resettlement housing, low cost housing and public rental housing. As at 31 March 2021, the Group was a key security housing development entity in Jiangbei New District.

The Group's security housing assignment business constitutes one of its major sources of operating income. For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its security housing assignment business segment amounted to approximately RMB52.27 million, RMB1,863.66 million and RMB2,346.51 million, respectively, representing approximately 3.09 per cent., 44.92 per cent. and 45.79 per cent., respectively, of the Group's total operating income.

Business Model

The Group typically conducts its security housing assignment business in two stages, namely, the construction stage and the assignment stage.

During the construction stage, the Group typically confirms its undertaking of a particular security housing project with the Nanjing Jiangbei New District Management Committee at the commencement of each security housing project. Following which, the Group will typically proceed to relocate the affected community and carry out construction work in accordance with a pre-designed scope of work including the type of security housing to be constructed, the construction and management arrangement, the specifications and each party's rights and obligations in the project. In particular, leveraging its expertise on industrial modernisation and high-end development in Jiangbei New District, the Group typically applies various science-driven principles such as environmental-friendly and energy saving designs in the construction of its security housing in Jiangbei New District.

Unlike its infrastructure construction and land development business segments, the Group is not remunerated by the Nanjing Jiangbei New District Management Committee upon the completion of a security housing development project. Instead, the Group typically embarks on the security housing assignment stage upon completion of the construction works for the security housing. The Group's security housing assignment operations primarily consist of two components, namely, the social welfare component and the market-oriented component. Under the social welfare component, the Group typically assigns the developed security housing to the relocated households at a cost price approved by the Pricing Bureau of Nanjing Municipality (南京市物价局). The eligible households would typically pay the assignment price out of their relocation compensation (拆迁款). Under the market-oriented component, the Group would typically sell the excess constructed housing, which typically amounted to approximately eight per cent. of the construction area of the security housing project, after completion of allocation of the housing to the relocated community in the open market at the market price.

Business Activities

The Group is designated by the Nanjing Jiangbei New District Management Committee to develop security housing in Jiangbei New District. Through upgrading the living conditions of low-income households and serving the housing needs of the relocated community, the Group's security housing assignment business plays a key role in facilitating community building in Jiangbei New District. As at 31 March 2021, the Group had completed the construction of an aggregate of approximately 3.00 million square metres of security housing in Jiangbei New District. As at 31 March 2021, an aggregate of approximately 3.61 million square metres of the security housing were under construction by the Group while the Group planned to develop and construct an aggregate of approximately 1.83 million square metres of security housing. In particular, the Group's key security housing development projects in Jiangbei New District include:

- *economic housing (relocation resettlement housing) in the Fourth Cluster in Pancheng Residential New District (盘城新居四组团经济适用房(拆迁安置房)) (the “Pancheng Housing Project”)*: the Pancheng Housing Project has a planned area of approximately 51,213.15 square metres and total construction area of approximately 184,170.65 square metres. Its plot ratio was approximately 2.78 and the greening rate was approximately 30.66 per cent. As at 31 March 2021, the Pancheng Housing Project was expected to serve approximately 1,496 households in Jiangbei New District and the Group's total planned investment in the Pancheng Housing Project amounted to approximately RMB0.75 billion;

- *Jiangbei Taishan Economic Housing (Relocation Resettlement Housing) Project* (江北泰山经济适用房项目) (the “**Taishan Housing Project**”): the Taishan Housing Project has a planned area of approximately 0.15 million square metres and total construction area of approximately 0.55 million square metres. As at 31 March 2021, the Group’s total planned investment in the Taishan Housing Project amounted to approximately RMB2.55 billion; and
- *150 mu of security housing in Yanjiang* (沿江150亩保障房) (the “**Yanjiang Housing Project**”): the Yanjiang Housing Project is a key security housing project which is designated to facilitate the implementation of the Three-year “Second Venture” Action Plan (“二次创业”三年行动计划) for Nanjing High-tech Zone. The Yanjiang Housing Project involves relocating and resettling existing residents as well as developing security housing for property right swaps (产权置换) by households from multiple districts in Jiangbei New District. Through providing housing supply to the ordinary housing (普通住房) market in Jiangbei New District, the Yanjiang Housing Project has played a key role in promoting social and economic development in Jiangbei New District.

Completed Projects

The table below sets forth the key security housing projects completed by the Group in recent years up to 31 March 2021:

Project	Project commencement year	Project completion year	Total investment
			<i>(RMB billion)</i>
Pancheng Residential New District (Phase I) (盘城居住新区一期)	2010	2018	0.29
The Second Cluster in Pancheng Residential New District (Phase I) Security Housing Project (盘城一期二组团保障房项目)	2016	2020	0.56
The Third Cluster in Pancheng Residential New District (Phase I) Security Housing Project (盘城一期三组团保障房项目)	2015	2018	0.36
Panxin Homeland (盘欣家园)	2016	2020	0.20
74 mu of economic housing in Taishan (泰山74亩经济适用房项目)	2014	2019	0.57
150 mu of security housing in Yanjiang (沿江150亩保障房)	2015	2019	1.55
Jinghe Yuan (Phase I) (景河苑一期)	2018	2020	1.00
Total			4.53

Projects under Construction

The table below sets forth the Group's key security housing projects under construction as at 31 March 2021:

Project	Project commencement year	Total planned investment <i>(RMB billion)</i>	Actual investment <i>(RMB billion)</i>
Jiangbei Taishan Economic Housing District (江北泰山经济适用房片区)	2016	2.55	2.13
Economic housing (relocation resettlement housing) in the Fourth Cluster in Pancheng Residential New District (盘城新居四组团经济适用房(拆迁安置房)) ..	2018	0.75	0.45
Economic housing (relocation resettlement housing) at the east side of Qiaoyi River (侨谊河东侧经济适用房(拆迁安置房)).....	2018	0.65	0.36
Puyi Expressway (Runtai Phases 6 and 7) Economic Housing (浦仪高速(润泰六、七期地块)经济适用房) ..	2019	1.75	0.61
Economic housing in lot no. 2 of Pancheng (盘城2号地块经济适用房)	2019	1.45	0.39
Total		7.15	3.94

Property Leasing Business Segment

The Company conducts its property leasing business primarily through four of its subsidiaries, namely, Software Economic Development, Software Science and Technology, Nanjing Intelligent Manufacturing and Nanjing Biotech and Pharmaceutical. As at 31 March 2021, Software Economic Development and Nanjing Intelligent Manufacturing were the Company's wholly-owned subsidiaries and the Company held approximately 67.37 per cent. and 88.81 per cent. of the equity interest in Software Science and Technology and Nanjing Biotech and Pharmaceutical, respectively.

The Group holds various commercial and industrial properties in Jiangbei New District and is primarily engaged in leasing out these properties to the business community in Jiangbei New District. Particularly, the rapid economic and industrial development in Jiangbei New District has attracted a wide range of ancillary businesses including banking, mailing and catering businesses to Jiangbei New District. As at 31 March 2021, the Group completed the construction of an aggregate of approximately 2.05 million square metres of commercial and industrial properties for leasing. Capitalising on the strong property leasing demand created by the continuous business and personnel inflow into Jiangbei New District, as at 31 March 2021, the Group had leased approximately 87 per cent. of the commercial and industrial properties including office buildings, exhibition centres, factories and business apartments to the business community in Jiangbei New District. As at 31 March 2021, the lease term of the Group's property leasing contracts typically ranged from three to five years. As at 31 March 2021, the commercial and industrial properties and ancillary facilities under construction by the Group amounted to approximately 4.75 million square metres.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its property leasing business segment amounted to approximately RMB325.52 million, RMB438.17 million and RMB556.25 million, respectively, representing approximately 19.23 per cent., 10.56 per cent. and 10.86 per cent., respectively, of the Group's total operating income.

Leased Properties

The table below sets forth the Group's key leased properties as at 31 March 2021:

Property	Total leased area	Recognised rental income
	<i>(square metre)</i>	<i>(RMB million)</i>
Beidou Mansion (北斗大厦).....	26,900	14.53
Wanjie Factory (万洁厂房).....	5,800	1.60
Talent Mansion (Phases I and II) (人才大厦一、二期).....	62,100	22.36
Biotech and Pharmaceutical Development Building (生物医药孵化器大楼).....	13,400	4.82
Block A, Zhongdan Ecological and Life Sciences Industrial Park (Phase I) (中丹生态生命科学产业园一期(A楼)).....	45,300	24.46
Block B, Zhongdan Ecological and Life Sciences Industrial Park (Phase I) (中丹生态生命科学产业园一期(B楼)).....	50,400	27.39
Research and Development Mansion (研发大厦).....	31,900	15.31
Software Building (软件大厦).....	34,900	16.75
Comic and Animation Mansion (动漫大厦).....	35,600	17.09
Block No. 15 (15号楼).....	5,800	25.00
Lingchuang E-home (领创E家).....	10,600	3.82
Biotech and Pharmaceutical Valley Convention and Exhibition Centre (生物医药谷会展中心).....	56,200	24.95
Accelerator (Phases I and II) (加速器一期、二期).....	57,600	36.63
Fuying Mansion (孵鹰大厦).....	115,100	75.97
8849 Talent Apartment (8849人才公寓).....	89,900	75.52
Shengjing Huating Talent Apartment (盛景华庭人才公寓).....	68,200	14.73
Tengfei Mansion (腾飞大厦).....	166,100	167.43
Total	875,800	568.36

The table below sets forth the Group's key leased property projects under construction as at 31 March 2021:

Property	Project commencement year	Total planned investment <i>(RMB billion)</i>	Actual investment <i>(RMB billion)</i>
Modern Industrial Innovation Centre (现代产业创新中心)	2019	4.00	0.26
Lot G03, Software Park (软件园 G03 地块)	2019	3.91	1.27
Huaxuezhiguang (化学之光)	2018	0.40	0.21
Juhui Garden (聚慧园)	2019	2.50	0.37
Nanyuan Neighbourhood Service Centre (南苑邻里服务中心)	2019	0.84	0.24
China Meteorological Valley Pilot Zone Project (中国气象谷启动区项目)	2019	1.80	0.08
Pharma Valley Talents Public Rental Housing (药谷人才公租房)	2019	4.00	0.47
Nanjing Biotech and Pharmaceutical Valley Biology Centre Project (南京生物医药谷生物中心项目)	2019	0.95	0.43
Research and Development Building (Phase III) (研发楼三期)	2018	1.20	0.38
Total		19.60	3.71

Other Businesses

The Group also conducts other businesses including labour services, transportation, advertising and sale of goods. The Company conducts its other businesses primarily through two of its subsidiaries, namely, City Management Centre and Jiangbei Cultural Tourism. As at 31 March 2021, City Management Centre and Jiangbei Cultural Tourism were the Company's wholly-owned subsidiaries.

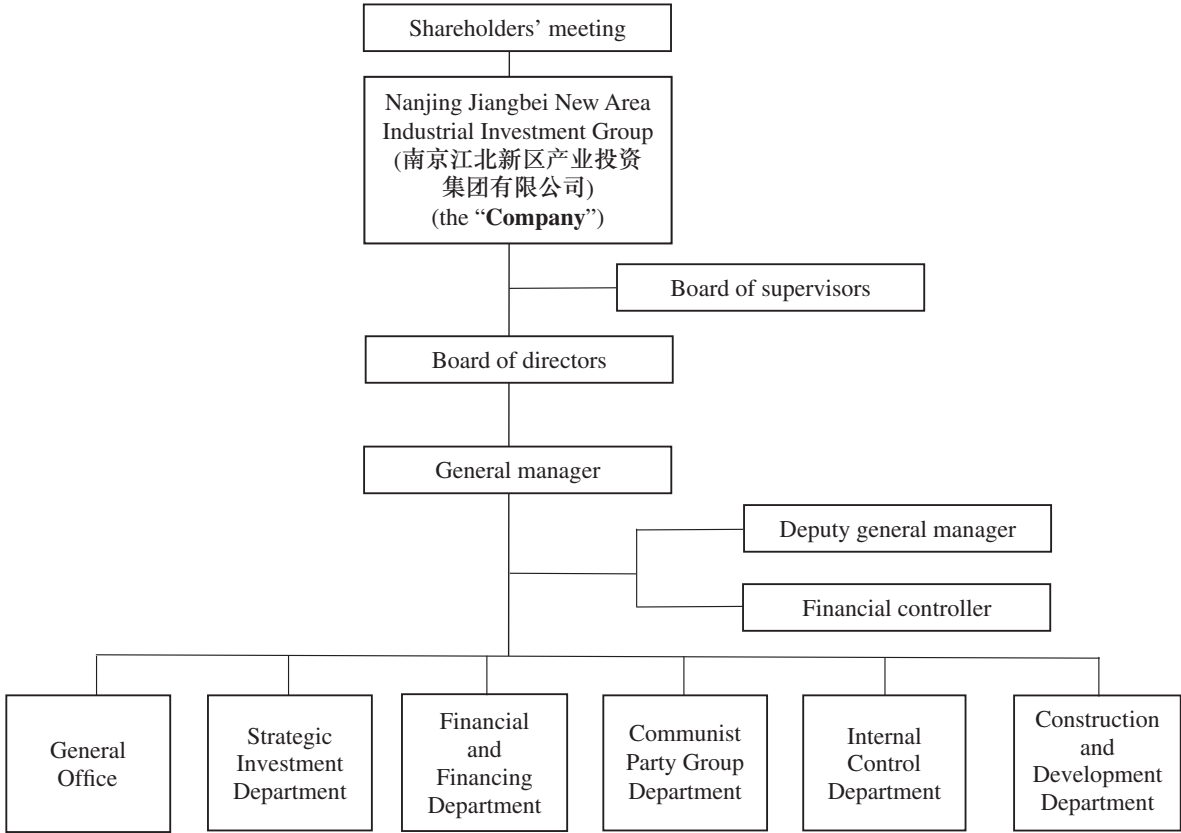
City Management Centre was established in November 1991 and is primarily engaged in the labour services business, which primarily involves the provision of property management and environmental maintenance and governance services.

Jiangbei Cultural Tourism was established in 2017 and is primary engaged in the advertising business.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating income from its other businesses amounted to approximately RMB273.20 million, RMB498.51 million and RMB287.13 million, respectively, representing approximately 16.14 per cent., 12.01 per cent. and 5.60 per cent., respectively, of the Group's total operating income.

CORPORATE GOVERNANCE STRUCTURE

The diagram below sets forth a simplified corporate governance structure of the Company as at 31 March 2021:



General Office

The General Office is primarily responsible for various types of administrative and business support work including file management, human resources management, propaganda and secretarial work, legal work and party-related affairs.

Strategic Investment Department

The Strategic Investment Department is primarily responsible for organisational plan formulation, investment portfolio management, strategic investments and the operation and management of the Group’s investment and financing platforms.

Financial and Financing Department

The Financial and Financing Department is primarily responsible for account, audit and taxation management, budgeting and funds management, capital management and debt management.

Communist Party Group Department

The Communist Party Group Department is primarily responsible for handling the Group’s Communist Party-related affairs, which include formulating working plans for Communist Party unity as well as supervising and inspecting various Communist Party organisation works.

Internal Control Department

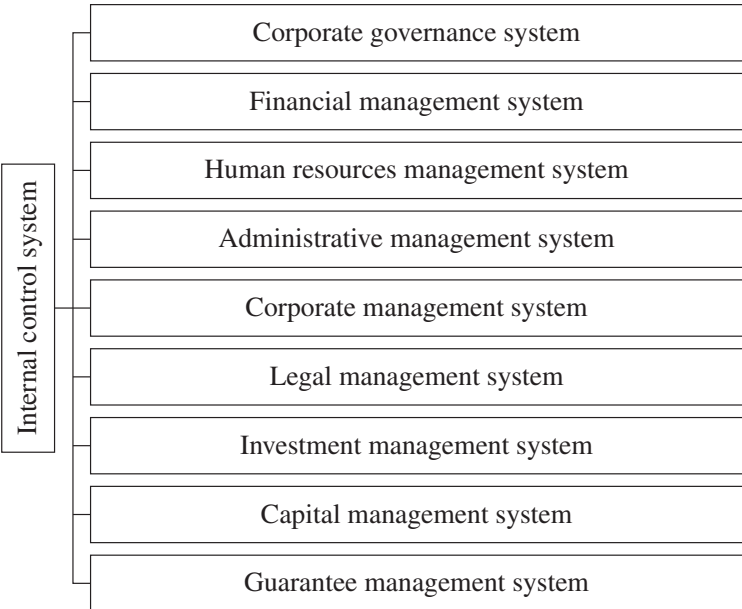
The Internal Control Department is primarily responsible for holistic oversight of the Group’s internal control system and formulating and implementing the Group’s internal control measures. See “— *Internal Control System*” below for further information.

Construction and Development Department

The Construction and Development Department is primarily responsible for construction project planning, assessment and design, budgeting, tendering, cost control, construction progress management, quality control and the operation and management of the Group’s construction platforms.

INTERNAL CONTROL SYSTEM

The diagram below sets forth a simplified internal control system of the Company as at 31 March 2021:



Corporate Governance System

The Company’s corporate governance system primarily covers internal control measures in relation to legal compliance, corporate procedures, management risk controls and fund management.

Financial Management System

The Company’s financial management system is primarily based on a series of internal systems including the Accounting System (会计制度), Fee Reimbursement System (费用报销制度), Financial Reports Management System (财务报告管理制度), External Guarantee Management System (对外担保管理制度), External Investment Application and Approval System (对外投资申请审批制度), Notes Management System (票据管理制度), Cash Management System (现金管理制度) and Accounting Foundation Work Management System (会计基础工作管理制度).

Human Resources Management System

The Company's human resources management system is primarily based on a series of internal rules and regulations including the Staff Compliment and Disciplinary Management Regulations (员工奖惩管理办法), Labour Disciplinary Management Regulations (劳动纪律管理办法), Staff Education and Training Management Regulations (员工学习培训管理办法) and Staff Resignation and Dismissal Management Regulations (辞职、辞退人员管理办法).

Administrative Management System

The Company's administrative management system is primarily based on a series of internal rules and regulations including the Mail and Courier Management Regulations (邮递快件管理办法), Intellectual Property Management Regulations (知识产权管理办法), Information and Related Technologies Management Regulations (信息及相关技术管理规定) and Overseas, Hong Kong and Macau Trip Management Regulations (出国及赴港澳台团组管理办法).

Corporate Management System

The Company's corporate management system is primarily based on its Contract Management Regulations (合同管理办法) and Evaluation Rules for the Business Evaluation Group (业务评审小组评审规则).

Legal Management System

The Company's legal management system is primarily based on its Legal Affairs Management Regulations (法律事务管理办法).

Investment Management System

The Company's investment management system is primarily based on its External Investment Application and Approval System.

Capital Management System

The Company's capital management system is primarily based on a series of internal systems including the Budget Management System (预算管理制度), External Borrowing Management System (对外借款管理制度) and Project Payment Management System (工程付款管理制度).

Guarantee Management System

The Group's guarantee management system is primarily based on its External Guarantee Management System.

RISK MANAGEMENT

The Group has adopted a prudent risk management strategy and developed a comprehensive risk management system to enhance its overall internal control and risk management capabilities. The Company believes that risk management is fundamental to its business development and operations.

The Group's risk management system covers different aspects of the Group's operations, including but not limited to strategic management, internal control, legal affairs management, financial and capital management, asset management, investment management and information disclosure. The Group aims to, through its effective risk management system, balance risks and benefits in order to facilitate its strategic development, optimise risk undertaking, effectively distribute its resources, comply with laws and regulations and provide accurate and reliable information to meet various regulatory requirements or facilitate investment decision making.

The Group's risk management policies have been adapted to market conditions to achieve efficiencies in risk management, ensuring that value is created for the business from efficient risk management. Different levels and departments of the Group are responsible to oversee and manage different aspects of the Group's operations and implement the Group's risk management policies. The systematic approach adopted by the Group has helped the Group to manage its business in a disciplined manner. The risk management system also helps the Group to identify, manage and control risks in a timely and effectively manner to facilitate smooth and stable operation of the Group's business.

COMPETITION

Given the public-interest-oriented nature of the Group's urban development and industrial investment businesses, the Group sees minimal commercial competition in this business. The Group's urban development and industrial investment businesses primarily focus on implementing the governmental blueprint for economic and municipal development in Jiangbei New District. In particular, the Group benefits from its strategic position as the primary investment, construction and operation arm of the Nanjing Jiangbei New District Management Committee and had established itself as a key construction entity and industrial operator in Nanjing City as at 31 March 2021. In addition, Yangzi Investment Group, a state-owned company which held approximately 45.59 per cent. of the equity interest in the Company as at 31 March 2021, has been mandated by the Nanjing City Government on an exclusive basis to implement the PRC government's and the Nanjing City Government's plans to develop Jiangbei New District and was the sole platform of the Nanjing City Government that focuses on infrastructure development and provision of public utility services in Jiangbei New District as at 31 March 2021. The Company believes that the Group's competitive edges include, among others, its state-owned background, strong track record of infrastructure and security housing construction and land development in Jiangbei New District, access to capital and financing resources as well as the planning, design, quality and workmanship of its projects.

Leveraging the Group's competitive advantages in the urban infrastructure investment, construction and operation businesses, the Company believes that the Group is well-positioned to compete against other industry peers. For the Group's urban development and industrial investment businesses, the Group primarily competes with other state-owned and/or listed urban development enterprises in the PRC. The Group's competitors may have more resources and more established track records than the Group does. In addition, large domestic and international companies may have advantages in terms of scale, capital and experience. Competition mainly focuses on price, quality of products, construction time and services. For the Group's industrial investment and capital operation businesses, the Group primarily competes with other domestic or overseas industry participants which are in the same industry as the companies in which the Group invests. Competition mainly focuses on the prices offered for the equity investment opportunities.

OCCUPATIONAL SAFETY AND ENVIRONMENTAL PROTECTION

The Group adopts a comprehensive work safety system to ensure employee safety. The Group has established safety protocols and also implemented guidelines setting out the responsibilities of safety officers. The safety officer is involved in the planning and implementation of each project to ensure that safety objectives are met and plays a key role in monitoring the effectiveness of the safety measures, educating project members on the safety requirements, handling any infractions, ensuring safety records are properly kept and managing onsite safety and emergency incidents. The Company believes that the Group is in compliance in all material respects with applicable safety regulations. As at 31 March 2021, the Group had not been subject to any fines or administrative actions that had been filed with any PRC governmental authorities involving material non-compliance with any relevant safety regulations.

The Group is subject to environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by the governmental authorities in the PRC. The Company believes that the Group is in compliance in all material respects with applicable environmental laws and regulations. As at 31 March 2021, the Company was not aware of any material environmental proceedings or investigations to which the Group is or might become a party.

EMPLOYEES

As at 31 March 2021, the Group had a total of approximately 223 employees, approximately 90.58 per cent. of whom held an undergraduate degree or above. The Group maintains good working relationships with its employees and has not experienced any labour disputes that could cause a material adverse effect to the operation and performance of the Group as at 31 March 2021.

In accordance with the applicable regulations of local governments in regions where the Group has business operation, the Group generally makes contributions to the pension contribution plan, medical insurance and personal injury insurance. The Group generally enters into employment contracts with its employees in accordance with applicable PRC laws. Such contracts typically include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

INSURANCE

The Group is covered by insurance policies which primarily cover fire, flood, other material damage to property and public liability. The Company 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, which are normal for the type and location of the properties to which they relate. For example, the Group typically obtains purchases pension insurance, medical insurance, unemployment insurance, workplace injury insurance and maternity insurance for its employees in accordance with applicable laws and regulations. It also maintains business interruption insurance, key-man insurance or other insurance covering potential environmental damage claims. The Group's insurance typically covers the contract period of a project and the maintenance period after the contract.

The Group maintains insurance coverage in amounts that the Company believes are commensurate with its risk of loss and industry practice. Damage to the vehicles, 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 force majeure events, political unrest or civil disobedience movements, natural disasters and outbreaks or pandemic of contagious diseases and other disasters may potentially have a material adverse effect on the Group's financial condition and results of operations. See "*Risk Factors — Risks Relating to the Group's Business — The Group's operations are subject to force majeure events, political unrest or civil disobedience movements, natural disasters and outbreaks or pandemic of contagious diseases and other disasters*" and "*Risk Factors — Risks Relating to the Group's Business — The insurance coverage of the Group may not adequately protect it against all operational risks or any potential liabilities or losses*" for further information.

LEGAL AND REGULATORY PROCEEDINGS

The Group is involved, from time to time, in legal proceedings arising in the ordinary course of its operations. See "*Risk Factors — Risks Relating to the Group's Businesses — The Group may be subject to legal, litigation and regulatory proceedings*" for further information.

To the best of the knowledge of the Company, the Group was not involved in any litigation or arbitration proceedings as at the date of this Offering Circular that could have a material adverse effect on its business, financial condition and results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The table below sets forth the members of the board of directors of the Company as at 31 March 2021:

Name	Position
Gao Liang (高亮)	Chairman of the board of directors and general manager
Wu Jiang (吴疆)	Director, deputy general manager and financial controller
Zhu Kai (朱凯)	Director
Zhang Yue (张悦)	Director
Wu Yunjie (吴云杰)	Director
Xu Hui (许慧)	Employee director

Gao Liang

Mr. Gao is the chairman of the board of directors and the general manager of the Company. He previously served as the deputy general manager of Nanjing Biotech and Pharmaceutical and the deputy chief officer of Nanjing Biotech and Pharmaceutical Valley Development Centre (南京生物医药谷发展中心). Mr. Gao holds a postgraduate degree.

Wu Jiang

Mr. Wu is a director, the deputy general manager and the financial controller of the Company. He previously served as the head of the Finance Department of Software Science and Technology and the head of the Finance Department of the Management Office of Nanjing Jiangbei New District Industrial Technology Research and Innovation Park (南京江北新区产业技术研创园). Mr. Wu holds an undergraduate degree.

Zhu Kai

Mr. Zhu is a director the Company. He is also the head of the Economic Operation and Major Projects Office and the head of the Statistical Investigation Office of the Economic Development Bureau of the Nanjing Jiangbei New District Management Committee. He previously served as the deputy chief officer of the Statistics Development Division, the chief officer of the Foreign Economic and Trade Division and the chief officer of the Planning and Development Division of the Economic Development Bureau of Nanjing High-tech Zone Management Committee. Mr. Zhu holds a postgraduate degree.

Zhang Yue

Ms. Zhang is a director of the Company. She is also the vice president and a member of the party's branch committee (党总支委) of Nanjing Jiangbei New District Sub-branch of Industrial and Commercial Bank of China ("ICBC") and the vice president of Pukou Sub-branch of ICBC. She previously served as the president of Nanjing Zhongshan Bridge Sub-branch of ICBC and the assistant to the president, the vice president and a member of the party's branch committee of Nanjing Dachang Residential District Sub-branch of ICBC. Ms. Zhang holds a postgraduate degree.

Wu Yunjie

Mr. Wu is a director of the Company. He is also the vice president and a member of the party committee of Nanjing Jiangbei New District Branch of China Construction Bank ("CCB"). He previously served as the director of the Banking Department and a member of the party committee of Nanjing Jiangbei New District Sub-branch of CCB. Mr. Wu holds an undergraduate degree.

Xu Hui

Ms. Xu is the employee director of the Company. She is also the deputy head of the Strategic Investment Department of the Company. She previously served as the assistant to the director of the Capital Division, the deputy head of the Investment and Financing Department and the deputy director of the Financing Division of Huai'an State Joint Investment Development Group Co., Ltd. (淮安市国有联合投资发展集团有限公司). Ms. Xu holds an undergraduate degree.

BOARD OF SUPERVISORS

The table below sets forth the members of the board of supervisors of the Company as at 31 March 2021:

Name	Position
Zheng Lei (郑磊)	Chairman of the board of supervisors
Wu Ligu (吴立国)	Supervisor
Zhang Jing (章晶)	Employee supervisor

Zheng Lei

Mr. Zheng is the chairman of the board of supervisors of the Company. He is also the chief officer of the Audit Office of the Nanjing Jiangbei New District Management Committee. He previously worked at the Audit Office of the Party Organisational Work Bureau of the Nanjing High-tech Zone Management Committee. Mr. Zheng holds an undergraduate degree.

Wu Ligu

Mr. Wu is a supervisor of the Company. He is also the deputy head of the Financial Management Department (Funds Management Centre) of Yangzi Investment Group. Mr. Wu holds a postgraduate degree.

Zhang Jing

Ms. Zhang is the employee supervisor and the legal manager (法务经理) of the General Office of the Company. Ms. Zhang holds a postgraduate degree.

SENIOR MANAGEMENT

The table below sets forth the senior management members of the Company as at 31 March 2021:

Name	Position
Gao Liang (高亮)	Chairman of the board of directors and general manager
Wu Jiang (吴疆)	Director, deputy general manager and financial controller
Dong Qun (董群)	Deputy general manager

Gao Liang

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

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

Dong Qun

Ms. Dong is a deputy general manager of the Company. She previously served as the deputy director of the Agricultural Science and Technology Office of the Science Committee of Nanjing Municipality (南京市科委) and the assistant to the chief officer of Yuhuaxincun Residential District (雨花新村街道) in Yuhuatai District (雨花台区) of Nanjing City. She also worked at Nanjing Women's Federation (南京市妇联). Ms. Dong holds a postgraduate degree.

DESCRIPTION OF THE KEEPWELL AND LIQUIDITY SUPPORT DEED

The following contains summaries of certain key provisions of the Keepwell and Liquidity Support Deed. Such statements do not purport to be complete and are qualified in their entirety by reference to the Keepwell and Liquidity Support Deed. Defined terms used in this section shall have the meanings given to them in the Keepwell and Liquidity Support Deed.

OWNERSHIP OF THE ISSUER; SHAREHOLDING CONTROL

Pursuant to the Keepwell and Liquidity Support Deed, the Company will undertake to:

- hold or own (directly or indirectly) 100 per cent. of the issued share capital of the Issuer; and
- procure that the title, rights and interests in the shares of the Issuer that are held by the Company are not pledged, charged or in any way encumbered.

Pursuant to the Keepwell and Liquidity Support Deed, the Company will undertake with the Issuer and the Trustee that it shall directly or indirectly appoint all senior management of the Issuer.

MAINTENANCE OF CONSOLIDATED NET WORTH, LIQUIDITY, ETC.

Pursuant to the Keepwell and Liquidity Support Deed, the Company will undertake to procure:

- the Issuer to have a Consolidated Net Worth of at least U.S.\$1.00 (or its equivalent in any other currency) at all times;
- the Issuer to have sufficient liquidity to make timely payment of any amounts payable by it under or in respect of the Notes in accordance with the Terms and Conditions of the Notes and/or the Trust Deed and that the Issuer to have sufficient funds to meet its obligations with respect to any and all fees, expenses and similar obligations of the Issuer, including but not limited to fees and expenses with respect to the corporate formation and administration of the Issuer; and
- the Issuer to remain solvent and a going concern at all times under the laws of its jurisdiction of incorporation or applicable accounting standards.

RELEVANT INDEBTEDNESS

At all times during the term of the Keepwell and Liquidity Support Deed, the Company will undertake:

- not to, and to procure that none of the Subsidiaries of the Company will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness outside the PRC or Guarantee of such Relevant Indebtedness without at the same time or prior thereto (i) securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

IRREVOCABLE CROSS-BORDER STANDBY FACILITY, LIQUIDITY SUPPORT AND PARENT INVESTMENT

Pursuant to the Keepwell and Liquidity Support Deed, upon the receipt of a Trigger Notice from the Trustee, the Company shall:

- grant the Standby Facility and procure remittance of the Remittance Amount as a loan to the Issuer;
- provide the Liquidity Support to the Issuer; and
- invest in the Issuer and/or any Offshore Subsidiary(ies),

in each case, in accordance with the Keepwell and Liquidity Support Deed, subject to it having obtained all relevant Regulatory Approvals (which the Company has undertaken to use its best endeavours to obtain), so as to enable the Issuer to (i) make payment in full of any outstanding amounts as they fall due under the Trust Deed and the Notes (including any interest unpaid and/or accrued but unpaid on the Notes) if the Triggering Event is a Liquidity Notice Failure Event or an Event of Default or (ii) remedy the Financial Ratio Failure or the Shortfall Event (each as defined below) if such Triggering Event has occurred.

A Triggering Event means the occurrence of any of the following events:

- the Consolidated Net Worth of the Issuer falls below U.S.\$1.00 (or its equivalent in any other currency) (a “**Financial Ratio Failure**”);
- the Issuer fails to provide a Liquidity Notice in accordance with and by the time and to the persons specified in the Keepwell and Liquidity Support Deed (a “**Liquidity Notice Failure Event**”);
- an Event of Default; or
- the Issuer determines that it will have insufficient liquidity or cashflow to meet its payment obligations under the Notes or the Trust Deed as they fall due (a “**Shortfall Event**”).

Upon:

- (i) (a) receiving a notice in writing from the Principal Paying Agent that all of the payment obligations of the Issuer in respect of any principal, premium, interest and default interest (if applicable) under the Notes have been satisfied in full and (b) is satisfied that all amounts due and payable to the Trustee under the Trust Deed have been satisfied in full;
- (ii) in the event of a Liquidity Notice Failure Event resulting in the service of a Trigger Notice, (a) receiving a notice in writing from the Principal Paying Agent that the payment obligations of the Issuer in respect of any principal, premium and interest under the Notes due on the immediately following Interest Payment Date, together with any default interest due (if applicable) as at the date of the notice from the Principal Paying Agent have been satisfied in full and (b) being satisfied that all amounts due and payable to the Trustee under the Trust Deed as at the date of the notice from the Principal Paying Agent have been satisfied in full;
- (iii) in the event of an Event of Default resulting in the service of a Trigger Notice, such Event of Default having been waived by the Trustee acting on the instructions of the Noteholders by an Extraordinary Resolution; or
- (iv) in the event of a Financial Ratio Failure or Shortfall Event resulting in the service of a Trigger Notice, receiving (a) a certificate from the Company signed by any one of its directors or Authorised Signatories certifying that such Financial Ratio Failure or Shortfall Event has been remedied in full and (b) a report from the auditors of the Issuer of recognised standing to the effect that such Financial Ratio Failure or Shortfall Event has been remedied in full,

the Trustee shall provide a suspension notice to the Issuer and the Company (the “**Keepwell and Liquidity Support Deed Suspension Notice**”) within five KWD Business Days after the Business Day on which any of the above events has occurred, whereupon the obligations of the Company triggered under the Keepwell and Liquidity Support Deed as a result of the occurrence of such Triggering Event shall be suspended. Such Keepwell and Liquidity Support Deed Suspension Notice shall cease to be effective upon the occurrence of a new Triggering Event after the date of such Keepwell and Liquidity Support Deed Suspension Notice.

OTHER UNDERTAKINGS

Pursuant to the Keepwell and Liquidity Support Deed, the Company will undertake:

- not to amend its articles of association in a manner that is, directly or indirectly, materially adverse to Noteholders;
- to procure that the articles of association of the Issuer shall not be amended in a manner that is, directly or indirectly, materially adverse to Noteholders;
- to cause the Issuer to remain in full compliance with the Terms and Conditions of the Notes, the Trust Deed and all applicable rules and regulations in the British Virgin Islands with respect to the Notes;
- promptly to take any and all action necessary to comply with its obligations under the Keepwell and Liquidity Support Deed;

- to ensure that the Issuer has sufficient funds to meet its obligations with respect to any and all fees, expenses and similar obligations of the Issuer, including but not limited to fees and expenses with respect to the corporate formation and administration of the Issuer;
- to cause the Issuer to take all action necessary in a timely manner to comply with its obligations under the Keepwell and Liquidity Support Deed;
- to procure, that the Issuer shall (i) not carry on any business activity whatsoever other than the activities in connection with the offering, sale or issuance of any notes and any other activities reasonably incidental thereto (such activities in connection with the notes shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the notes), and (y) either utilise the proceeds of the issue of the notes (the “**Proceeds of the Notes**”) for itself or on-lend such proceeds only to the Company or any of its Subsidiaries (each a “**Group Borrower**”), and to cause such Group Borrower to pay the interest and principal in respect of such intercompany loan on time;
- to procure that the Issuer shall not issue any equity interest, capital stock or shares other than ordinary shares to the Company or any of its wholly-owned Subsidiaries and the Company shall at all times (directly or indirectly) maintain ownership of 100 per cent. of the equity interest in the Issuer and shall procure that the title, rights and interests in the shares of the Issuer are not pledged, charged or in any way encumbered;
- to procure that neither the Issuer nor the Company shall commence any action for the winding up, liquidation or dissolution of the Issuer; and
- to the extent a Subsidiary of the Company lends or assigns any of the Proceeds of the Notes it receives from the Issuer, to cause such Subsidiary to lend or assign such Proceeds of the Notes only to other Subsidiaries of the Company.

The Keepwell and Liquidity Support Deed is not, and nothing therein contained and nothing done pursuant thereto by the Company shall be deemed to constitute, or shall be construed as, or shall be deemed evidence of, a guarantee by, or any similar legally binding obligation of, the Company of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer under the laws of any jurisdiction.

In order for the Company to comply with its obligations under the Keepwell and Liquidity Support Deed, the Company may require Regulatory Approvals. The Company undertakes to use its best endeavours to obtain such Regulatory Approvals.

The Keepwell and Liquidity Support Deed, as to which time shall be of the essence, and all non-contractual obligations arising from or in connection with it are governed by and construed in accordance with English law.

DESCRIPTION OF THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING

The following contains summaries of certain key provisions of the Deed of Equity Interest Purchase Undertaking. Such statements do not purport to be complete and are qualified in their entirety by reference to the Deed of Equity Interest Purchase Undertaking. Defined terms used in this section shall have the meanings given to them in the Deed of Equity Interest Purchase Undertaking.

OBLIGATION TO ACQUIRE EQUITY INTEREST

Upon the receipt of a written Purchase Notice given by the Trustee in accordance with the Trust Deed following the occurrence of an Event of Default, the Company agrees to, subject to obtaining all Regulatory Approvals, purchase or procure an Onshore Subsidiary of the Company (the “**Purchaser**”) to purchase (the “**Purchase**”):

- (i) the Equity Interest held directly by the Issuer and/or any other Offshore Subsidiary, as designated by the Company and, pursuant to the Deed of Equity Interest Purchase Undertaking, the Company shall notify the Trustee in writing within five Business Days after the date of the Purchase Notice; and
- (ii) in the absence of such designation and notification to the Trustee within five Business Days after the date of the Purchase Notice provided in accordance with the Deed of Equity Interest Purchase Undertaking, the Equity Interest held directly by all Offshore Subsidiaries,

(each such Offshore Subsidiary, a “**Relevant Transferor**”) at the Purchase Price on the relevant Purchase Closing Date pursuant to the terms set out in the Deed of Equity Interest Purchase Undertaking and the relevant Equity Interest Transfer Agreement(s).

The Purchase obligation of the Company set out in the Deed of Equity Interest Purchase Undertaking shall be suspended if, prior to the relevant Purchase Closing Date, each of the Issuer and the Company receives a notice in writing from the Trustee stating that all of the payment obligations of the Issuer in respect of any principal, premium and interest and default interest (if applicable) under the Notes and the Trust Deed have been satisfied in full as at the date of that notice, or that the Event of Default resulting in the service of the Purchase Notice has been waived by the Trustee in accordance with the terms of the Trust Deed (the “**Deed of Equity Interest Purchase Undertaking Suspension Notice**”).

The Deed of Equity Interest Purchase Undertaking Suspension Notice shall be provided by the Trustee to the Issuer and the Company within five Business Days if (i) the Trustee receives from the Principal Paying Agent a notice in writing by the Principal Paying Agent that all payment obligations of the Issuer in respect of any principal, premium and interest and default interest (if applicable) under the Notes and the Trust Deed have been satisfied in full, or (ii) the Event of Default resulting in the service of the Purchase Notice has been waived in accordance with the terms of the Trust Deed.

DETERMINATION OF THE PURCHASE PRICE

Within 15 Business Days after the date of the Purchase Notice, the Company shall determine (a) the aggregate purchase price of the Equity Interest(s) being the subject of the Purchase (the “**Purchase Price**”) in accordance with any applicable PRC laws and regulations effective at the time of determination; and (b) the other applicable terms relating to the Purchase, **provided that** the Purchase Price shall be no less than the aggregate of the following amounts (the “**Shortfall Amount**”):

- (i) the amount sufficient to enable the Issuer to discharge in full its obligations under the Notes and the Trust Deed (including without limitation the principal amount of the Notes then outstanding as at the date of such Purchase Notice and any interest unpaid and/or accrued but unpaid on the Notes up to but excluding the date of such Purchase Notice), plus
- (ii) an amount equal to U.S.\$2,875,000, being the interest payable in respect of one full interest period on the Notes, plus
- (iii) all costs, fees and expenses (including without limitation, legal expenses) and other amounts payable to the Trustee and/or the Agents under or in connection with the Notes, the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking as at the date of such Purchase Notice plus provisions for fees and expenses which may be properly incurred in connection with the Notes, the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking after the date of the Purchase Notice, as notified by the Trustee in the Purchase Notice.

CLOSING IN RESPECT OF PURCHASE OF EQUITY INTEREST

In relation to the Purchase of any Equity Interest relating to a Target Subsidiary which is an Onshore Subsidiary:

- (i) within 35 Business Days after the date of the Purchase Notice, the Company shall, and shall procure such Relevant Transferor to, promptly complete all internal approval procedures and obtain approval from the requisite number of shareholders of such Target Subsidiary in relation to the Purchase, and to execute, and the Company shall procure the board of directors of such Target Subsidiary to execute (where applicable), an Equity Interest Transfer Agreement and all other application documents (in such form and language as required by applicable laws and regulations) required by applicable laws and regulations of the PRC and, shall file such agreements and/or documents with the PBOC (if applicable), the CBIRC (if applicable), MOFCOM (if such Onshore Subsidiary is a foreign-invested enterprise), SASAC and/or NDRC for approval of the transfer of the Equity Interest being the subject of the Purchase;
- (ii) within five Business Days after the receipt of approval from the PBOC (if applicable), the CBIRC (if applicable), MOFCOM, SASAC and/or NDRC, the Company shall, or shall procure the Target Subsidiary to, submit all application documents required by applicable laws and regulations of the PRC to the competent AIC for the AIC registration of the transfer of the Equity Interest of such Relevant Transferor;
- (iii) the Company shall promptly complete the procedures in respect of withholding tax for such Relevant Transferor as required by applicable laws and regulations of the PRC with the competent tax authority and obtain the tax clearance certificate from such tax authority;
- (iv) within five Business Days after completion of the change of AIC registration and the receipt of the tax clearance certificate, the Company shall, or shall procure the Target Subsidiary to, submit all application documents required by applicable laws and regulations of the PRC to SAFE (A) to change the SAFE registration of such Target Subsidiary and (B) for the remittance of the relevant Purchase Price outside the PRC;

- (v) the Company shall procure that the remittance of the Purchase Price shall take place on or prior to the fifth Business Day after the date of receipt of the approvals from SAFE and all other Regulatory Approvals or, if no Regulatory Approval from any Approval Authority is required, on or prior to the fifth Business Day after the date of execution of the Equity Interest Transfer Agreement (the “**Onshore Purchase Closing Date**”), whereupon the Company shall pay, or procure the relevant Purchaser to pay, to or to the order of such Relevant Transferor the Purchase Price in immediately available funds in Renminbi. Such payment shall be made by remittance of the Purchase Price to such account in Hong Kong as may be designated by such Relevant Transferor; and

provided that the requirements and deadlines set out in the Deed of Equity Interest Purchase Undertaking may be modified if the Trustee receives an opinion of a reputable PRC counsel of recognised national standing stating that under applicable PRC law as at the date of the opinion, (a) any requirement and/or deadline above is not reasonably achievable and (b) the new requirement (if applicable) and/or the commercially reasonable deadline that is required to complete such requirement. Such opinion shall be addressed and delivered to the Trustee by the Company within 14 Business Days after the receipt of the Purchase Notice.

In relation to the Purchase of any Equity Interest relating to a Target Subsidiary which is an Offshore Subsidiary:

- (i) within 20 Business Days after the date of the Purchase Notice, the Company shall procure the Purchaser, the Relevant Transferor and/or the Target Subsidiary (as the case may be) to submit all relevant application, report, filing and/or registration documents to the competent Approval Authorities in the PRC (including the PBOC, NDRC, MOFCOM, SASAC and SAFE, where applicable) for or in relation to overseas mergers and acquisitions;
- (ii) within 20 Business Days after obtaining the confirmation of each of the relevant competent Approval Authorities in the PRC (including the PBOC, NDRC, MOFCOM, SASAC and SAFE, where applicable) for or in relation to the application, report, filing and/or registration documents referred to in the Deed of Equity Interest Purchase Undertaking, the Company shall, and shall procure such Relevant Transferor to, promptly complete all internal approval procedures and obtain approval from the requisite number of shareholders of such Target Subsidiary in relation to the Purchase, and to execute, and the Company shall procure the board of directors of such Target Subsidiary to execute (where applicable), an Equity Interest Transfer Agreement and all other application documents (in such form and language as required by applicable laws and regulations) required by applicable laws and regulations and shall file such agreements and/or documents with the relevant competent Approval Authorities (including the PBOC, NDRC, MOFCOM, SASAC and SAFE, where applicable) and authorities of the other jurisdiction(s) in connection with the Purchase (where applicable), for approval, filing or registration of the transfer of the Equity Interest being the subject of the Purchase; and

- (iii) the Company shall procure that the remittance of the Purchase Price shall take place on or prior to the fifth Business Day after the date of receipt of the approvals, registrations or confirmations of reporting or filing from each of the relevant competent Approval Authorities in the PRC (including the PBOC, NDRC, MOFCOM, SASAC and SAFE, where applicable) and authorities of other jurisdictions in charge of the Purchase as referred to in the Deed of Equity Interest Purchase Undertaking and all other Regulatory Approvals or, if no such Regulatory Approval from any Approval Authority is required, on or prior to the fifth Business Day after the date of execution of the Equity Interest Transfer Agreement (the “**Offshore Purchase Closing Date**”), whereupon the Company shall pay, or procure the relevant Purchaser to pay to or to the order of, such Relevant Transferor the Purchase Price in immediately available funds in Renminbi. Such payment shall be made by remittance of the Purchase Price to such account in Hong Kong as may be designated by such Relevant Transferor,

provided that the requirements and deadlines set out in the Deed of Equity Interest Purchase Undertaking may be modified if the Trustee receives an opinion of a reputable PRC counsel of recognised national standing stating that under applicable PRC law as at the date of the opinion, (a) any requirement and/or deadline above is not reasonably achievable and (b) the new requirement (if applicable) and/or the commercially reasonable deadline that is required to complete such requirement. Such opinion shall be addressed and delivered to the Trustee by the Company within 14 Business Days after the receipt of the Purchase Notice.

Upon the completion of any Purchase, the Company undertakes to:

- (i) in the event that a Relevant Transferor is not the Issuer, procure such Relevant Transferor to promptly on-lend or distribute in full the relevant portion of the Purchase Price, being an amount no less than the Shortfall Amount, received by the Relevant Transferor to the Issuer prior to any other use, disposal or transfer of the proceeds received; and
- (ii) promptly do all such things (including entering into and executing any agreements or arrangements required) and take all actions necessary for the Purchase Price received by the Issuer from the Company or pursuant to any on-loan or distribution referred to in the Deed of Equity Interest Purchase Undertaking to be applied solely towards the payment in full of the Issuer’s obligations under the Notes and the Trust Deed (including without limitation the payment of the principal amount of the Notes then outstanding as at the date of such payment and any interest unpaid and/or accrued but unpaid on the Notes up to but excluding the date of payment) prior to any other use, disposal or transfer of the proceeds received.

FURTHER ACTIONS

The Company shall, and shall procure each Purchaser and Relevant Transferor to, do any other things and take any further actions as may be necessary or desirable to:

- (i) procure the completion of the Purchase within three months from the date of the Purchase Notice; and
- (ii) procure the remittance of the Purchase Price to or to the order of the Relevant Transferor(s) in accordance with the Deed of Equity Interest Purchase Undertaking.

OTHER PROVISIONS

The Deed of Equity Interest Purchase Undertaking is not, and nothing herein contained and nothing done pursuant hereto by the Company shall be deemed to constitute, or shall be construed as, or shall be deemed evidence of, a guarantee by, or any similar legally binding obligation of, the Company of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer under the laws of any jurisdiction.

The Deed of Equity Interest Purchase Undertaking, as to which time shall be of the essence, and all non-contractual obligations arising from or in connection with it are governed by and construed in accordance with English law.

TAXATION

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

Persons considering the purchase of the Notes should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

THE BRITISH VIRGIN ISLANDS

The Issuer is exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands. Payments of principal, premium or interest in respect of the Notes to persons who are not resident in the British Virgin Islands are not subject to British Virgin Islands tax or withholding tax.

Capital gains realised with respect to the Notes by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to the Notes.

All instruments relating to transactions in respect of the Notes are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal (including any premium payable on redemption of the Notes) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

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 or disposal of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried out in Hong Kong in the following circumstances:

- interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong;
- interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company), carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong and is in respect of the funds of the trade, profession or business; or
- interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

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 the Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Notes 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 are revenue in nature and have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired or disposed of.

Stamp Duty

No Hong Kong stamp duty will be chargeable for the issue and transfer of the Notes.

PRC

EIT

The following summary describes certain PRC tax consequences of ownership and disposition of the Notes 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 Noteholders in this “*Taxation — PRC*” section. In considering whether to invest in the Notes, investors should consult their own tax advisers 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.

Pursuant to the EIT Law and its Implementing Regulation, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “de facto management body” are within the territory of China are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income. Although the rules are not entirely clear, dividends from a PRC tax resident enterprise should be excluded from the taxable income of a recipient that is also a PRC tax resident enterprise. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law, and the Issuer may be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income. At the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law.

However, there can be no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and

its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer. Accordingly, if the Issuer is treated as a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be required to withhold income tax from the payments of interest in respect of the Notes to any non-PRC Noteholder, and gain from the disposition of the Notes may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent. for non-resident enterprise Noteholders and 20 per cent. in the case of non-resident individuals, subject to the provisions of an applicable tax treaty. The Issuer has agreed to pay additional amounts to Noteholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Conditions.

VAT

On 23 March 2016, MOF and SAT jointly issued Circular 36 which provides that all business tax payers are included into the pilot programme to pay VAT from 1 May 2016. With effect from 1 May 2016, the income derived from the provision of financial services which previously attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing services within PRC will be subject to VAT. Services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. Services subject to VAT include financial services, such as the provision of loans. It is further clarified under Circular 36 that “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon.

Based on the interpretation of “loans” under Circular 36, the issuance of the Notes may be treated as the Noteholders providing loans to the Issuer and the Company, which thus shall be regarded as the provision of financial services that could be subject to VAT. As at the date of this Offering Circular, as confirmed by the Company, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident. Further, if the Issuer is treated as a PRC tax resident in the future, the Noteholders could be regarded as providing financial services within PRC and consequently, the Noteholders shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments from the Issuer under the Notes. In addition, in that case the Noteholders shall also be subject to the local levies at approximately 12 per cent. of the VAT payment and consequently, the combined rate of VAT and local levies would be around 6.7 per cent. Given that the Issuer pays interest income to Noteholders who are located outside of the PRC, if such interest income is subject to VAT in the future, the Issuer, acting as the obligatory withholder in accordance with applicable laws, shall withhold VAT and local levies from the payment of interest income to Noteholders who are located outside of the PRC.

Where a holder located outside of the PRC resells Notes to a buyer also located outside of the PRC, since neither buyer nor seller is located in the PRC, theoretically Circular 36 would not apply and the Issuer would not have the obligation to withhold VAT or local levies. However, there is uncertainty as to the applicability of VAT if either a seller or buyer of Notes is located within the PRC.

Circular 36 has been issued recently and remains subject to further clarification and/or interpretations by the competent tax authority. There is uncertainty as to the application of Circular 36 in the context of the issuance of the Notes, payments thereunder, and their sale and transfer.

However, there can be no assurance that the Issuer will not be treated as a PRC tax resident enterprise. Pursuant to the VAT reform detailed above, the Issuer may need to withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. The Issuer has agreed to pay additional amounts to Noteholders, subject to certain exceptions, so that Noteholders would receive the full amount of the scheduled payment, as further set out in the Conditions.

Stamp Duty

No PRC stamp duty will be chargeable upon the issue or transfer of a Note (for so long as the register of Noteholders is maintained outside the PRC).

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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment”. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

PRC REGULATIONS

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws and laws resulting from international treaties entered into by the PRC government. In general, court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People's Congress of the PRC (the "NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC and the Standing Committee of the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul administrative rules, regulations, directives and orders. The People's Congresses or their standing committees of the comparatively larger cities may, in light of the specific local conditions and actual needs, formulate local regulations, provided that they do not contradict the PRC Constitution, the national laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and they shall submit the regulations to the standing committees of the people's congresses of the provinces or autonomous regions for approval before implementation.

At the regional level, the provincial and municipal congresses and their respective standing committees may enact local rules and regulations and the people's governments may promulgate administrative rules and directives applicable to their own administrative areas. These local rules and regulations must be consistent with the PRC Constitution, the national laws and the administrative rules and regulations promulgated by the State Council.

The State Council, provincial and municipal governments may also enact or issue rules, regulations or directives in new areas of the law for experimental purposes or in order to enforce the law.

After gaining sufficient experience with experimental measures, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

A party seeking to enforce a judgment or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or order. A foreign judgment or ruling may also be recognised and enforced by a court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

PRC CURRENCY CONTROLS

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (关于简化跨境人民币业务流程和完善有关政策的通知) (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross border Renminbi trade settlement under current account items. On 1 November 2014, PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (关于进一步便利跨国企业集团开展跨境双向人民币资金池业务的通知) (the “**2015 PBOC Circular**”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms by PBOC, MOFCOM and SAFE, foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements for capital account payments in Renminbi are being removed gradually. In addition, the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (关于改革外商投资企业外汇资本金结汇管理方式的通知) which became effective on 1 June 2015, allows foreign-invested enterprises to settle 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE’s equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE’s system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular. In particular, a foreign invested enterprise with investment as its main business is permitted to use such Renminbi proceeds to make equity contribution to its invested enterprises directly, without further filings with SAFE.

On 9 June 2016, SAFE issued the Notice on Reforming and Regulating the Policies for the Administration of Settlement of Foreign Exchange under Capital Accounts (国家外汇管理局关于改革和规范资本项目结汇管理政策的通知), which provided, among others, all the foreign exchange funds of external debts of domestic enterprises (including Chinese-funded enterprises and foreign-funded enterprises, but excluding financial institutions) shall be settled on their own discretion.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders, which are referred to as “foreign debt”, and lend Renminbi-denominated loans to foreign borrowers, which are referred to as “outbound loans”, as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make payments thereunder to parties in the PRC as well as other jurisdictions, which are referred to as “cross-border security”. Under current rules promulgated by SAFE, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. However, there remain potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular. It is not clear how regulators will deal with such inconsistencies in practice.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There can be no assurance that the PRC government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Company's Audited Financial Statements have been prepared in accordance with PRC GAAP issued by MOF on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter. Other than on reversal of impairment provisions taken on assets, PRC Accounting Standards have substantively converged with IFRS. Accordingly, there are no other significant differences between the principal accounting policies adopted by the Company and IFRS. The difference on reversal of impairment provisions taken on assets is discussed in further detail in this section.

REVERSAL OF IMPAIRMENT LOSSES ON ASSETS

In accordance with PRC Accounting Standards No. 8 — Impairment of Assets, an asset impairment loss that has been recognised shall not be reversed in subsequent accounting periods, while in accordance with IAS 36 Impairment of Assets, an entity shall assess at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. An impairment loss recognised in prior periods for an asset other than goodwill can be reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount of that asset since the last impairment loss was recognised.

BUSINESS COMBINATIONS UNDER THE COMMON CONTROL

A business combination under the common control has specific provisions in PRC Accounting Standards No. 20 — Business Combinations, also the recognition and measurement of the investment has specific provisions in accordance with PRC Accounting Standards No. 2 — Long-term Equity Investments, but IFRS 3 Business Combinations does not make specific discussion on business combination under the common control.

For the years ended 31 December 2018, 2019 and 2020, respectively, the Company had no such reversal of impairment losses on assets and business combinations under the common control. Therefore, the above technical difference had no substantial impact on the Company's Audited Financial Statements.

APPLICATION OF FAIR VALUE

IFRS emphasise the use of fair value, while PRC accounting standards emphasise book value. Like international accounting standards, IFRS emphasise the use of fair value in asset valuation, especially in asset transactions. According to the current accounting system and the issued accounting standards in mainland China, the book value is basically used as the basis of assets valuation. This difference is highlighted in the treatment of investment and non-monetary transactions.

The above analysis is not meant to be an exhaustive description of all significant differences between PRC GAAP and IFRS. In making an investment decision, investors must rely upon their own examination of the Company, the Group, the terms of the offering and the financial information included herein. Potential investors should consult their own professional advisers for an understanding of any differences that may exist between PRC GAAP and IFRS, and how those differences might affect the financial information.

SUBSCRIPTION AND SALE

The Issuer and the Company have entered into a subscription agreement with the Joint Lead Managers dated 4 August 2021 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer and the Company have undertaken, among other things, that the Notes will be issued on the Issue Date, and the Joint Lead Managers have severally and not jointly agreed with the Issuer to subscribe and pay for, or procure subscribers to subscribe and pay for, the Notes at an issue price of 100 per cent. of their principal amount in the amount set forth below:

	Principal Amount of Notes
	<i>(U.S.\$)</i>
China International Capital Corporation Hong Kong Securities Limited	70,000,000
Huatai Financial Holdings (Hong Kong) Limited	60,000,000
Bank of China Limited	50,000,000
Orient Securities (Hong Kong) Limited	10,000,000
China CITIC Bank International Limited	10,000,000
China Securities (International) Corporate Finance Company Limited	10,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	10,000,000
China Everbright Bank Co., Ltd., Hong Kong Branch	10,000,000
China Merchants Securities (HK) Co., Limited	10,000,000
Shenwan Hongyuan Securities (H.K.) Limited	10,000,000
Total	<u>250,000,000</u>

The Subscription Agreement provides that the Issuer has agreed to, and the Company has procured the Issuer to, pay the Joint Lead Managers certain fees and management and underwriting commission, to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the Notes, and the Issuer and the Company will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offering, sale, issue, marketing or distribution of the Notes. 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 their respective subsidiaries or affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and certain of their subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer, the Company or any member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses.

The Joint Lead Managers and their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. References herein to the Notes being offered should be read as including any offering of the Notes to the Joint Lead Managers and/or their affiliates acting in such capacity. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. 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.

No action has been or will be taken that would, or is intended to, permit a public offering of the Notes, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

GENERAL

The Notes are a new issue of securities with no established trading market. No assurance can be given as to the liquidity of any trading market for the Notes.

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

Accordingly, the Notes should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Notes should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Company or the Joint Lead Managers.

If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and a Joint Lead Manager or any affiliate of that Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by that Joint Lead Manager or its affiliate on behalf of the Issuer in such jurisdiction.

UNITED STATES

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States 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.

Each of the Joint Lead Managers has represented, warranted and undertaken to the Issuer and the Company that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of such Joint Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

UNITED KINGDOM

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

- (a) *No deposit-taking*: in relation to the Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer or the Company;

- (b) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Company; and
- (c) *General Compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

HONG KONG

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“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
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, 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 Notes 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 Joint Lead Manager has represented, warranted and undertaken that the Notes 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 securities laws of the PRC.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and undertaken that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Notes, whether directly or indirectly to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 Notes 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)(i)(B) 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.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

JAPAN

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

THE BRITISH VIRGIN ISLANDS

Each Joint Lead Manager has represented, warranted and undertaken that no invitation has been made or will be made, directly or indirectly, to any person in the British Virgin Islands or to the public in the British Virgin Islands to purchase the Notes and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by the British Virgin Islands laws.

This Offering Circular does not constitute, and there will not be, an offering of the Notes to any person in the British Virgin Islands.

GENERAL INFORMATION

- 1. Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream under Common Code number 236445429 and the International Securities Identification Number or ISIN for the Notes is XS2364454293.
- 2. Legal Entity Identifier:** 3003005BQ23X4W55EY13.
- 3. Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Notes, the Trust Deed, the Agency Agreement and the Keepwell and Liquidity Support Deed. The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 22 July 2021. The Company has obtained all necessary consents, approvals and authorisations in connection with the entry into of the Trust Deed, Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking and the performance of its obligations under the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking. The entering into the Trust Deed and Agency Agreement and the giving of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking was authorised by resolutions of the board of directors meeting of the Company passed on 26 February 2021 and resolutions of the shareholder meeting of the Company passed on 24 March 2021.
- 4. No Material Adverse Change:** Save as disclosed in this Offering Circular, since 31 December 2020, there has been no material adverse change in the condition (financial or otherwise), prospects, results of operations, business, properties, management or general affairs of the Issuer, the Company or the Group, which is material and adverse in the context of the issue and offering of the Notes.
- 5. Litigation:** To the best knowledge of the Issuer or the Company (as the case may be), none of the Issuer, the Company or any member of the Group was involved in any litigation or arbitration proceedings as at the date of this Offering Circular that are material and adverse in the context of the Notes or entering into the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking and, so far as the Issuer or the Company is aware, no such litigation or arbitration proceedings are pending or threatened which are material and adverse in the context of the Notes or entering into the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking.
- 6. Listing of Notes:** Approval in principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for as long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note Certificate is exchanged for Notes in definitive form. In addition, in the event that the Global Note Certificate is exchanged for Notes in definitive form, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.

7. **Available Documents:** As long as any Note is outstanding, copies of the following documents will be available for inspection and, in the case of the documents referred to in paragraph (b) below, copies may be obtained during normal business hours upon prior written request and satisfactory proof of holding at the specified office of the Principal Paying Agent, which at the date of this Offering Circular is at 20 Pedder Street, Central, Hong Kong:
- (a) articles of association (or equivalent) of each of the Issuer and the Company;
 - (b) copies of the Company's Audited Financial Statements;
 - (c) the Agency Agreement;
 - (d) the Trust Deed;
 - (e) the Keepwell and Liquidity Support Deed; and
 - (f) the Deed of Equity Interest Purchase Undertaking.
8. **Financial Statements:** The audited consolidated financial statements of the Company as at and for the year ended 31 December 2019, which are included elsewhere in this Offering Circular, have been audited by Asia Pacific Hebei Branch, the independent auditors of the Company for the year ended 31 December 2019 as stated in its report dated 23 April 2020.

The audited consolidated financial statements of the Company as at and for the year ended 31 December 2020, which are included elsewhere in this Offering Circular, have been audited by Mazars Jiangsu Branch, the independent auditors of the Company for the year ended 31 December 2020 as stated in its report dated 31 March 2021.

The Company's Audited Financial Statements are in the Chinese language and have been translated into English, i.e. the Company's Financial Statements Translation, for inclusion in this Offering Circular for reference purposes only. Should there be any inconsistency between the Company's Audited Financial Statements and the Company's Financial Statements Translation, the Company's Audited Financial Statements shall prevail. The Company's Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to, the financial information set out or referred to in, the Company's Audited Financial Statements. The Company's Audited Financial Statements are available at the following website: www.chinamoney.com.cn. None of the Joint Lead Managers or any of their respective directors, officers, employees, affiliates, advisers or agents has independently verified or checked the accuracy of the Company's Financial Statements Translation and can give no assurance that the information contained therein is accurate, truthful or complete.

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ISSUER

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COMPANY

Nanjing Jiangbei New Area Industrial Investment Group

(南京江北新区产业投资集团有限公司)

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(For the year ended 31 December 2019)

**Mazars Certified Public Accountants LLP
(Jiangsu Branch)**

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(For the year ended 31 December 2020)