

Subscription and Placing Agency Agreement

relating to
HK\$780,000,000 3.30 per cent. perpetual convertible securities
convertible into ordinary shares of Kerry Logistics Network Limited

Dated 29 March 2023

KERRY LOGISTICS NETWORK LIMITED

and

NATIXIS

and

SF HOLDING LIMITED

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This Agreement is made on 29 March 2023, between:

- (1) **KERRY LOGISTICS NETWORK LIMITED** (the “**Issuer**”);
- (2) **NATIXIS**¹ (the “**Placing Agent**”); and
- (3) **SF HOLDING LIMITED** (the “**Subscriber**”).

The Issuer, the Placing Agent and the Subscriber wish to record the arrangements agreed between them in relation to an issue of HK\$780,000,000 in aggregate principal amount of 3.30 per cent. perpetual convertible securities (the “**Securities**”, which expression shall, where the context so admits, include Securities evidenced by a global certificate (the “**Global Certificate**”) initially representing the Securities). Definitive Certificates, if required to be issued, will be in registered form in the denomination of HK\$2,000,000 each and integral multiples thereof. The Securities will be convertible at the option of the holder thereof into fully paid ordinary shares of HK\$0.50 each of the Issuer (the “**Shares**”) at an initial conversion price of HK\$18.8 per Share pursuant to the Terms and Conditions of the Securities (the “**Conditions**”).

The Securities are being offered and sold in an institutional offering (the “**Offering**”) outside the United States in reliance on Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933 (the “**Securities Act**”).

1 ISSUE OF THE SECURITIES AND PUBLICITY

- 1.1 Agreement to Issue Securities:** The Issuer agrees to issue the Securities on the date falling 5 business days from the date on which all conditions precedent set forth in Clause 6 are satisfied (save for those conditions precedent which are only capable of being satisfied on the Closing Date itself) or such other date that the Issuer and the Subscriber may agree (the “**Closing Date**”) through the Placing Agent to the Subscriber. The Securities will be subscribed at a price equal to 100.00 per cent. of the principal amount of the Securities (the “**Issue Price**”).
- 1.2 The Contracts:** The Issuer will, not later than the Closing Date, enter into (and provide the Placing Agent and the Subscriber with a copy of) (1) a fiscal agency agreement (the “**Fiscal Agency Agreement**”) with China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the fiscal agent (the “**Fiscal Agent**”) and with China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the principal paying agent, conversion agent, transfer agent, registrar and the other agents appointed under it; and (2) a deed of covenant (the “**Deed of Covenant**”), each in a form reasonably satisfactory to the Placing Agent. The Securities will be issued pursuant to the Fiscal Agency Agreement and with the benefit of the Deed of Covenant. This Agreement, the Fiscal Agency Agreement and the Deed of Covenant are together referred to as the “**Contracts**”.
- 1.3 Conditions:** The Conditions shall be in the form set out in Schedule 1 to this Agreement, with such changes as may be agreed between the Issuer, the Placing Agent and the Subscriber.
- 1.4 Definitions and Interpretation:** In this Agreement the following expressions have the following meanings:

¹ incorporated in France and the liability of its members is limited.

“Principal Subsidiary” or **“Principal Subsidiaries”** has the meaning ascribed to such term in the Conditions;

“subsidiary” of any person means any company or other business entity which at any time has its accounts consolidated with such person or which, under HKFRS from time to time, should have its accounts consolidated with such person.

2 AGREEMENTS BY THE PLACING AGENT AND THE SUBSCRIBER

2.1 Placement: The Placing Agent, relying on the representations, warranties and undertakings herein contained and as hereinafter mentioned, agrees to use all reasonable efforts to procure the Subscriber to subscribe for the Securities on the Closing Date subject to, and in accordance with, the terms of this Agreement. The Issuer acknowledges and agrees that the engagement of the Placing Agent under this Agreement is not an agreement by it or any of its affiliates to underwrite, subscribe or purchase any securities or otherwise provide any financing. The Placing Agent shall not be under any obligation to purchase the Securities if the Subscriber has not itself subscribed or procured subscribers for any or all of the Securities. For the avoidance of doubt, the Issuer hereby acknowledges that the Placing Agent is not underwriting the placement of the Securities and, in no circumstances shall the Placing Agent be required to purchase the Securities as principal.

2.2 Subscription: Subject to the satisfaction (or waiver) of the conditions set forth in Clause 6, the Subscriber agrees to subscribe and pay for the Securities at the Issue Price on the Closing Date on the terms of this Agreement.

3 LISTING

3.1 Application for Listing: The Issuer confirms that it will make or cause to be made an application on its behalf for the Shares to be issued on conversion of the Securities (the **“New Shares”**) to be listed on The Stock Exchange of Hong Kong Limited (**“Hong Kong Stock Exchange”**).

3.2 Share Listing: The Issuer will use the best endeavours to maintain the listing of the Shares on the Hong Kong Stock Exchange, and to pay all fees and supply any and all documents, information and undertakings and publish all announcements or other material that may be necessary for such purpose. If, however, it is unable to maintain such listing, having used such endeavours, the Issuer will instead use the best endeavours to obtain and thereafter to maintain a listing for the Shares on such other stock exchange as it may decide.

4 REPRESENTATIONS, WARRANTIES, UNDERTAKINGS AND INDEMNITY

4.1 As at the date of this Agreement, the Issuer represents, warrants and undertakes to the Placing Agent and the Subscriber as follows:

4.1.1 the consolidated audited financial statements of the Issuer and its subsidiaries (together, the **“Group”**) as at and for the two years ended 31 December 2020 and 2021 were prepared in accordance with the Hong Kong Financial Reporting Standards (**“HKFRS”**) and with any applicable laws of Hong Kong, in each case consistently applied and present a true and fair view of the financial position of the Group as at those dates, and the consolidated results of operations of the Group for the periods in respect of which they have been prepared;

- 4.1.2 that each of the Issuer and its Principal Subsidiaries is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, each with full power and authority to own or lease its own properties and conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it; the Issuer has full power and authority to enter into and perform its obligations under the Securities and the Contracts to which it is a party, and the Issuer has taken all necessary action to authorise the same;
- 4.1.3 that the Securities, when duly executed, authenticated, issued and delivered in accordance with the Fiscal Agency Agreement and the Deed of Covenant, will constitute and in the case of the Contracts, constitute legal, valid, and binding obligations of the Issuer, enforceable in accordance with the terms thereof, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity;
- 4.1.4 that the execution and delivery of the Contracts and the issue of the Securities and the undertaking and performance by the Issuer of the obligations expressed to be assumed by it herein and therein and the issue of the New Shares on conversion of the Securities will not conflict with, or result in a breach of or default under, (i) the constitutional documents of the Issuer or any existing applicable law, rule or regulation having jurisdiction over the Issuer, its Principal Subsidiaries or any of their respective property or any judgment, order or decree of any government, governmental body or court having jurisdiction over the same or (ii) any agreement or other instrument or obligation to which the Issuer or any of its Principal Subsidiaries is a party or by which the Issuer or any part of its properties is bound, except (in the case of (ii) above) where such conflict, breach or default would not be material in the context of the issue of the Securities;
- 4.1.5 other than the shareholders' approval to be obtained at a general meeting of the Issuer, the issue of the Securities has been duly authorised by the Issuer and that the Securities (when issued) will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference of priority among themselves and at least equally with all of its other present and future unsecured and unsubordinated obligations, save for such exceptions as may be provided by mandatory provisions of applicable legislation;
- 4.1.6 other than the Hong Kong Stock Exchange or in respect of consummation of the other transactions referred to below after the Closing Date, such other stock exchange, having agreed to list the New Shares and any announcement, filing or registration in connection thereto, no consent, clearance, approval, authorisation order, registration or qualification of or with any court, governmental agency or regulatory body having jurisdiction over the Issuer is required and no other action or thing is required to be taken, fulfilled or done for the issue or offer of the Securities or the consummation of the other transactions contemplated by this Agreement, the Fiscal Agency Agreement and the Deed of Covenant except for those which have been, or will on or prior to the Closing Date be, obtained and are, or will on the Closing Date be, in full force and effect and those which would not be material in the context of the offering of the Securities;
- 4.1.7 all of the currently outstanding Shares have been duly listed on the Hong Kong Stock Exchange;

- 4.1.8 the Issuer is in compliance with and will comply with all applicable laws and the applicable requirements of the listing rules of the Hong Kong Stock Exchange with respect to the Shares and, to the extent that the Securities are accepted for listing by the Hong Kong Stock Exchange upon issue, the Issuer will comply with all applicable laws and the applicable requirements of the Hong Kong Stock Exchange in connection with the issue, offering and sale of the Securities;
- 4.1.9 the Issuer has or, prior to the Closing Date will have, sufficient authorised but unissued share capital to satisfy the issue of such number of New Shares;
- 4.1.10 the New Shares, if and when issued and delivered in the manner contemplated by the Securities:
- (i) will be duly and validly issued, fully-paid and non-assessable;
 - (ii) will rank *pari passu* and carry the same rights and privileges in all respects as any other class of ordinary share capital of the Issuer then outstanding; and
 - (iii) will be freely transferable, free and clear of all liens, charges, encumbrances, security interests or claims of third parties and will not be subject to calls for further funds;
- 4.1.11 Pre-emptive rights and options:
- (i) the issue of the New Shares will not be subject to any pre-emptive or similar rights;
 - (ii) other than the outstanding share options granted under ESOP (as defined below), there are no outstanding securities issued by the Issuer convertible into or exchangeable for Shares, or warrants, rights or options, to purchase or to subscribe for Shares from the Issuer;
 - (iii) except any of the Issuer's employee share option programmes as approved in accordance with the Hong Kong Stock Exchange Listing Rules and disclosed in the Issuer's latest published annual report ("**ESOP**"), there are no other or similar arrangements approved by the Board of Directors of the Issuer or a general meeting of shareholders of the Issuer providing for the issue or purchase of Shares or the subscription for Shares; and
 - (iv) except shares to be issued on the exercise of any options issued under the ESOP, no unissued share capital of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- 4.1.12 there are no pending actions, suits or proceedings against or affecting the Issuer or any of its Principal Subsidiaries or any of their properties, which are reasonably likely to be determined adversely to the Issuer or any of its Principal Subsidiaries and if so determined would individually or in the aggregate have a material adverse effect on the financial condition or trading position of the Issuer or the Group taken as a whole, or would materially and adversely affect the ability of the Issuer to perform its obligations under the Contracts, or which are otherwise material in the context of the issue of the Securities and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated;

- 4.1.13** since 31 December 2022, there are no material adverse change, or any development involving material adverse change, to the financial condition or trading position of the Issuer or the Group;
- 4.1.14** that neither the Issuer nor any of its Principal Subsidiaries is in breach or default under any agreement or deed or other instrument to which it is a party or which is binding on it or any of its assets to an extent or in a manner which has any adverse effect on the Issuer or the Group that is material in the context of the issue of Securities;
- 4.1.15** that the Issuer and its Principal Subsidiaries have such title to all properties and to all assets necessary to conduct the business free from liens, encumbrances (except those arising in the ordinary course of business or in connection with any loan or facility granted by any person) and title defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them;
- 4.1.16** that the Issuer and its Principal Subsidiaries possess certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Issuer or any of the Principal Subsidiaries, would affect the value of the assets of the Group taken as a whole or materially adversely impact the business operations of the Issuer or of its Principal Subsidiaries;
- 4.1.17** that each of the Issuer and its Principal Subsidiaries has in place all material policies of insurance customary for the conduct of its businesses and for compliance with all requirements of law, such policies are in full force and effect, and all premiums due and payable with respect thereto have been paid, and no notice of cancellation or termination has been received with respect to any such policy, and the Issuer and the Principal Subsidiaries have complied in all respects with the terms and conditions of such policies, except where such non-compliance would not be material in the context of the offering of the Securities;
- 4.1.18** that each of the Issuer and its Principal Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the requirements of HKFRS (in the case of the Issuer) or the generally accepted accounting principles of the jurisdiction of its incorporation (in the case of each of the Issuer's Principal Subsidiaries) and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorisation, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (v) the Issuer and each of the Principal Subsidiaries has made and kept books, records and accounts which, in reasonable detail, truly and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Issuer's consolidated financial statements in accordance with the applicable requirements of HKFRS (in the case of the Issuer) or (in the case of each of the Issuer's Principal Subsidiaries) generally accepted accounting principles of the jurisdiction of its incorporation; and the Issuer's current management information and accounting control system has been in operation since 1 January 2019 during which time the

Issuer has not experienced any material difficulties with regard to (i) to (v) (inclusive) above;

- 4.1.19 that so far as the Issuer is aware, neither the Issuer nor any member of the Group (i) is in violation of any law of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, “**Environmental Laws**”) or (ii) is subject to any claim relating to any Environmental Laws and the Issuer is not aware of any pending investigation which might lead to such a claim; save, in the case of each of the paragraphs (i) and (ii) above, for any exceptions that are not material in the context of the issue of the Securities;
- 4.1.20 the Issuer has not made any repurchases of shares (as defined in the Hong Kong Stock Exchange Listing Rule 10.06(6)(c)) in the 30 day period prior to the date of this Agreement;
- 4.1.21 with respect to all announcements made by the Issuer since 1 January 2019 on the Hong Kong Stock Exchange, (i) all statements contained therein were in every material particular true and accurate and not misleading; (ii) all opinions and intentions expressed in them were honestly held, were reached after considering all relevant circumstances and were based on reasonable assumptions; and (iii) there were no other facts omitted so as to make any such statement or expression in any of the announcements misleading in any material respect or which would or might have been material in the context in which the announcements were made;
- 4.1.22 all information (whether written, electronic or in any other form) supplied or disclosed including, without limitation, the answers and documents provided at due diligence meetings (and any new or additional information serving to update or amend such information supplied or disclosed in writing by the Issuer to the Placing Agent, the Subscriber and their respective professional advisers) is true and accurate in all material respects;
- 4.1.23 the Issuer has disclosed all non-public information regarding the financial or trading position, earnings or business affairs of Group as at the date this representation is given or deemed repeated pursuant to Clause 4.3, which is relevant and materially adverse in relation to the Issuer and the Group, in the context of the offering of the Securities;
- 4.1.24 that all payments of principal, interest and other amounts in respect of the Securities made to holders of the Securities who are non-residents of Bermuda will be made without withholding for or deduction of any taxes or duties imposed or levied by or on behalf of Bermuda or any political subdivision or any authority thereof or therein having the power to tax;
- 4.1.25 neither the Issuer nor any person acting on its behalf, (other than the Placing Agent, the Subscriber and their respective affiliates, as to whom no representation or warranty is made or given by the Issuer) has taken or will take, directly and indirectly, any action designed to cause or to result in, or that has constituted or which would reasonably be expected to cause or result in, the stabilisation in violation of applicable laws or manipulation of the price of any security to facilitate the sale or resale of Securities;

- 4.1.26 (i) none of the Issuer or any member of the Group, directors, officers nor, to the best of the knowledge of the Issuer, any employee, agent, controlled affiliate or representative or any person acting on behalf, at the direction or in the interest of the Issuer or any member of the Group, is an individual or entity (a “**Person**”), or is owned or controlled a Person that is: (A) the subject or the target of any sanctions administered or enforced by the U.S. Government (including without limitation the U.S. Department of Treasury’s Office of Foreign Assets Control (“**OFAC**”)), the United Nations Security Council, the European Union, Switzerland, His Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**”), (B) owned 50 per cent. or more by or otherwise controlled by, or acting on behalf of one or more Persons referenced in clause (A) above, nor (C) organized or resident in a country or territory that is the subject or the target of Sanctions (including, without limitation, the Crimea region of the Ukraine, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, Cuba, Iran, North Korea and Syria) (“**Sanctioned Countries**” and each such country, a “**Sanctioned Country**”); (ii) for the past three years, neither it nor any other member of the Group have knowingly engaged in, are now knowingly engaged in, and will or intend to engage in, any dealings or transactions (A) in any Sanctioned Country; (B) with any Specially Designated National (“**SDN**”) on OFAC’s SDN list or with a designated person targeted by asset freeze sanctions imposed by the United Nations Security Council, the European Union, Switzerland, His Majesty’s Treasury, or other relevant sanctions authority or (C) with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions; (iii) the Issuer and each other member of the Group have instituted and maintain policies and procedures designed to prevent violations of Sanctions (by the Issuer and any other member of the Group and by persons associated with the Issuer and any other member of the Group); and (iv) the Issuer and each other member of the Group neither know nor have reason to believe that any of them are or may become subject to Sanctions-related investigations or juridical proceedings;
- 4.1.27 that neither the Issuer, any member of the Group, director, officer, nor, to the best of the knowledge and belief of the Issuer, any agent, employee, controlled affiliates or other person acting on behalf of the Issuer or any member of the Group, is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of:
- (i) the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “**FCPA**”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA;
 - (ii) the U.K. Bribery Act of 2010, as amended; or
 - (iii) any provision of equivalent laws of Bermuda, Hong Kong, the People’s Republic of China (the “**PRC**”) or any other jurisdiction in which the Issuer or any member of the Group conducts its business or operations to the extent

applicable to them, and, the Issuer, each other member of the Group and to the best of the knowledge of the Issuer, its controlled affiliates have conducted their businesses in compliance with the FCPA, the U.K. Bribery Act of 2010 and such other equivalent laws to the extent applicable to them and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith;

- 4.1.28 that the operations of the Issuer and other members of the Group are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Bermuda and of all jurisdictions in which the Issuer and the those members of the Group conduct business issued, administered or enforced by any governmental agency, the rules and regulations thereunder and any related or similar rules, regulations administered or enforced by any governmental or regulatory agency (collectively, “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any other member of the Group with respect to Money Laundering Laws is outstanding and, to the best of the Issuer’s knowledge, no such actions, suits or proceedings are pending, threatened or contemplated, except where breach of this provision would not be material in the context of the offering of the Securities;
- 4.1.29 that the Issuer is a foreign issuer (as defined in Rule 902(e) under the Securities Act) and that none of the Issuer, any of its affiliates, or any persons acting on any of their behalf (other than any Placing Agent, the Subscriber and their respective affiliates, as to whom no representation or warranty is made or given by the Issuer), has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Securities or the Shares to be issued upon conversion of the Securities;
- 4.1.30 the Issuer reasonably believes that there is no substantial U.S. market interest (as defined in Regulation S under the Securities Act) in the debt securities of the Issuer or in the Shares or any securities of the same class or series as the Shares; and
- 4.1.31 no registration of the Securities under the Securities Act will be required for the offer, sale and delivery of the Securities by the Placing Agent in the manner contemplated by this Agreement.

4.2 Representations and Warranties by the Subscriber: The Subscriber represents and warrants to the Issuer and the Placing Agent that:

- 4.2.1 **Offshore Transaction:** the Subscriber is not in the United States and is purchasing the Securities outside the United States in an offshore transaction (as defined in Regulation S under the Securities Act);
- 4.2.2 **U.S. Securities laws:** the Subscriber understands the relevant securities laws applicable in the jurisdiction outside the United States in which the Subscriber is resident (the “**Non-U.S. Jurisdiction**”) that would apply to the acquisition of the Securities;
- 4.2.3 **Capacity:** it has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto; it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation; and all

necessary consents, authorisations, approvals by its directors, shareholders and other relevant authorities have been obtained to authorise the execution and performance of this Agreement on behalf of the Subscriber. All necessary registrations and filings with any governmental or regulatory agency or body required in connection with the Subscriber for or in connection with this Agreement and the Securities and the performance of the terms thereof by the Subscriber have been obtained;

4.2.4 No default: the entry into of this Agreement by the Subscriber and the transactions contemplated hereby does not and will not result in the violation of (i) any law applicable to, or (ii) the constitutional documents of, the Subscriber or (iii) any agreement to which the Subscriber is a party or by which the Subscriber is bound;

4.2.5 Enforceability: the Subscriber has duly executed and delivered this Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms except as such enforceability may be limited under applicable bankruptcy or insolvency laws or similar laws affecting the rights of creditors generally;

4.2.6 Distribution: the Subscriber is acquiring the Securities for investment for its own account and has no intention to distribute either directly or indirectly any of the Securities in a manner that would be in violation of the Securities Act or in any jurisdiction (except under circumstances that will be in compliance with applicable laws in such jurisdiction);

4.2.7 Offering: the Subscriber understands that no offering circular or prospectus will be prepared in connection with the offer and sale of the Securities and that no action has been taken by the Issuer to permit a public offering of the Securities in any jurisdiction where such action or compliance will be required for such purposes; and

4.2.8 Investments: the Subscriber understands that by its purchase or holding of the Securities the Subscriber is assuming and is capable of bearing the risk of loss that may occur with respect to the Securities, including the possibility that the Subscriber may lose all or a substantial portion of its investment in the Securities.

4.3 Repetition: Subject to Clause 10, the representations, warranties and undertakings contained in, or given pursuant to, Clauses 4.1 and 4.2 shall be deemed to have been repeated at the Closing Date taking into account facts and circumstances subsisting at such date.

4.4 Blocking Regulation: The following provisions shall only be sought and given for the benefit of a Placing Agent if and to the extent that doing so would be permissible for such Placing Agent pursuant to Council Regulation (EC) No 2271/96 of 22 November 1996 (the “**EU Blocking Regulation**”) (or any law or regulation implementing the EU Blocking Regulation in any member state of the European Union):

4.4.1 Clause 4.1.22 and Clause 4.1.26 (solely when the representations and warranties therein are given on any date after the date of this Agreement); and

4.4.2 Clause 5.10,

and Clauses 6.1.2, 10.1.1 and 11 shall (insofar as they relate to the above-mentioned Clauses only) be construed accordingly.

4.5 Indemnity:

- 4.5.1** The commitment of the Placing Agent and the Subscriber under this Agreement is being made on the basis of the foregoing representations and warranties and agreements of the Issuer with the intention that such representations and warranties shall remain true and accurate in all respects up to and including the Closing Date and that the agreements shall have been performed on or before the Closing Date. The Issuer undertakes to pay to the Placing Agent or the Subscriber, as the case may be, on demand an amount which on an after tax basis is equal to any liability, damages, cost, loss or expense (including, without limitation, properly incurred legal fees, costs and expenses) (a “**Loss**”) reasonably incurred by it or any of its affiliates and each of their respective directors, officers, employees and agents and each person who controls them (within the meaning of Section 15 of the Securities Act) (each a “**Relevant Party**”) arising out of, in connection with, or based on:
- (i) any breach of the representations, warranties and undertakings contained in, or made or deemed to be repeated by the Issuer under, this Agreement or in any certificate provided by the Issuer under this Agreement; or
 - (ii) the failure by the Issuer or any member of the Group or any of their respective directors or officers to comply with any requirements of statute or regulation in relation to the Offering.
- 4.5.2** Loss shall include (without limitation) all Losses which an Relevant Party may incur in investigating, preparing, disputing or defending, or providing evidence in connection with, any litigation, claim, action, proceeding, investigation, demand, judgment or award (each a “**Claim**”) (whether or not the Relevant Party is an actual or potential party to such Claim) or in establishing any Claim or mitigating any Loss on its part or otherwise enforcing its rights under this Clause 4.5, which shall be additional and without prejudice to any rights which the Relevant Party may have at common law or otherwise.
- 4.5.3** This undertaking to make payment will be in addition to any liability that the Issuer may otherwise have.
- 4.5.4** The Placing Agent shall not have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 4.5.
- 4.5.5** In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the Issuer under this Clause 4.5, the Placing Agent shall promptly notify the Issuer in writing but failure to do so will not relieve the Issuer from any liability under this Agreement.
- 4.5.6** For the purposes of this Clause 4.5, “control” includes through the means set out in Section 15 of the Securities Act.

5 UNDERTAKINGS OF THE ISSUER

The Issuer undertakes with the Placing Agent and the Subscriber that:

5.1 Taxes: the Issuer will pay:

- (i) any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties in Bermuda, Hong Kong, the PRC, the Grand Duchy of Luxembourg or Belgium and all other relevant jurisdictions payable on or in

connection with the creation, issue and offering of the Securities or the execution or delivery of the Contracts; and

- (ii) in addition to any amount payable by it under this Agreement, any applicable value added, service, turnover or similar tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it);

- 5.2 Warranties:** the Issuer will forthwith notify the Placing Agent and the Subscriber if at any time prior to payment of the subscription moneys to the Issuer on the Closing Date anything occurs which renders or may render untrue or incorrect in any respect any of its representations, warranties, agreements and indemnities herein and will forthwith take such steps as the Placing Agent and the Subscriber may require to remedy and/or publicise the fact;
- 5.3 Conversion:** the Issuer will issue, in accordance with the terms and conditions of the Securities, New Shares (which rank *pari passu* with the other Shares then outstanding) free and clear of all liens, claims, charges, security, encumbrances or like interests upon conversion of the Securities pursuant to the Conditions;
- 5.4 Conversion Price:** (i) between the date hereof and the Closing Date (both dates inclusive), neither the Issuer nor any person acting on its behalf will take, directly or indirectly, any action designed to or which constitutes or which might reasonably be expected to cause or result in an adjustment of the initial conversion price of the Securities and (ii) the Issuer will not take any action that would reduce the conversion price of the Securities below a level that may be prescribed by applicable laws and regulations from time to time (if any);
- 5.5 Approvals and Filing:** the Issuer will use all reasonable endeavours to obtain all approvals and consents and promptly make all notifications, registrations and filings as may from time to time be required in relation to the Securities and/or the New Shares;
- 5.6 Clearing Systems:** the Issuer shall co-operate with the Placing Agent and the Subscriber and use all reasonable endeavours to permit the Securities to be eligible for clearance and settlement through the facilities of Euroclear Bank SA/NV and Clearstream Banking S.A.;
- 5.7 Use of Proceeds:** the Issuer shall use the net proceeds from the issue of the Securities for working capital and general corporate purposes and repayment of debt indebtedness;
- 5.8 Announcements:** between the date hereof and the Closing Date (both dates inclusive), the Issuer will notify and consult with the Placing Agent and the Subscriber (unless prevented by applicable law or regulations or requirements of any relevant stock exchange) prior to issuing any announcement concerning, or which could be material in the context of, the offering and distribution of the Securities, and shall take into account such requests as the Placing Agent and the Subscriber shall reasonably make with respect to such announcements, provided that nothing herein shall restrict the Issuer from issuing any announcement concerning its results for the year ended 31 December 2022 without notifying and/or consulting the Placing Agent and the Subscriber;
- 5.9 Section 3(a)(9) Compliance:** in connection with the conversion of the Securities into the Shares, neither the Issuer nor any person acting on its behalf will take any action which would result in the Shares being exchanged by the Issuer other than with the Issuer's existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange; and

- 5.10 Sanctions:** Neither the Issuer nor any other member of the Group will directly or indirectly use the proceeds of the offering of the Securities, or lend, contribute or otherwise make available all or part of such proceeds to any subsidiary, joint venture partner or other person, for the purpose of financing the activities of or business with any Person currently subject to any Sanctions or operating in any country or territory that is the subject of Sanctions where such operations are in violation of such Sanctions or in any other manner that would result in a violation by any person (including any person participating in the offering, whether as underwriter, adviser, investor or otherwise) of Sanctions.

6 CONDITIONS PRECEDENT

- 6.1** The obligations of the Placing Agent to place the Securities and the Subscriber to subscribe and pay for the Securities are conditional on:
- 6.1.1 Other Contracts:** the execution and delivery (on or before the Closing Date) of the other Contracts, each in a form reasonably satisfactory to the Placing Agent and the Subscriber, by the respective parties;
 - 6.1.2 Compliance:** at the Closing Date there having been delivered to the Placing Agent and the Subscriber a certificate in the form attached as Schedule 2, dated as of such date, of a duly authorised officer of the Issuer;
 - 6.1.3 Other consents:** on or prior to the Closing Date there shall have been delivered to the Placing Agent and the Subscriber copies of all consents and approvals including (i) the Issuer's board resolutions held on 28 March 2023, and (ii) the Issuer's shareholders resolutions passed in its extraordinary general meeting (the "**Shareholders Resolutions**") required in relation to the issue of the Securities and the performance of the Issuer's obligations under the Fiscal Agency Agreement, the Deed of Covenant and the Securities;
 - 6.1.4 Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares (or, the Placing Agent and the Subscriber being reasonably satisfied that such listing will be granted);
 - 6.1.5 Material adverse change:** at the Closing Date in respect of the Securities there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the financial or trading position, earnings or business affairs of the Group as a whole, which, in the opinion of the Placing Agent and the Subscriber (following consultation with the Issuer to the extent practicable in the circumstances), is material and adverse and which be likely to prejudice materially the success of the Offering and distribution of the Securities or dealings in the Securities in the secondary market;
 - 6.1.6 Legal opinions:** on or before the Closing Date, there having been delivered to the Issuer Linklaters' English law opinion, in form and substance reasonably satisfactory to the Issuer, dated the Closing Date; and
- 6.2 Waiver:** The Placing Agent and the Subscriber may, at their discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of this Clause 6 (other than 6.1.1).

7 CLOSING

- 7.1 Issue of the Securities:** At 5:00pm (Hong Kong time) (or such other time as may be agreed by the Placing Agent, the Subscriber and the Issuer) on the Closing Date, the Issuer will

issue the Securities and procure the entry in the register of Securityholders of the name of the Subscriber to be the holder of the Securities and will deliver to the Placing Agent or its order in such place as the Placing Agent may require the Global Certificate duly executed and authenticated representing the aggregate principal amount of the Securities. Delivery of the Global Certificate and completion of the register of Securityholders shall constitute the issue and delivery of the Securities;

- 7.2 Payment:** The Subscriber will pay or cause to be paid to the Issuer the gross subscription moneys for the Securities (being the aggregate amount payable for the Securities calculated at the Issue Price). Such payment shall be made in Hong Kong dollars for value on the Closing Date to such Hong Kong dollar account as shall be notified by the Issuer to the Subscriber not later than one day prior to the Closing Date, evidence of such payment taking the form of a confirmation from the Subscriber that it has made such payment. The parties acknowledge that closing will be conducted on a free of payment basis.

8 PLACING AGENT FEE

In consideration of the agreement by the Placing Agent to act as placing agent under this Agreement, the Issuer agrees to pay to the Placing Agent such placing agent fee of US\$120,000, which shall be paid no later than 60 days after the Closing Date.

9 EXPENSES

- 9.1 General Expenses:** The Issuer agrees to pay:

- (i) all costs and expenses in connection with (a) the Contracts and all other documents relating to the issue of the Securities, (b) the initial delivery and distribution of the Securities, (c) the listing of the New Shares, (d) all advertising in relation to the issue of the Securities approved by the Issuer and the Placing Agent, and (e) the fees and expenses of its own legal and other professional advisers and other third parties appointed by it in connection with the issue of the Securities; and
- (ii) the fees and expenses of the Fiscal Agent and the other agents and parties appointed under the Fiscal Agency Agreement in relation to the preparation and execution of the Contracts, the issue, authentication and settlement of the Securities and the performance of their duties under the Contracts.

- 9.2 Placing Agent's Expenses:** In addition, the Issuer will reimburse the costs and expenses of the Placing Agent in connection with the issue of the Securities, including the fees and expenses of the travelling, telecommunications, postage and other out-of-pocket expenses.

- 9.3 Payment:** All payments due under this Agreement are to be made in Hong Kong dollars and are stated exclusive of any applicable tax whether withholding taxes, value added taxes, goods and services taxes, business or services taxes or similar taxes other than taxes imposed in respect of net income by a taxing jurisdiction wherein the recipient is incorporated or resident for tax purposes ("**Taxes**"). If any deduction or withholding for or on account of Taxes is required to be made from any payment to the Placing Agent, then the Issuer shall pay an additional amount so that the Placing Agent receive, free from any such withholding, deduction, assessment or levy, the full amount of the payments set out herein. The Issuer shall make appropriate payments and returns in respect of such Taxes and provide the Placing Agent with an original or authenticated copy of the tax receipt.

10 TERMINATION

10.1 Ability to Terminate: Notwithstanding anything contained in this Agreement, the Subscriber may, by notice to the Issuer given at any time prior to payment of the subscription monies for the Securities to the Issuer, terminate this Agreement in any of the following circumstances:

- 10.1.1** if there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in this Agreement or any failure to perform any of the Issuer's undertakings or agreements in this Agreement, except any non-performance of undertakings or agreements which would not be material in the context of the offering of the Securities;
- 10.1.2** if there shall have occurred, since the date of this Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in the Subscriber's view be likely to prejudice materially the success of the Offering and distribution of the Securities or dealings in the Securities in the secondary market;
- 10.1.3** if there shall have occurred a general moratorium on commercial banking activities in the United Kingdom or United States or Hong Kong by any United Kingdom, New York State, United States Federal or Hong Kong authorities which would in the Subscriber's view be likely to prejudice materially the success of the Offering and distribution of the Securities or dealings in the Securities in the secondary market;
- 10.1.4** if on or after the date hereof, there shall have occurred any of the following events:
 - (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc and/or the Hong Kong Stock Exchange; or
 - (ii) a suspension in trading in the Issuer's securities on the Hong Kong Stock Exchange (save in circumstances in which suspension is temporary or routine in nature), which would in the Subscriber's view be likely to prejudice materially the success of the Offering and distribution of the Securities or dealings in the Securities in the secondary market; or
- 10.1.5** if there shall have occurred an outbreak or escalation of hostilities or terrorism which would in the Subscriber's view be likely to prejudice materially the success of the Offering and distribution of the Securities or dealings in the Securities in the secondary market.

10.2 Consequences of Termination: Upon such notice being given this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that the Issuer shall remain liable under Clause 4.5 and remain liable for the payment of all costs and expenses referred to in Clause 9 already incurred or incurred in consequence of such termination and the respective obligations of the parties under Clause 11 which would have continued had the arrangements for the subscription and issue of the Securities been completed, shall continue.

11 SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS

The representations, warranties, agreements, undertakings and indemnities in this Agreement shall continue in full force and effect despite completion of the arrangements for the subscription and issue of the Securities or any investigation made by or on behalf of the Placing Agent or the Subscriber.

12 COMMUNICATIONS

- 12.1 Addresses:** Any communication shall be given by letter or fax in the case of notices to the Issuer, to it at:

Kerry Logistics Network Limited

16/F Kerry Cargo Centre,
55 Wing Kei Road,
Kwai Chung, Hong Kong

Attention: Company Secretary
Email: Prudence.Lee@kln.com

in the case of notices from the Issuer, to the Placing Agent at:

Natixis

7, promenade Germaine Sablon Paris 75013 Paris, France

Fax No.: +852 3915 1201

Attention: Legal Department – CIB / Fixed Income and Credit Issues

and in the case of notices from the Issuer, to the Subscriber at:

SF Holding Limited

25/F, Caixun Technology Building,
No. 3176 Keyuan South Road,
Nanshan District, Shenzhen,
Guangdong Province,
518057 P. R. China

Fax no.: +86 755 3639 0017

Attention: OOI BEE TI , LON WAI SEE , Jerry Tse

- 12.2 Effectiveness:** Any such communication shall take effect, in the case of a letter, at the time of delivery or, in the case of fax, at the time of despatch.
- 12.3 Confirmations:** Any communication not by letter shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

13 CURRENCY INDEMNITY

- 13.1 Currency of Account and Payment:** Hong Kong dollars (the “Contractual Currency”) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Agreement, including damages.
- 13.2 Extent of discharge:** An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise), by the Placing Agent or the Subscriber in respect of any sum expressed to be

due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

13.3 Indemnity: If that Contractual Currency amount which the recipient was able to purchase is less than the Contractual Currency amount expressed to be due to the recipient under this Agreement, the Issuer will indemnify it against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

13.4 Indemnity separate: The indemnities in this Clause 13 and in Clause 4.5 constitute separate and independent obligations from the other obligations in this Agreement, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Placing Agent or the Subscriber and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Agreement or any other judgment or order.

14 MIFID II PRODUCT GOVERNANCE

14.1 Solely for the purposes of the requirements of Article 9(8) of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**Product Governance Rules**”) regarding the mutual responsibilities of manufacturers under the Product Governance Rules:

14.1.1 Natixis (the “**Manufacturer**”) acknowledges that it understands the responsibilities conferred upon it under the Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Securities and the related information set out in any announcements in connection with the Securities; and

14.1.2 the other parties to this Agreement note the application of the Product Governance Rules and acknowledge the target market and distribution channels identified as applying to the Securities by the Manufacturer and the related information set out in any announcements in connection with the Securities.

15 ARTICLE 55 CONTRACTUAL RECOGNITION OF EU BAIL-IN POWERS

15.1 Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements, or understanding between Natixis (“**BRRD Party**”) and the Issuer, the Issuer acknowledges and accepts that a BRRD Liability arising under this Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

15.1.1 the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of the BRRD Party to the Issuer under this Agreement, that (without limitation) may include and result in any of the following, or some combination thereof:

- (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
- (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the BRRD Party or another person, and the issue to or conferral on the Issuer of such shares, securities or obligations;

- (iii) the cancellation of the BRRD Liability;
- (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period;

15.1.2 the variation of the terms of this Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

15.2 For the purposes of Clause 15.1:

“Bail-in Legislation” means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time;

“Bail-in Powers” means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation;

“BRRD” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

“BRRD Liability” means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised;

“EU Bail-in Legislation Schedule” means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/pages.aspx?p=499>; and

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any Bail-in Powers in relation to the BRRD Party.

16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

17 GOVERNING LAW AND JURISDICTION

17.1 Governing law: This Agreement, as to which time shall be of the essence, and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

17.2 Jurisdiction:

17.2.1 The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement (**“Proceedings”**) may be brought in such courts. Each of the parties hereto irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

17.2.2 The Issuer agrees to receive service of process in any Proceedings in Hong Kong in relation to this Agreement at its principal place of business in Hong Kong, currently

at 16/F, Kerry Cargo Centre, 55 Wing Kei Road Kwai Chung, New Territories, Hong Kong. If for any reason the Issuer no longer has an address in Hong Kong, the Issuer shall forthwith appoint an agent for service of process in Hong Kong and deliver to the Subscriber and the Placing Agent a copy of the new agent's acceptance of that appointment within 30 days. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

18 WAIVER OF IMMUNITY

To the extent the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the competent jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any competent jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement, the Issuer hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consent to such relief and enforcement.

19 FINANCIAL INSTITUTIONS

The Placing Agent and its affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. The Placing Agent and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associates from time to time. The Placing Agent and its affiliates have received, and may in the future receive, customary fees and commissions for these transactions. In addition to the transactions noted above, the Placing Agent and its affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its subsidiaries, jointly controlled entities or associates in the ordinary course of its business. In addition, the Placing Agent and certain of its subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisors.

20 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

21 ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto.

This Agreement has been entered into on the date stated at the beginning.

KERRY LOGISTICS NETWORK LIMITED

By: Ma Wing Kai William

A handwritten signature in black ink, appearing to be 'Ma Wing Kai William', written in a cursive style.

NATIXIS

By:



Samuel Wong
Head of Debt Capital Markets, Greater China

By:



Yves Shen
Head of Debt Capital Markets, Asia Pacific

SF HOLDING LIMITED

By:

A handwritten signature in black ink, consisting of a large, stylized capital 'S' followed by a capital 'H' and a capital 'L'.

SCHEDULE 1
TERMS AND CONDITIONS OF THE SECURITIES

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Securities which will appear on the reverse of each of the definitive certificates evidencing the Securities:

The issue of the HK\$780,000,000 in aggregate principal amount of 3.30 per cent. perpetual convertible securities (the “Securities”, which term shall include, unless the context requires otherwise, any further securities issued in accordance with Condition 15 and consolidated and forming a single series therewith) of Kerry Logistics Network Limited (the “Issuer”) and the right of conversion into Shares (as defined in Condition 6(A)(iv)) was authorised by the board of directors of the Issuer on 28 March 2023. The Securities are issued pursuant to a fiscal agency agreement (as amended or supplemented from time to time, the “Fiscal Agency Agreement”) dated on or about [insert the Issue Date] 2023 (the “Issue Date”) entered into between the Issuer, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), as fiscal agent (the “Fiscal Agent”), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), as paying, conversion and transfer agent (each a “Paying Agent”, “Conversion Agent” and “Transfer Agent”), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “Registrar”) and the other paying, conversion and transfer agents appointed under it (and together, the Fiscal Agent, Paying Agent, Conversion Agent, Transfer Agent and Registrar and any successor or other agent or agents appointed from time to time with respect to the Securities shall be referred to as, the “Agents”) and with the benefit of a deed of covenant (as amended or supplemented from time to time, the “Deed of Covenant”) dated on or about the Issue Date executed by the Issuer. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection upon prior written request and satisfactory proof of holding and identity during usual business hours (being between 9:00 a.m. and 3:00 p.m. from Monday to Friday other than a public holiday) at the principal office of the Fiscal Agent being at the Issue Date at 20/F, CCB Tower, 3 Connaught Road Central, Hong Kong. The Securityholders are deemed to have notice of all the provisions of the Fiscal Agency Agreement and the Deed of Covenant applicable to them.

Unless otherwise defined, terms used in these Conditions have the meanings specified in the Fiscal Agency Agreement. In these Conditions, “Securityholder” and (in relation to a Security) “holder” mean the person in whose name a Security is registered.

1 Form, Denomination and Title

(A) Form and Denomination

The Securities are in registered form in the denomination of HK\$2,000,000 (an “Authorised Denomination”) and integral multiples thereof. A certificate (each a “Certificate”) will be issued to each Securityholder in respect of its registered holding of Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Securityholders (the “Register”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Securities will be represented by a Global Certificate registered in the name of a nominee of, and deposited with a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). The Conditions are modified by certain provisions contained in the Global Certificate. See “The Global Certificate”. Except in the limited circumstances described in the Global Certificate, owners of interests in Securities represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Securities. The Securities are not issuable in bearer form.

(B) Title

Title to the Securities will pass only by transfer and registration in the Register as described in Condition 3. The holder of any Security will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

2 Status

The Securities constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to Condition 4, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.

3 Transfers of Securities; Issue of Certificates

(A) Register

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

(B) Transfer

Securities may, subject to Conditions 3(E) and 3(F) and the terms of the Fiscal Agency Agreement, be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or such Transfer Agent may require to prove the title of the transfer and the authority of the individuals who have executed the form of transfer. In the case of a transfer of part only of a holding of Securities (being that of one or more Securities) represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Securities to a person who is already a holder of Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of a Security will be valid unless and until entered on the Register. A Security may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

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

(C) Delivery of New Certificates

Each new Certificate to be issued upon a transfer of Securities will, within seven business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the

Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Securities (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer.

Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Securities will not be entitled to receive physical delivery of Certificates.

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

For the purposes of this Condition 3 and Condition 6, "business day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the relevant Transfer Agent, with whom a Certificate is deposited in connection with a transfer or conversion, is located.

(D) Formalities Free of Charge

Subject to Conditions 3(E) and 3(F), registration of a transfer of Securities and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require).

(E) Restricted Transfer Periods

No Securityholder may require the transfer of a Security to be registered (a) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (b) after a Conversion Notice (as defined in Condition 6(B)(i)) has been delivered with respect to a Security; (c) after a Relevant Event Put Exercise Notice (as defined in Condition 8(H)) has been deposited in respect of such Security pursuant to Condition 8(H); or (d) during the period of seven days ending on (and including) any Distribution Record Date (as defined in Condition 7(A)). Each such period is a "Restricted Transfer Period".

(F) Regulations

All transfers of Securities and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Securities scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Fiscal Agent. A copy of the current regulations will be made available for inspection during usual business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays) by the Registrar to any Securityholder upon prior written request and satisfactory proof of holding and identity.

4 Negative Pledge

So long as any Security remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer shall not create or permit to subsist, and the Issuer will procure that no Principal Subsidiary (as defined below) other than a Listed Subsidiary or any of the Listed Subsidiaries' Subsidiaries creates or permits to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest other than liens arising by operation of law ("Security Interests") upon the whole or any part of its undertaking, assets or revenues, present or future ("Assets"), to secure any Relevant Indebtedness (as defined below) or to secure any guarantee of or indemnity in respect of, any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Securities and the Deed of Covenant, (i) are secured equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement shall deem to be not materially less beneficial to the Securityholders or as shall be approved by an Extraordinary Resolution of the Securityholders.

The restrictions contained in the preceding paragraph of this Condition 4 shall not apply to:

- (a) any Security Interest over any Assets acquired after the Issue Date by the Issuer or any of its Subsidiaries where such Security Interest is created solely for the purpose of securing an issue of Relevant Indebtedness all or substantially all of the proceeds of which are used to finance the acquisition of such Assets by the Issuer or such Subsidiary, as the case may be; or
- (b) any Security Interest for the benefit of the holders of any Relevant Indebtedness in respect of the Assets of any Subsidiary of the Issuer existing at the time it becomes a Subsidiary of the Issuer.

In these Conditions:

"Auditor" means the auditor for the time being of the Issuer or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the terms of the Fiscal Agency Agreement or these Conditions, such other firm of certified accountants of internationally recognised standing as the Issuer may nominate and notify in writing to the Securityholders for the purpose;

"HKFRS" means Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;

"Listed Subsidiary" means any Subsidiary of the Issuer the shares of which are at the relevant time listed on any stock exchange;

"Principal Subsidiary" means, at any time during the subsistence of the Securities, any Subsidiary of the Issuer:

- (i) whose net assets or (in the case of a Subsidiary which itself has subsidiaries) consolidated net assets (as consolidated into the latest published audited consolidated statement of financial position of the Issuer and its Subsidiaries) as shown by its latest audited statement of financial position exceeds 5 per cent. of the consolidated net assets of the Issuer and its Subsidiaries as shown by the then latest published audited consolidated statement of financial position of the Issuer and its Subsidiaries; or
- (ii) whose profit before taxation or (in the case of a Subsidiary which itself has subsidiaries) consolidated profit before tax, as shown by its latest audited income statement are at least 5 per cent. of the consolidated profit before taxation as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries; or
- (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Principal Subsidiary.

For the purpose of the above calculations, (I) in the case of a Subsidiary of the Issuer which is not wholly owned, directly or indirectly, by the Issuer, the respective net assets and profit before taxation of any such Subsidiary shall be deemed to be the product of such Subsidiary's respective net assets and profit before taxation and, in each case, the percentage beneficial interest that the Issuer holds, directly or indirectly, in the ordinary voting share capital of such Subsidiary; and (II) the consolidated net assets or consolidated profit before taxation (as the case may be) of the Issuer and its Subsidiaries as shown by the then latest published audited consolidated financial statements of the Issuer and its Subsidiaries shall be prepared in conformity with HKFRS. The net assets (or consolidated net assets) or profit before taxation (or consolidated profit before taxation) of each Subsidiary as shown by their own audited financial statements shall be adjusted as appropriate in conformity with HKFRS to reflect net assets (or consolidated net assets in the case of a Subsidiary which itself has subsidiaries) or profit before taxation (or consolidated profit before taxation in the case of a Subsidiary which itself has subsidiaries) of any company which has become or ceased to be a Subsidiary of the Issuer after the end of the financial period to which such financial statements relate.

A report by the Auditor or a leading investment bank of international repute selected by the Issuer, acting as expert, that, in its reasonable opinion, a Subsidiary is or is not or was or was not at any particular time a Principal Subsidiary shall be conclusive and binding on all parties concerned. References to the audited financial statements of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated financial statements of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such financial statements is required by law to be produced, to pro forma financial statements, prepared for the purpose of such report. References to "net assets" and "profit before taxation" shall include references to equivalent items in the relevant financial statements as determined by the Auditor or the investment bank;

"Relevant Indebtedness" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or such other similar securities which are for the time being, or are issued with the intention on the part of the Issuer or the Issuer of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market (and for the avoidance of doubt, shall not include indebtedness under any loan, loan facility or credit agreement obtained by the Issuer or any of its Subsidiaries); and

a "Subsidiary" or "subsidiary" of a person means any company or other business entity which at any time has its accounts consolidated with such person or which, under HKFRS from time to time, should have its accounts consolidated with such person

5 Distributions

(A) Accrual of Distribution

Subject to Condition 5(C), the Securities confer a right to receive distribution (each a "Distribution") from the Issue Date at the Distribution Rate in accordance with this Condition 5. Subject to Condition 5(C), Distribution shall be payable on the Securities semi-annually in arrear in equal instalments of HK\$33,000 per Calculation Amount (as defined below) on [●] and [●] of each year (each, a "Distribution Payment Date"), with the first Distribution Payment Date falling on *[Insert the date falling six months after the Issue Date]*.

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution (1) where the Conversion Right attached to it shall have been exercised, from and including the Distribution Payment Date immediately preceding its Conversion Date or, if none, the Issue Date (without prejudice to the provision under Condition 5(C)(v)) subject to conversion of the relevant Security in accordance with the provisions of Condition 6 or (2) where such Security is redeemed, from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, Distribution will continue to accrue at the

applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of (a) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Securityholder and (b) the day which is seven days after the Fiscal Agent has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Conditions).

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

Distribution in respect of any Security shall be calculated per HK\$2,000,000 in principal amount of the Securities (the “Calculation Amount”). The amount of Distribution payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the Distribution Rate, the Calculation Amount and the actual number of days in the Distribution Period for the relevant period divided by 365, rounding the resulting figure to the nearest cent (half a Hong Kong cent being rounded upwards).

Distribution payable under this Condition will be paid in accordance with Condition 7.

(B) Rate of Distribution

Subject to any increase pursuant to Condition 5(D), the rate of distribution (“Distribution Rate”) applicable to the Securities shall be 3.30 per cent. per annum.

(C) Distribution Deferral

- (i) **Optional Deferral:** The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an “Optional Deferral Notice”) to the Securityholders (in accordance with Condition 11) not more than ten (10) nor less than five (5) Business Days prior to a scheduled Distribution Payment Date unless a Compulsory Distribution Payment Event has occurred (an “Optional Deferral Event”).
- (ii) **No obligation to pay:** The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(C) and any failure to pay Distribution shall not constitute a default of the Issuer in respect of the Securities.
- (iii) **Requirements as to Notice:** Each Optional Deferral Notice shall be accompanied by a certificate in the form scheduled to the Fiscal Agency Agreement signed by an Authorised Signatory (as defined in the Fiscal Agency Agreement) of the Issuer confirming that an Optional Deferral Event has occurred and is continuing.
- (iv) **Cumulative Deferral:** Any Distribution deferred pursuant to this Condition 5(C) shall constitute “Arrears of Distribution”. The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 5(C) except that Condition 5(C)(v) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear Distribution as if it constituted the principal of the Securities at the Distribution Rate and the amount of such Distribution (the “Additional Distribution Amount”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(v) **Restrictions in the case of Deferral or following a Credit Event:** If (a) on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 5(C) or (b) a Credit Event (as defined below) has occurred and is continuing, the Issuer shall not:

- (A) declare or pay any discretionary dividends, distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other discretionary payment is made on any of its Junior Securities or its Parity Securities; or
- (B) voluntarily redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities, provided that such restriction shall not apply to an exchange of any Parity Securities in whole for Junior Securities,

unless and until (i) the Issuer has satisfied in full all outstanding Arrears of Distribution; or (ii) permitted to do so by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Securityholders.

For the purposes of these Conditions:

A “Credit Event” occurs when:

- (i) *Failure to Deliver Shares:* any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following Conversion of Securities and such failure continues for a period of three days; or
- (ii) *Breach of Obligations:* the Issuer fails to perform or observe any of its other obligations under the Conditions or the Deed of Covenant which default continues for a period of 45 days after notice of such default shall have been given to the Issuer at its specified office by any Securityholder; or
- (iii) *Cross-Default:* (a) any other present or future indebtedness of the Issuer or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due within five business days in Hong Kong (if no grace period is applicable) or (if a grace period is applicable) within any applicable grace period, or (c) the Issuer or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition have occurred equals or exceeds US\$50 million or its equivalent in any currency or currencies (as reasonably determined on the basis of the middle spot rate for the relevant currency against the HK dollar as quoted by any leading bank on the day on

which the calculation falls to be made), *provided that* in the event that any present or future indebtedness of the Issuer or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes capable of being declared due and payable prior to its stated maturity by reason of any potential default or the like (howsoever described) under this Condition, such potential default is not remedied within a period of ten (10) days after written notice shall have been given to the Issuer by the Securityholders.

In computing these amounts, (I) no obligation in respect of which there is a default shall be counted more than once, by reason for instance that the person is actually liable for such obligation and another person is contingently liable for it and (II) where any obligation is a net obligation, the net amount of such obligation shall be taken rather than the gross obligation which has been reduced to such net amount.

(vi) **Satisfaction of Arrears of Distribution by payment:** Subject to Condition 5(C)(vii), Distributions are cumulative. The Issuer:

- (I) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 11) and to the Fiscal Agent and the Paying Agent in writing not more than 30 nor less than 15 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice);
- (II) in any event must satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of (1) the date of redemption of the Securities in accordance with Condition 8; (2) the next Distribution Payment Date on the occurrence of a breach of Condition 5(C)(v) and (3) the date such amount becomes due under Condition 10; and
- (III) in any event must satisfy any outstanding Arrears of Distribution in respect of a Security, upon delivery by the Issuer of the Shares issuable by it in accordance with Condition 6 following the exercise of the relevant Securityholder's Conversion Right of such Security, provided, however, that this Condition 5(C)(vi) shall only apply where the exercise of the relevant Securityholder's Conversion Right takes place following the Issuer giving notice requiring the redemption of any Securities pursuant to Condition 8 (a "Subsequent Conversion").

In the case of Conditions 5(C)(vi)(I) and 5(C)(vi)(II), any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro-rata* basis.

(vii) **Extinction of Arrears of Distribution upon exercise of Conversion Right:** Except where a Subsequent Conversion has taken place (in which case the provisions of Condition 5(C)(vi)(III) shall apply), any Arrears of Distribution due in respect of a Security shall be extinguished by the Issuer in full through the delivery by the Issuer of the Shares issuable by it in accordance with Condition 6 upon the exercise of the Securityholder's Conversion Right of such Security. Upon compliance in full of the requirements under Condition 6, the Issuer shall have no liability to pay the Arrears of Distribution due in respect of the converted Security and, no converting Securityholder shall have any claim in respect of such Arrears of Distribution.

(viii) **No default:** Notwithstanding any other provision in these Conditions, the deferral of any Distribution payment in accordance with this Condition 5(C) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 10) on the part of the Issuer.

(D) Increase in Distribution Rate following occurrence of certain events

- (i) **Increase in Distribution Rate:** Upon the occurrence of a Delisting or a Suspension which does not arise or result from (A) a voluntary application to the relevant stock exchange initiated or made by the Issuer or (B) having been effected or imposed through means within the control of the Issuer or (C) any action of the Issuer or any default or non-compliance by the Issuer of any of its obligations that are within its control (the “Triggering Events” and each a “Triggering Event”),

unless (x) an irrevocable notice to redeem the Securities has been given to Securityholders by the Issuer pursuant to Condition 8 by the 30th day following the occurrence of the relevant Triggering Event or (y) in the case the relevant Triggering Event is remedied by the 30th day following the occurrence of such Triggering Event, the Distribution Rate will increase by 3 per cent. per annum with effect from (a) the next Distribution Payment Date or (b) if the date on which the Triggering Event occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, provided that the maximum aggregate increase in the Distribution Rate pursuant to this Condition 5(D)(i) shall be 3 per cent. per annum.

Any increase in the Distribution Rate pursuant to this Condition 5(D) shall be notified by the Issuer to the Securityholders (in accordance with Condition 11) and to the Fiscal Agent and the Paying Agent in writing no later than the 14th day following the occurrence of the Triggering Events.

None of the Agents shall be obliged to take any steps to ascertain whether a Triggering Event has occurred or to monitor the occurrence of any Triggering Event, and shall be entitled to assume no such Triggering Event has occurred until notified in writing to the contrary, and shall not be liable to the Securityholders or any other person for not doing so.

- (ii) **Decrease in Distribution Rate:** If following an increase in the Distribution Rate after a Triggering Event pursuant to Condition 5(D)(i), the relevant Triggering Event is cured or remedied, upon written notice of such facts being given by the Issuer to the Securityholders and to the Fiscal Agent and the Paying Agent, the Distribution Rate shall be decreased by 3 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Securityholders receive evidence to its satisfaction of the cure of such Triggering Event, provided that the maximum aggregate decrease in the Distribution Rate pursuant to this Condition 5(D) shall be 3 per cent. per annum.

For the purposes of these Conditions:

“Compulsory Distribution Payment Event” means that during the three-month period ending on the day before the relevant Distribution Payment Date, a discretionary dividend, discretionary distribution or other discretionary payment has been declared or paid by the Issuer on or in respect of any of its Parity Securities or Junior Securities;

“Hong Kong Business Day” means any day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in Hong Kong;

“Junior Security” means, in relation to the Issuer, any class of its share capital qualifying as equity under IFRS (other than preference shares);

“Optional Deferral Event” has the meaning ascribed to it under Condition 5(C)(i);

“Parity Security” means, in relation to the Issuer, any instrument or security (including preference shares) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its

terms or by operation of law, *pari passu* with the Securities and (ii) for the purposes of Condition 5(C)(i) and Condition 5(C)(v) only, the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer;

a “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries;

“Swap Rate” means the rate notified by the Issuer to the Securityholders (in accordance with Condition 11) in per cent. per annum which appears on the relevant Bloomberg page under the caption “HKD Swap Rates” (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time) as of 11:00 a.m., Hong Kong time on the Hong Kong Business Day preceding the relevant Calculation Date under Condition 8; and

“Winding-Up” means a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer.

6 Conversion

(A) Conversion Right

- (i) **Conversion Period:** Subject as provided in these Conditions, each Security shall entitle the holder to convert such Security into Shares (as defined in Condition 6(A)(iv)) credited as fully paid at any time during the Conversion Period referred to below (the “Conversion Right”).

Subject to and upon compliance with the Conditions (including, without limitation, Condition 6(B)(iv)), the Conversion Right in respect of a Security may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after *[Insert the date falling 14 days after the Issue Date]* up to the close of business (at the place where the Certificate evidencing such Security is deposited for conversion) on the date falling seven days prior to the date fixed for redemption of the relevant Security (both days inclusive) (but, except as provided in Condition 6(A)(iii), in no event thereafter) or if notice requiring redemption has been given by the holder of such Security pursuant to Condition 8(H) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the “Conversion Period”).

The price at which Shares will be issued upon exercise of a Conversion Right (the “Conversion Price”) will initially be HK\$18.8 per Share, but will be subject to adjustment in the manner described in Condition 6(C).

The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the Securities to be converted by the Conversion Price in effect on the relevant Conversion Date (as defined in Condition 6(B)(i)). A Conversion Right may only be exercised in respect of one or more Securities. If more than one Security held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Securities to be converted.

- (ii) **Fractions of Shares:** Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Security is exercised at any one time such that Shares to be issued on conversion

are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Securities being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 29 March 2023 which reduces the number of Shares outstanding, the Issuer will upon conversion of Securities pay in cash (in Hong Kong dollars) a sum equal to such portion of the principal amount of the Security or Securities evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(A)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date by a Hong Kong dollar denominated cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee, in accordance with instructions given by the relevant Securityholder in the Conversion Notice.

- (iii) **Revival and/or Survival after Default:** Notwithstanding the provisions of Condition 6(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Security which shall have been called or put for redemption on the date fixed for redemption thereof; (b) any Security has become due and payable by reason of the occurrence of any of the events under Condition 10; or (c) any Security is not redeemed on the date fixed for redemption thereof in accordance with Condition 8, the Conversion Right attaching to such Security will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Security is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Security has been duly received by the Fiscal Agent and notice of such receipt has been duly given to the Securityholders in accordance with Condition 11 and notwithstanding the provisions of Condition 6(A)(i), any Security in respect of which the Certificate and Conversion Notice (as defined in Condition 6(B)(i)) are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6(B)(i)) notwithstanding that the full amount of the moneys payable in respect of such Security shall have been received by the Fiscal Agent before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.
- (iv) **Meaning of “Shares”:** As used in these Conditions, the expression “Shares” means ordinary shares of par value HK\$0.50 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(B) Conversion Procedure

- (i) **Conversion Notice:** To exercise the Conversion Right attaching to any Security, the holder thereof must complete, execute and deposit at his own expense during the Conversion Period at the specified office of any Conversion Agent during its usual business hours (being between 9.00 a.m. and 3.00 p.m.) a duly completed and signed notice of conversion (a “Conversion Notice”) in the form (for the time being current) obtainable from the specified office of each Conversion Agent and scheduled to the Fiscal Agency Agreement, together with the relevant Certificate and confirmation that any amounts required to be paid by the Securityholder under Condition 6(B)(ii) have been so paid. Conversion Rights shall be exercised subject in each case to Condition 6(B)(iv) and any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the

specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such deposit is made after the end of normal business hours (being after 3:00 p.m.) or on a day which is not a business day in the place of the specified office of the relevant Conversion Agent, such deposit shall be deemed for all purposes of these Conditions to have been made on the next following such business day. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal.

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

Conversion Rights may only be exercised in respect of an Authorised Denomination.

The conversion date in respect of a Security (the "Conversion Date") shall be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Security and delivery of such Conversion Notice to the Conversion Agent and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right.

"Stock Exchange Business Day" means any day (other than a Saturday or Sunday) on which Relevant Stock Exchange (as defined in Condition 6(F) below), as the case may be, is open for the business of dealing in securities.

- (ii) **Stamp Duty etc.:** A Securityholder exercising Conversion Rights must pay directly to the relevant authorities any taxes or capital, stamp, issue and registration and transfer taxes and duties ("Duties") arising on such exercise (other than any Duties payable in Bermuda and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Relevant Stock Exchange on conversion (the "Taxes")). The Issuer will pay all other expenses arising on the issue of Shares on conversion of Securities. The Securityholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities in settlement of Taxes payable pursuant to this Condition 6(B)(ii) have been paid.

If the Issuer shall fail to pay any Duties and/or Taxes payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Securityholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Securityholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Security or interest therein in connection with the exercise of Conversion Rights by it.

None of the Agents shall be responsible to Securityholders or any other person or paying any Duties, Taxes, expenses or other amounts referred to in this Condition 6(B)(ii) or for determining whether such Duties are payable or the amount thereof, and none of the Agents shall be responsible or liable for any failure by the Issuer or any Securityholder to pay such Duties, Taxes, expenses or other amounts.

- (iii) **Registration:** Upon exercise by a Securityholder of its Conversion Right and compliance with Conditions 6(B)(i) and 6(B)(ii), the Issuer will, as soon as practicable, and in any event not later than five Business Days after the Conversion Date, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register in Hong Kong and will, if the Securityholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong ("CCASS") effective from time to time, take all necessary action to procure that Shares are delivered through CCASS for so long as the Shares are listed on the HKSE; or will make such certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (currently Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) notified to Securityholders in accordance with Condition 11 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion of the Securities and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Securities subject to the same Conversion Notice and which are to be registered in the same name.

The crediting of the Shares to the relevant securities account of the converting Securityholder will be deemed to satisfy the Issuer's obligation to pay the principal on such converted Securities.

If (A) the Registration Date in relation to any Securities shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(C), and (B) the Conversion Date in relation to such exercise shall be before the date on which such adjustment to the Conversion Price becomes effective under the relevant Condition (any such adjustment, a "Retroactive Adjustment"), upon the relevant adjustment to the Conversion Price becoming effective under the relevant Condition, the Issuer shall procure the issue to the converting Securityholder (in accordance with the instructions contained in the Conversion Notice (subject to any applicable laws or regulations)), such additional number of Shares ("Additional Shares") as, together with the Shares issued or to be issued on conversion of the relevant Security, is equal to the number of Shares which would have been required to be issued on conversion of such Security if the relevant adjustment to the Conversion Price under the relevant Condition had been made and become effective on or immediately prior to the relevant Conversion Date and in such event and in respect of such Additional Shares, references in this Condition 6(B)(iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "Registration Date").

The Shares issued upon exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law and except that such Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights,

distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant Registration Date.

- (iv) **No Conversion and No Issue of Shares if in breach of the rules of a Relevant Stock Exchange or applicable laws and regulations:** No Securityholder shall be entitled to exercise the Conversion Right and the Issuer is not obliged to issue Shares in satisfaction of the Conversion Right if by doing so it will (in its reasonable opinion) be in breach of its obligations under any rules of a Relevant Stock Exchange or applicable laws and regulations including for the avoidance of doubt Listing Rule 8.08 of the HKSE (as it applies to the Issuer).
- (v) **Distribution Accrual:** If a notice requiring the redemption of any Securities is given pursuant to Condition 8, during the period beginning on the fifteenth day prior to the record date in respect of any dividend or distribution payable in respect of the Shares and ending on the Distribution Payment Date next following such record date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Distribution Payment Date, Distribution shall (subject as hereinafter provided) accrue on the Securities as follows: where Certificates have been delivered for conversion and in respect of which the Conversion Date falls after such record date and on or prior to the Distribution Payment Date next following such record date; Distribution shall accrue on the Securities from the preceding Distribution Payment Date (or, if the relevant Conversion Date falls on or before the first Distribution Payment Date, from, and including, the Issue Date) to, but excluding, the relevant Conversion Date; provided that no such Distribution shall accrue on any Security in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such dividend. Such Distribution shall be paid not later than 14 days after the relevant Conversion Date by a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee, in accordance with instructions given by the relevant Securityholder in the relevant Conversion Notice.

(C) Adjustments to Conversion Price

The Conversion Price will be subject to adjustment as follows:

(1) Consolidation, Subdivision or Re-classification:

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

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

where:

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

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

Effective Date of Adjustment: Such adjustment shall become effective on the date the alteration takes effect.

(2) Capitalisation of Profits or Reserves:

- (i) **Adjustment:** If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares (“Shareholders”) by way of capitalisation of profits or reserves (including Shares paid up out of distributable profits or reserves and/or share premium

account (except any Scrip Dividend) and which would not have constituted a Capital Distribution), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

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

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

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (ii) **Adjustment:** In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price on the date of announcement of the terms of the issue of such Shares multiplied by the number of such Shares issued exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

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

where:

A is the aggregate number of Shares in issue immediately before such Scrip Dividend;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend for which Shareholders have elected to receive as Shares issued by way of Scrip Dividend, and (ii) the denominator is the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price per Share; and

C is the aggregate number of Shares issued pursuant to such Scrip Dividend;

or by making such other adjustment to the Conversion Price to give effect to the foregoing as an Independent Investment Bank shall certify to the Securityholders is fair and reasonable.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(3) **Capital Distributions:**

Adjustment: If and whenever the Issuer shall pay or make any Capital Distribution to Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such Capital Distribution by the following fraction:

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

where:

A is the Current Market Price of one Share on the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution in Hong Kong dollars attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the first date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

For the avoidance of doubt, when the Capital Distribution is by means of cash dividend or distribution, only such portion of cash dividend or distribution which exceeds the threshold as referred to therein shall be regarded as a Capital Distribution (the “Excess Portion”) and only the Excess Portion should be taken into account in determining the Fair Market Value attributable to one Share under this Condition 6(C)(3).

(4) **Rights Issues of Shares or Options over Shares:**

Adjustment: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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

where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(5) **Rights Issues of Other Securities:**

Adjustment: If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for,

purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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

where:

A is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “Fair Market Value”) be determined as at the date on which the terms of such issue or grant are publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Shares in relation to such issue or grant is capable of being determined as provided herein.

(6) **Issues at less than Current Market Price:**

Adjustment: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(4) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(4) above) options, warrants or other rights (other than the Conversion Rights under the Securities, which excludes any further securities issued pursuant to Condition 15) to subscribe for, purchase or otherwise acquire Shares in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

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

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(7) **Other Issues at less than Current Market Price:**

Adjustment: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Securities, which excludes for these purposes any further securities issued pursuant to Condition 15) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

A is the aggregate number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such securities.

(8) **Modification of Rights of Conversion etc.:**

Adjustment: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

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

where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank, consider appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

Effective Date of Adjustment: Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(9) **Other Offers to Shareholders:**

Adjustment: If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(2), Condition 6(C)(3), Condition 6(C)(4), Condition 6(C)(5), Condition 6(C)(6), Condition 6(C)(7)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

A is the Current Market Price of one Share on the date on which such issue, sale or distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

(10) **Other Events:**

Adjustment: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6 (even if the relevant circumstance is specifically excluded from the operation of Condition 6(C)(1) to Condition 6(C)(9)), the Issuer shall, at its own expense, consult an Independent Investment Bank to determine in good faith as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such

determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result.

(D) Undertakings

The Issuer has undertaken, *inter alia*, that so long as any Security remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Securityholders:

- (i) it will use its best endeavours (a) to maintain a listing for all the issued Shares on the HKSE, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Securities on the HKSE, and (c) if the Issuer is unable to obtain or maintain such listing, to use its best endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time determine (and notify in writing to the Securityholders in accordance with Condition 11) of the listing or delisting of the Shares (as a class) by any of such stock exchange;
- (ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Securities (save for any Taxes specified in Condition 6(B)(ii));
- (iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof except:
 - (a) in the event of a reduction in the share premium account, capital redemption reserve fund or any other part of its share capital for the purposes of offsetting any accumulated loss or any deficit in retained earnings, where such reduction is permitted by applicable law so long as there is no change to the number of Shares in issue as a result of such reduction; or
 - (b) in all other capital reductions, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made.

The Issuer has also undertaken with the Securityholders that so long as any Security remains outstanding:

- (i) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Securities from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Securities will be duly and validly issued as fully-paid; and
- (ii) it will not make any offer, issue, grant or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares, provided

always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Deed of Covenant for the protection of the Conversion Rights.

(E) Provisions Relating to Changes in Conversion Price

- (i) **Minor adjustments:** On any adjustment, the resultant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to Securityholders in accordance with Condition 11 promptly after the determination thereof.
- (ii) **Decision of an Independent Investment Bank:** If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Investment Bank, a written opinion of such Independent Investment Bank in respect thereof shall be conclusive and binding on the Issuer and the Securityholders, save in the case of manifest error.
- (iii) **Minimum Conversion Price:** Notwithstanding the provisions of this Condition 6 the Conversion Price shall not in any event be reduced to below the nominal or par value of the Shares as a result of any adjustment hereunder unless under applicable law then in effect the Securities may be converted at such reduced Conversion Price into legally issued, fully paid and non assessable Shares.
- (iv) **Reference to “fixed”:** Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

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

- (v) **Share Option Schemes:** No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees (including directors) of the Issuer or any of its Subsidiaries pursuant to any employee share scheme or plan (and which employee share scheme or plan is in compliance with the listing rules of the Relevant Stock Exchange).
- (vi) **Upward/downward adjustment:** No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or reclassification of the Shares as referred to in Condition 6(C)(1) above. The Issuer may at any time and for a specified period of time only,

following notice being given to the Securityholders in accordance with Condition 11, reduce the Conversion Price, subject to Condition 6(E)(iii).

- (vii) **Agents not obliged to Monitor:** None of the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any determination or calculation (or verification thereof) in connection with the Conversion Price and will not be responsible to Securityholders for any loss arising from any failure by it to do so or for any delay by the Issuer in making a determination or any erroneous determination in connection with the Conversion Price, without prejudice to its duties owed to the Issuer.
- (viii) **Notice of Change in Conversion Price:** The Issuer shall give notice to the Securityholders in accordance with Condition 11 and to the Fiscal Agent and the Conversion Agent of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

(F) Definitions

For the purposes of these Conditions:

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

“Closing Price” for the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by the HKSE or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day.

“Current Market Price” means, in respect of a Share on a particular date, the average of the daily Closing Prices of one Share on each of the 10 consecutive Trading Days ending on and including (i) the Trading Day immediately preceding such date or (ii) if the relevant announcement was made after the close of trading on such date (being a Trading Date), such date of announcement; provided that:

- (a) for the purposes of determining the Current Market Price pursuant to Conditions 6(C)(4) or 6(C)(6) in circumstances where the relevant event relates to an issue of Shares, if at any time during the said 10 Trading Day-period (which may be on each of such 10 Trading Days) the Shares shall have been quoted ex-dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such 10 Trading Days) the Shares shall have been quoted cum-dividend (or cum- any other entitlement) then:
 - (i) if the Shares to be issued in such circumstances do not rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share;
 - (ii) if the Shares to be issued in such circumstances rank for the dividend (or other entitlement) in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend (or other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Share;

- (b) for the purpose of determining the Current Market Price of any Shares which are to be issued or may be issued pursuant to a Scrip Dividend pursuant to Condition 6(C)(2)(ii), if on any day during the said 10 Trading Day-period the Volume Weighted Average Price of the Shares shall have been based (A) on a price cum the Relevant Cash Dividend (and/or any other dividend or other entitlement which the Shares that may be issued pursuant to terms of such Scrip Dividend do not rank for), the Volume Weighted Average Price of a Share on any such day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the Relevant Cash Dividend (and/or such other dividend or other entitlement) (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Share entitled to the Relevant Cash Dividend (and/or such other dividend or other entitlement) or (B) on a price ex- the Relevant Cash Dividend, the Volume Weighted Average Price of a Share on any such day shall for the purposes of this definition be deemed to be the amount thereof (x) multiplied by the sum of one and the number of Shares which are to be issued or may be issued pursuant to such Scrip Dividend per Share entitled to the Relevant Cash Dividend and (y) reduced by the Fair Market Value of the Relevant Cash Dividend (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Share entitled to the Relevant Cash Dividend; and
- (c) for any other purpose, if any day during the said 10 Trading Day-period was the ex-date in relation to any dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend (or other entitlement) per Share as at the date of first public announcement of the terms of such dividend (or other entitlement).

In making any calculation or determination of Current Market Price, such adjustments (if any) shall be made as an Independent Investment Bank considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

“Capital Distribution” means:

- (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid) by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(2)(i) (*Capitalisation of Profits or Reserves*) and any Shares comprising a Scrip Dividend)); and
- (ii) any cash dividend or distribution (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Issuer for any financial period (whenever paid and however described), provided that:
 - (A) any cash dividend or distribution shall constitute a Capital Distribution only to the extent that such cash dividend or distribution does, when taken together with any other cash dividend or distribution previously made or paid in respect of the same financial year, exceed 35 per cent. of the Issuer’s most recently published audited core net profit for the year; or
 - (B) a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer) shall not constitute a Capital

Distribution, unless the weighted average price (before expenses) on any one day in respect of such purchases exceeds the Current Market Price of the Shares either (a) on that date, or (b) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (a) or (b) of this definition, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Shares purchased or redeemed exceeds the product of such Current Market Price and the number of Shares so purchased or redeemed. In making any such calculation, such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (c) the modification of any rights to dividends of Shares.

“Fair Market Value” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the Fair Market Value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend (in which case no determination by an Independent Investment Bank would be required); (ii) the Fair Market Value of any other cash amount shall be equal to such cash amount (in which case no determination by an Independent Investment Bank would be required); and (iii) where Securities are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the Fair Market Value of such Securities shall equal the arithmetic mean of the daily Closing Prices of such Securities during the period of ten Trading Days commencing on the first such Trading Day (or, if later, the first such Trading Day such Securities are publicly traded) or such shorter period as such Securities are publicly traded.

“Fifth Anniversary” means *[Insert the date falling fifth anniversary of the Issue Date]* 2028.

“HKSE” means The Stock Exchange of Hong Kong Limited.

“Independent Investment Bank” means an independent investment bank of international repute (acting as an expert) selected and appointed by the Issuer and notified in writing to the Securityholders.

“Prevailing Rate” means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12: 00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12: 00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined.

“Relevant Cash Dividend” means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend).

“Relevant Page” means the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information.

“Relevant Stock Exchange” means at any time, in respect of the Shares, the HKSE or the Alternative Stock Exchange.

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 6(C)(3) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof) but without prejudice to any adjustment required in such circumstances to be made under Condition 6(C)(2)(ii).

“Trading Day” means a day on which the Relevant Stock Exchange is open for business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

“Volume Weighted Average Price” means, in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share or Security published by or derived (in the case of a Share) from Bloomberg (or any successor service) page “VAP” or if not available on any of such screens, from such other source as shall be determined in good faith and in a commercially reasonable manner, using a volume-weighted average method, to be appropriate by an Independent Investment Bank, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share or Security in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

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

7 Payments

(A) Method of Payment

Payment of principal, premium and Distributions (including Arrears of Distribution and any Additional Distribution Amount) due other than on a Distribution Payment Date will be made by transfer to the registered account of the Securityholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Subject to Condition 7(B), Distribution on Securities due on a Distribution Payment Date will be paid on the due date for the payment of such Distribution to the Securityholder shown on the Register at the close of business on the seventh day before the due date for the payment of Distribution (the “Distribution Record Date”). Payments of Distribution on each Security will be made by transfer to the registered account of the Securityholder.

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

So long as the Securities are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, such payments will be made to the holder appearing in the register of holders of the Securities maintained by the Registrar at the close of the business day (of the relevant clearing system) on the Clearing System Business Day before the relevant

due date, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive, except 25 December and 1 January).

(B) Registered Accounts

For the purposes of this Condition 7, a Securityholder’s registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Distribution Record Date, and a Securityholder’s registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Securityholders in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below in Condition 7(F)), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(E) Delay in Payment

Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Securityholder is late in surrendering its Certificate (if required to do so).

(F) Business Day

In this Condition 7, “business day” means a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Fiscal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

(G) Agents

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that they will maintain (i) a Fiscal Agent and (ii) a Registrar with a specified office outside the United Kingdom. Notice of any changes in any Agent or their specified offices will promptly be given by the Issuer to the Securityholders.

(H) Non-Business Days

If any date for payment in respect of any Security is not a business day, the Securityholder shall not be entitled to payment until the next following business day nor to any Distribution or other sum in respect of such postponed payment.

8 Redemption, Purchase and Cancellation

(A) Maturity

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 10) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 8.

(B) Redemption for Taxation Reasons

- (i) The Issuer may redeem all and not some only of the Securities, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a "Tax Redemption Notice") to the Securityholders in accordance with Condition 11 (which notice shall be irrevocable) and to the Fiscal Agent and the Paying Agent, on the date specified in the Tax Redemption Notice for redemption (the "Tax Redemption Date") at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if the Issuer satisfies the Securityholders immediately prior to the giving of such notice that (a) it has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Bermuda or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 29 March 2023, and (b) such obligation cannot be avoided by the Issuer taking commercially reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then due. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(B), the Issuer shall deliver to the Securityholders and the Fiscal Agent (x) a certificate signed by two directors of the Issuer, each of whom is also an Authorised Signatory of the Issuer, stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) an opinion of independent legal or tax advisers of recognised international standing to the effect that the Issuer has or will become obligated to pay such additional amounts as a result of such change or amendment or any such change in the application or official interpretation.

On the Tax Redemption Date, the Issuer (subject to Condition 8(B)(ii)) shall redeem the Securities at their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(B)(i), each Securityholder will have the right to elect that his Security(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal, premium or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) to be made in respect of such Security(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 and payment of all amounts by the Issuer to such holder in respect of such Security(s) shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(B)(ii), the holder of the relevant Security must complete, sign and deposit at the specified office of any Paying Agent during its usual business hours (being between 9.00 a.m. and 3.00 p.m.) a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent

together with the Certificate evidencing the relevant Security(s) on or before the day falling 10 days prior to the Tax Redemption Date.

(C) Redemption for Accounting Reasons

The Securities 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 Securityholders in accordance with Condition 11 (which notice shall be irrevocable) and to the Fiscal Agent and the Paying Agent (i) at the Early Redemption Amount, at any time before the Fifth Anniversary or (ii) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after the Fifth Anniversary, if an Equity Disqualification Event has occurred.

An "Equity Disqualification Event" is deemed to have occurred if, as a result of any changes or amendments to International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of the Issuer (the "Relevant Accounting Standard"), the Securities must not or must no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 8(C), the Issuer shall deliver or procure that there is delivered to the Securityholders and the Fiscal Agent:

- (i) a certificate, signed by two directors of the Issuer, each of whom is also an Authorised Signatory of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect, and

provided, however that no notice of redemption may be given under this Condition 8(C) earlier than 90 days prior to the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect in relation to the Issuer.

Upon the expiry of any such notice as is referred to in this Condition 8(C), the Issuer shall be bound to redeem the Securities in accordance with this Condition 8(C) provided that such date for redemption shall be no earlier than the last day before the date on which the Securities must not or must no longer be so recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

None of the Agents shall be required to monitor or to take any steps to ascertain whether an Equity Disqualification Event or any event which could lead to an Equity Disqualification Event has occurred or may occur.

(D) Redemption at the Option of the Issuer on the Fifth Anniversary or on any Distribution Payment Date thereafter

The Securities may be redeemed at the option of the Issuer in whole or in part, on the Fifth Anniversary or on any Distribution Payment Date after the Fifth Anniversary (each, a "Call Settlement Date") on the Issuer's giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date) and to the Fiscal Agent and the Paying Agent at their principal amount (together with any Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount)).

(E) Redemption at the Option of the Issuer on a Step-Up

The Securities may be redeemed at the option of the Issuer in whole or in part, on giving not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 11 (which notice shall be irrevocable) and to the Fiscal Agent and the Paying Agent at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) at any time following the occurrence of a Triggering Event.

On expiry of such notice as is referred to in this Condition 8(E), the Issuer shall be bound to redeem the Securities on the date fixed for redemption in accordance with Condition 8(E) at their principal amount together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

(F) Redemption at the Option of the Issuer on Increased Share Price

On or at any time after *[Insert the date falling 14 days after third anniversary of the Issue Date]* 2026, and provided that the Public Float Condition is satisfied, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 11 and to the Fiscal Agent and the Paying Agent (an "Optional Redemption Notice"), redeem the Securities in a principal amount equal to the Actual Redemption Amount, at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), provided that no such redemption may be made unless the Closing Price of the Shares for any 20 Trading Days out of 30 consecutive Trading Days immediately prior to the date upon which notice of such redemption is given, was at least 120 per cent. of the applicable Conversion Price then in effect. Where the Actual Redemption Amount is in a principal amount less than the then outstanding principal amount of the Securities, the Securities shall be redeemed in part on a pro rata basis.

If there shall occur an event giving rise to a change in the Conversion Price during any such 30 Trading Day period as mentioned in Condition 8(F) above, appropriate adjustments for the relevant days shall be made, as determined by an Independent Investment Bank, for the purpose of calculating the Closing Price for such days.

Each Optional Redemption Notice shall specify the date for redemption (the "Optional Redemption Date") and once delivered, shall be irrevocable. Such Optional Redemption Notice shall specify the principal amount of Securities proposed to be redeemed (provided that such principal amount is equal to or smaller than the Public Float Redemption Amount). As soon as practicable after the Actual Redemption Amount is capable of being calculated, the Issuer shall deliver a further notice specifying the Actual Redemption Amount.

For the avoidance of doubt the Issuer may deliver an Optional Redemption Notice at any time the conditions above for delivering an Optional Redemption Notice are met (and may do so on one or more occasions).

Any Optional Redemption Notice shall specify (i) the Optional Redemption Date, which shall be a business day and (ii) the last day on which Conversion Rights may be exercised by a Holder.

"Actual Redemption Amount" means the result of (a) the principal amount of Securities proposed to be redeemed in any Optional Redemption Notice minus (b) the principal amount of Securities in respect of which Conversion Rights are exercised during the period following the delivery of the relevant Optional Redemption Notice and the last day on which Conversion Rights may be exercised by a Holder as specified in such Optional Redemption Notice.

“Public Float Condition” means the Issuer being reasonably satisfied that, on the date on which an Optional Redemption Notice is delivered, the principal amount of Securities proposed to be redeemed in such Optional Redemption Notice is a principal amount such that assuming the Securityholders exercise their Conversion Rights in full on such date in respect of such principal amount, Condition 6(B)(iv) shall not restrict it from issuing and delivering the relevant number of Shares to such Securityholders pursuant to and in accordance with these Conditions (and for such purpose “Securityholders” shall mean (for so long as the Securities are represented by the Global Certificate) accountholders in the clearing system with entitlements to the Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, such other person(s) for whom the relevant entitlement is ultimately beneficially held for, whether such beneficiary holds directly with the accountholder or via one or more intermediaries) (and such principal amount being, the **“Public Float Redemption Amount”**).

(G) Redemption at the Option of the Issuer on Minimum Outstanding Amounts

On giving not less than 45 nor more than 60 days’ notice (an “Optional Redemption Notice”) to the Securityholders in accordance with Condition 11 and to the Fiscal Agent and the Paying Agent, the Issuer shall redeem all and not some only of the Securities on the date (the “Optional Redemption Date”) specified in the Optional Redemption Notice at (i) the Early Redemption Amount, at any time before the Fifth Anniversary or (ii) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after the Fifth Anniversary if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases and cancellations and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Securities originally issued (which shall for this purpose include any further Securities issued pursuant to Condition 15).

(H) Redemption for Relevant Event

Following the occurrence of a Relevant Event (as defined below), the holder of each Security will have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Securities on the Relevant Event Put Date at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount). To exercise such right, the holder of the relevant Security must deposit at the specified office of any Paying Agent during its usual business hours (being between 9.00 a.m. and 3.00 p.m.) 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 “Relevant Event Put Exercise Notice”), together with the Certificate evidencing the Securities to be redeemed by not later than 30 days following a Relevant Event or, if later, 30 days following the date upon which notice thereof is given to Securityholders by the Issuer in accordance with Condition 11. The “Relevant Event Put Date” shall be the fourteenth day, or if such day is not a business day (as defined in Condition 7(F)), the next following business day after the expiry of such period of 30 days as referred to above.

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

Within 14 days after it becomes aware of the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Securityholders in accordance with Condition 11 and to the Fiscal Agent and the Paying Agent. The notice regarding the Relevant Event shall contain a statement informing Securityholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their

entitlement to exercise their rights to require redemption of their Securities pursuant to this Condition 8(H). Such Notice shall also specify: (a) the date of such Relevant Event and, all information material to Securityholders concerning the Relevant Event; (b) the Relevant Event Put Date; (c) the last date by which a Relevant Event Put Exercise Notice must be given; (d) the procedures that Securityholders must follow and the requirements that Securityholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and (e) the information required by Condition 8(L).

None of the Agents shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur.

For the purposes of these Conditions:

a “Delisting” occurs when the Shares cease to be listed or admitted to trading on the HKSE (or if applicable, the Alternative Stock Exchange);

“Relevant Event” means the occurrence of any Delisting or Suspension arising from or as a result of a voluntary application to the relevant stock exchange having been initiated or made by the Issuer or such Delisting or Suspension having been effected or imposed through any other means controlled by the Issuer or otherwise resulting from any action of the Issuer or any default or non-compliance by the Issuer of any of its obligations that are within its control (whether or not imposed by law or the Listing Rules); and

a “Suspension” occurs if there is a suspension or material limitation in trading of the Shares on the HKSE (or if applicable, the Alternative Stock Exchange) and such suspension or material limitation continues for a period of 45 consecutive Trading Days.

(I) Purchase

The Issuer or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Securities at any price in the open market or otherwise. The Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Securityholders or for the purposes of Conditions 10 or 14(A).

(J) Cancellation

All Securities which are redeemed, converted or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Securities cancelled will be forwarded to or to the order of the Registrar and such Securities may not be reissued or resold.

(K) Calculation of Early Redemption Amount

In respect of Conditions 8(C) and 8(G), the Calculation Agent will, on the second business day prior to the relevant redemption date (each a “Calculation Date”), calculate the applicable Early Redemption Amount payable in respect of each Security. The Calculation Agent will cause the applicable Early Redemption Amount determined by it to be notified in writing to the Issuer and the Agents as soon as practicable. Notice thereof shall also promptly be given by the Issuer to the Securityholders. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8(K) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Agents and the Securityholders and no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

In these Conditions:

“Calculation Agent” means an independent bank of international repute acting as a calculation agent as selected by the Issuer (at the expense of the Issuer) and notified in writing to the Securityholders;

“Early Redemption Amount” means the greater of:

- (i) the principal amount of the Securities, together with any Distribution accrued to date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); and
- (ii) the Make Whole Amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); and

“Make Whole Amount” means with respect to any redemption date pursuant to a redemption in accordance with Condition 8, the amount, as determined by the Calculation Agent, equal to the sum of (a) the present value of the principal amount of the Securities to be redeemed discounted from the Fifth Anniversary, and (b) the present value of all Distributions payable (or but for any deferral, would be payable) after such redemption date (exclusive of Distributions accrued to the redemption date) to, and including, the Fifth Anniversary, discounted to the redemption date on a semi-annual basis (using the actual number of days for the relevant period divided by 365) at the Swap Rate plus 1 per cent. per annum.

(L) Redemption Notices

All notices to Securityholders given by or on behalf of the Issuer pursuant to this Condition 8 will be irrevocable and will be given in accordance with Condition 11 specifying: (a) the Conversion Price as at the date of the relevant notice; (b) the last day on which Conversion Rights may be exercised; (c) the Closing Price of the Shares on the latest practicable date prior to the publication of the notice; (d) the date for redemption; (e) the manner in which redemption will be effected; (f) the aggregate principal amount of the Securities outstanding as at the latest practicable date prior to the publication of the notice; and (g) such other information as the Securityholders may require.

No notice of redemption given under this Condition 8 shall be effective if it specifies a date for redemption which falls during a Restricted Transfer Period or within 15 days following the last day of a Restricted Transfer Period.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Securityholder pursuant to this Condition 8(L)), the first in time shall prevail. None of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto and shall not be liable to the Issuer, the Securityholders or any other person for not doing so.

The Agent shall be entitled (but shall not be obliged) to accept and rely upon any certificate and opinion as sufficient evidence (without further investigation or query and without liability to the Securityholders or any other person) of the satisfaction of the conditions precedent set out in Condition 8, in which event they shall be conclusive and binding on the Securityholders.

9 Taxation

All payments made by or on behalf of the Issuer in respect of the Securities shall be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or

assessed by or on behalf of Bermuda, Hong Kong or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.

In such event, the Issuer shall pay such additional amounts (“Additional Tax Amounts”) as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Tax Amounts shall be payable in respect of any Security:

- (i) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of his having some connection with Bermuda or Hong Kong, other than the mere holding of the Security or by the receipt of amounts in respect of the Security; or
- (ii) **Presentation more than 30 days after the relevant date:** (in the case of a payment of principal) if the Certificate in respect of such Security is surrendered more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

“Relevant Date” means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Securityholders and cheques despatched or payment made.

References in these Conditions to principal, premium and Distribution (including any Arrears of Distribution and Additional Distribution Amount) shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 9.

The Agents shall not in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or in connection with the Securities 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 or the Securityholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), Distribution (including any Arrears of Distribution and any Additional Distribution Amount) or other amount under or in respect of the Securities without deduction or withholding for or on account of any tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

10 Non-payment

(A) Non-payment when due

Notwithstanding any of the provisions below in this Condition 10, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to, or is required to, defer that Distribution in accordance with Condition 5(C).

(B) Proceedings for Winding-Up

If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or (ii) the Issuer shall not make payment in respect of the Securities, for a period of ten days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Deed of Covenant and the Securities and the Securityholders may institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(C) Extent of Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Securityholders, whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities, provided, however, that this Condition 10 shall not affect the rights of the Securityholders to institute proceedings against the Issuer in connection with the Conversion Right.

11 Notices

All notices to Securityholders shall be validly given if mailed to them at their respective addresses in the Register.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Securityholders shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

12 Prescription

Claims in respect of amounts due in respect of the Securities shall be prescribed and become void unless made as required by Condition 8 within 10 years (in the case of principal) and five years (in the case of Distributions) from the appropriate Relevant Date.

13 Replacement of Certificates

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

14 Meetings of Securityholders, Modification, Waiver and Substitution

(A) Meetings of Securityholders

The Fiscal Agency Agreement contains provisions for convening meetings of Securityholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Securityholders holding not less than 10 per cent in principal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Securities for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to modify the Optional Redemption Date, (b) to modify the circumstances in which the Issuer or Securityholders are entitled to redeem the Securities pursuant to Condition 8, (c) to reduce or cancel the principal amount, any premium payable, any Distribution payable or changing the method of calculation of interest, (d) to change the currency of denomination or payment of the Securities, (e) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (f) to modify the provisions

concerning the quorum required at any meeting of the Securityholders or the majority required to pass an Extraordinary Resolution, or (g) to modify or cancel the Deed of Covenant (except as permitted under the Conditions), in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in principal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Fiscal Agency Agreement provides that a written resolution (A) signed by or on behalf of the holders of not less than 90 per cent. of the principal amount of Securities for the time being outstanding or (B) passed by way of Electronic Consent (as defined in the Fiscal Agency Agreement) shall each be as valid and effective as a duly passed 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 Securityholders.

(B) Modification and Waiver

The parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Securityholders, to any such modification unless it is of a formal, minor or technical nature, or is made to correct a manifest error, or is made to comply with mandatory provisions of law or it is materially prejudicial to the interests of the Securityholders.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 14(A) or a modification, waiver or authorisation in accordance with Condition 14(B), the Issuer will procure that the Securityholders be notified in accordance with Condition 11.

15 Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further securities having the same terms and conditions as the Securities in all respects and so that such further issue shall be consolidated and form a single series with the Securities. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Securities.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Submission to Jurisdiction

(A) Governing Law

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

(B) Jurisdiction

The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any legal action or proceedings arising out of or in connection with the Securities ("Proceedings") may be brought in such courts. Pursuant to the Fiscal Agency Agreement, the Issuer has irrevocably submitted to the jurisdiction of such courts and waived

any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(C) Agent for Service of Process

Pursuant to the Fiscal Agency Agreement, the Issuer agrees to receive service of process in any Proceedings in Hong Kong based on any of the Securities at its principal place of business in Hong Kong.

(D) Waiver of Immunity

The Issuer hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SCHEDULE 2
FORM OF CERTIFICATE CONFIRMING NO MATERIAL ADVERSE CHANGE

To: **Natixis**
7, promenade Germaine Sablon Paris 75013 Paris, France

(as “**Placing Agent**”)

SF Holding Limited
25/F, Caixun Technology Building,
No. 3176 Keyuan South Road,
Nanshan District, Shenzhen,
Guangdong Province,
518057 P. R. China

(as “**Subscriber**”)

[Date]

Dear Sirs

**SUBSCRIPTION AND PLACING AGENCY AGREEMENT RELATING TO SUBSCRIPTION OF
HK\$780,000,000 3.30 PER CENT. PERPETUAL CONVERTIBLE SECURITIES**

Pursuant to the Subscription and Placing Agency Agreement dated 29 March 2023 (the “**Agreement**”) made between (1) Kerry Logistics Network Limited (the “**Issuer**”) and (2) yourselves as the Placing Agent and the Subscriber, respectively, I hereby confirm, on behalf of the Issuer, that as at today’s date (i) the representations and warranties of the Issuer set forth in the Agreement are accurate and correct in all material respects at, and as if made on, today’s date; and (ii) the Issuer has performed all of its obligations under the Agreement to be performed on or before today’s date.

Yours faithfully

For and on behalf of
KERRY LOGISTICS NETWORK LIMITED

[Name]

Director[/Title of authorised officer]