

EXECUTION VERSION

Dated 24 June 2020

**CHINA MENGNIU DAIRY COMPANY LIMITED**

as Issuer

and

**CITICORP INTERNATIONAL LIMITED**

as Trustee

**TRUST DEED**

constituting

U.S.\$100,000,000 1.50 per cent. Exchangeable Bonds due 2023  
exchangeable for ordinary shares of China Modern Dairy Holdings Ltd. (Stock code: 1117.HK)

**Linklaters**

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Ref L-298932

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**This Trust Deed** is made on 24 June 2020 **between:**

- (1) **CHINA MENGNIU DAIRY COMPANY LIMITED** (the “**Issuer**”); and
- (2) **CITICORP INTERNATIONAL LIMITED** whose principal office is situated at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong (the “**Trustee**”, which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed).

**Whereas:**

- (A) The Issuer has authorised the issue of U.S.\$100,000,000 1.50 per cent. exchangeable bonds due 2023 exchangeable for ordinary shares of China Modern Dairy Holdings Ltd. (Stock code: 1117.HK) to be constituted by this Trust Deed.
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**This Trust Deed witnesses and it is declared** as follows:

## **1 Interpretation**

**1.1 Definitions:** The following expressions have the following meanings:

“**Additional Exchange Property**” has the meaning set out in Condition 7(B)(iii);

“**Agency Agreement**” means the paying, exchange and transfer agency agreement referred to as such in the Conditions, and includes any other agreements, approved in writing by the Trustee, appointing Successor Agents or amending, varying, novating or supplementing any such agreements;

“**Agents**” means the Principal Agent, the Registrar, the Paying Agent, the Exchange Agent, the Transfer Agent, their Successors or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement and references to Agents are to them acting solely through their specified offices;

“**Alternative Stock Exchange**” has the meaning set out in Condition 5;

“**Applicable Law**” means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any party to this Trust Deed is bound or with which any party is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any party to this Trust Deed;

“**Appointee**” has the meaning given to it in Clause 11.23;

“**Auditors**” means the auditors for the time being of the Issuer or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of independent accountants as may be nominated by the Issuer and notified in writing to the Trustee for the purpose;

“**Authorised Signatory**” means any person duly authorised by the Issuer as specified in the list(s) of authorised signatories provided by the Issuer to the Trustee and the Principal Agent pursuant to Clause 17.13 of the Agency Agreement;

“**Authority**” means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction;

**“Bondholder”**, **“holder of the Bonds”** or, in respect of a Bond, **“holder”** means a person in whose name a Bond is registered in the register of holders of the Bonds (or, in the case of joint holders, the first named thereof);

**“Bonds”** means the U.S.\$100,000,000 1.50 per cent. exchangeable bonds due 2023 of the Issuer, which expression shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 18 and consolidated and forming a single series with the Bonds, exchangeable into ordinary shares of Modern Dairy, constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them, and, if the context so permits, shall include the Global Certificate representing the Bonds;

**“Capital Distribution”** has the meaning set out in Condition 5;

**“Cash Alternative Amount”** has the meaning set out in Condition 5;

**“Cash Election”** has the meaning set out in Condition 7(B)(iv);

**“Certificate”** means a certificate representing one or more Bonds and, save as provided in the Conditions, comprising the entire holding by a Bondholder of his Bonds and, save in the case of Global Certificates, being substantially in the form set out in Schedule 2, issued in the name of the holder of one or more Bonds; and, except in Clause 3.1 and Clause 3.2, includes the Global Certificate;

**“Clearstream”** means Clearstream Banking S.A.;

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended;

**“Common Depository”** means, in relation to the Bonds, a depository common to Euroclear and Clearstream;

**“Conditions”** means the terms and conditions applicable to the Bonds which shall be substantially in the form set out in Schedule 4, as modified, with respect to any Bonds represented by a Global Certificate, by the provisions of such Global Certificate and shall be endorsed on the relevant Certificate and any reference to a particularly numbered Condition shall be construed accordingly;

**“definitive Certificate”** has the meaning ascribed to it in the Global Certificate;

**“directors”** means members of the board of directors of the Issuer, from time to time;

**“Electronic Consent”** has the meaning given to it in Schedule 3;

**“Equivalent Amount”** has the meaning set out in Condition 7(B)(iii)(a);

**“Euroclear”** means Euroclear Bank SA/NV or any successor securities clearing agency;

**“Event of Default”** means any of the events described in Condition 12;

**“Exchange Agent”** means any person appointed as an exchange agent pursuant to the Agency Agreement, or any Successor Exchange Agent appointed under the Agency Agreement, and includes the Principal Agent;

**“Exchange Date”** has the meaning set out in Condition 7(B)(i);

**“Exchange Notice”** has the meaning set out in Condition 7(B)(i);

**“Exchange Period”** has the meaning set out in Condition 7(A)(ii);

**“Exchange Property”** has the meaning set out in Condition 7(C);

**“Exchange Right”** has the meaning set out in Condition 7(A)(i);

**“Extraordinary Resolution”** has the meaning set out in Schedule 3;

**“FATCA”** means:

- (a) Sections 1471 to 1474 of the Code or any associated regulation, instruction or other official guidance, as amended from time to time;
- (b) any treaty, law, regulation, instruction or other official guidance enacted or amended in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above of this definition;
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above of this definition with the U.S. Internal Revenue Service, the Government of the United States or any governmental or taxation authority in any other jurisdiction; or
- (d) any treaty, law, regulation, instruction or other official guidance analogous to paragraph (a) or (b) of this definition enacted or amended in any other jurisdiction from time to time, and any agreement pursuant to the implementation of any such treaty, law, regulation, instruction or other official guidance with any governmental or taxation authority in any jurisdiction;

**“FATCA Withholding”** means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

**“FSMA”** means the Financial Services and Markets Act 2000, as amended;

**“Global Certificate”** means a Certificate substantially in the form set out in Schedule 2 representing Bonds that are registered in the name of a nominee of a Common Depository and/or any other clearing system;

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

**“Hong Kong Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

**“Listing Rules”** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

**“Offer Consideration”** has the meaning set out in Condition 8;

**“outstanding”** means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including premium (if any) and all interest accrued on such Bonds and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in Clause 2 and remain available for payment in accordance with the Conditions (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions and (e) those in respect of which the Exchange Right has been duly exercised and discharged (and, for the avoidance of doubt, a

Bond in respect of which an Exchange Date has occurred shall be deemed to remain outstanding until the Exchange Right has been satisfied and discharged even if the holder is removed from the register of Holders during the exchange process); and provided that for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Bondholders or to participate in any Written Resolution or Electronic Consent, (ii) the determination of how many Bonds are outstanding for the purposes of Clause 13, Conditions 12, 14 and 15 and Schedule 3 and (iii) the exercise of any discretion, power or authority whether contained in this Trust Deed or any other document or provided by law, which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders, those Bonds which are beneficially held by or on behalf of the Issuer or any of its respective Principal Subsidiaries and Affiliates and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

**“Paying Agent”** means an institution appointed as such under the Agency Agreement acting through its specified office, or any additional or Successor Paying Agent;

**“Payment Business Day”** has the meaning set out in Condition 5;

**“Potential Event of Default”** means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 12 become an Event of Default;

**“PRC”** means the People’s Republic of China, which, for the purpose of this Trust Deed, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

**“Principal Agent”** means Citibank, N.A., London Branch in its capacity as principal paying agent, principal exchange agent and principal transfer agent at its specified office or any Successor Principal Agent appointed under the Agency Agreement, at its specified office;

**“Principal Subsidiary”** has the meaning set out in Condition 5;

**“Registrar”** means the institution named as such in the Conditions acting through its specified office, or any Successor Registrar;

**“Relevant Company”** has the meaning set out in Condition 5;

**“Relevant Exchange”** has the meaning set out in Condition 5;

**“Relevant Event”** has the meaning set out in Condition 10(F);

**“Securities Lending Agreement”** means that securities lending agreement entered into between the Issuer and BOCI Financial Products Limited dated 17 June 2020;

**“Shareholder”** means the person in whose name a Share is registered;

**“Shares”** has the meaning set out in Condition 5;

**“specified office”** means, in relation to an Agent, the office identified with its name at the end of the Conditions or any other office notified to the Trustee in writing and notified to the holders of the Bonds pursuant to clause 19.4 of the Agency Agreement;

**“Subsidiary”** has the meaning set out in Condition 5;

**“Successor”** means, in relation to the Agents, such other or further person as may from time to time be appointed by the Issuer as an Agent and on terms (other than as to remuneration)

approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to clause 19.7 of the Agency Agreement;

“**Tax**” or “**Taxes**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax, and “**Taxation**” shall be construed accordingly;

“**this Trust Deed**” means this Trust Deed (as from time to time amended, varied, novated and/or supplemented in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so amended, varied, novated or supplemented) and expressed to be supplemental to this Trust Deed;

“**Transfer Agents**” means the Transfer Agents appointed under the Agency Agreement, or any Successor Transfer Agent;

“**trust corporation**” means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable laws relating to trustees; and

“**Written Resolution**” has the meaning given to it in Schedule 3.

**1.2 Construction of Certain References:** References to:

1.2.1 “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency for the time being of the United States of America;

1.2.2 fees, costs, charges, remuneration or expenses include any withholding, value added, turnover or similar Tax charged in respect thereof; and

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors’ rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than Hong Kong as shall most nearly approximate thereto.

**1.3 Headings:** Headings shall be ignored in construing this Trust Deed.

**1.4 Schedules:** The Schedules are part of this Trust Deed and have effect accordingly.

**1.5 Clauses:** References in this Trust Deed to Clauses and Schedules are to clauses and schedules in this Trust Deed respectively unless otherwise stated.

**1.6 Alternative Clearing System:** References in this Trust Deed to Euroclear and Clearstream shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system (an “**Alternative Clearing System**”) selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar.

**1.7 The Conditions:** In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

**1.8 Amended Documents:** Save where the contrary is indicated, any reference in this Trust Deed to this Trust Deed or any other agreement or document shall be construed as a reference to this Trust Deed or such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.



## **2 Amount of the Bonds and Covenant to Pay**

**2.1 Amount of the Bonds:** Subject to Condition 18 and Clause 18, the aggregate principal amount of the Bonds is limited to U.S.\$100,000,000.

**2.2 Covenant to Pay:** The Issuer will on any date when any Bonds become due to be redeemed or any amount in respect of the Exchange Rights or the Bonds or any of them becomes payable in accordance with this Trust Deed and/or the Conditions, unconditionally pay to or to the order of the Trustee in U.S. dollars in immediately available funds the principal amount of the Bonds becoming due for redemption on that date or such other amount as may be payable in respect of the Bonds in accordance with the Conditions, together with any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay to or to the order of the Trustee interest accrued on the principal amount of the Bonds outstanding as set out in the Conditions provided that:

**2.2.1** subject to the provisions of Clause 2.4, payment of any sum due in respect of the Bonds made to the Principal Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions; and

**2.2.2** a payment made after the due date or pursuant to Condition 12 will be deemed to have been made when the full amount due (including interest accrued, if any) has been received by the Principal Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 9.10) except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.

The Trustee will hold the benefit of this covenant on trust for itself and the Bondholders.

**2.3 Discharge:** Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Issuer or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good and complete discharge to the Issuer or the Trustee, as the case may be.

**2.4 Payment after a Default:** At any time after an Event of Default or a Potential Event of Default has occurred, the Trustee may:

**2.4.1** by notice in writing to the Issuer and the Agents, require the Agents, until notified in writing by the Trustee to the contrary, so far as permitted by Applicable Law:

(i) to act as agents of the Trustee under this Trust Deed and the Bonds on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed) and thereafter to hold all Certificates and all moneys, documents and records held by them in respect of the Bonds to the order of the Trustee; and/or

(ii) to deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs in such notice or subsequently, provided that this Clause 2.4.1(ii) shall not apply to any documents or records which the relevant Agent is obliged not to release by any Applicable Law to which it is subject; and

**2.4.2** by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Agent

with effect from the issue of any such notice to the Issuer; and from then until such notice is withdrawn, Clause 2.2.1 above, shall cease to have effect.

### **3 Form of the Bonds**

- 3.1 The Global Certificate:** The Bonds will initially be represented by the Global Certificate in registered form in the principal amount of U.S.\$100,000,000 which shall be deposited with the Common Depository. The Global Certificate shall be registered in the name of a nominee of the Common Depository. The Global Certificate will be exchangeable for Certificates as set out in the Global Certificate. Except in the limited circumstances set out in the Global Certificate, owners of interests in Bonds represented by a Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form. The Bonds evidenced by the Global Certificate shall be subject to its terms in all respects and entitled to the benefits under this Trust Deed.
- 3.2 Form of Certificates:** The definitive Certificates, if issued, will be substantially in the form set out in Schedule 1 and endorsed with the Conditions.
- 3.3 Signature:** The Global Certificate (and the definitive Certificates, if issued) will be signed manually by any Authorised Signatory of the Issuer duly authorised for the purpose and authenticated manually by or on behalf of the Registrar. The Issuer may use the manual signature of any person who at the date of signing of the relevant Certificate is an Authorised Signatory of the Issuer even if at the time of issue of any definitive Certificate or the Global Certificate he no longer is an Authorised Signatory of the Issuer and the Bonds in respect of which the Global Certificate or a definitive Certificate is so executed and authenticated will be binding and valid obligations of the Issuer.
- 3.4 Issue:** Issue and delivery of the Bonds shall be completed on the issue and delivery of the Global Certificate to Euroclear and Clearstream or to a custodian on behalf thereof, and the completion of the entry in the register of holders by the Registrar.
- 3.5 Entitlement to treat holder as owner:** The holder of any Bond will (except as ordered by a court of competent jurisdiction or save as otherwise required by law) be treated as the 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 (other than the endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating such holder, and none of the Issuer, the Trustee or any Agent shall be affected by any notice to the contrary.

### **4 Stamp Duties and Taxes**

- 4.1 Stamp Duties:** The Issuer will pay, or cause to be paid, any stamp, issue, registration, documentary, transfer or other Taxes, including interest and penalties, fees, assessments and government charges payable in the Cayman Islands, Hong Kong, the PRC and any other relevant jurisdiction, in respect of the creation, issue and offering of the Bonds and the execution, delivery, performance and/or enforcement of this Trust Deed, the Agency Agreement or the Bonds and the deposit of Certificates for the exchange of Bonds and/or the delivery of the Exchange Property following such deposit, except for the Taxes required to be paid by Holders to the relevant Exchange Agent under Condition 7(B). The Trustee shall not be liable or responsible to (i) pay any such Taxes in any jurisdiction, (ii) determine whether the Issuer, any Holder or any other person is liable to pay any such Taxes and shall not be concerned with, or be obliged or required to enquire into, the sufficiency of any amount paid

by any person for this purpose, or (iii) provide any notice or information to any Agent or any other person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any Tax or other payment imposed by or in any jurisdiction, and the Trustee shall not, in any case, be liable for any losses as a result of any non-payment by the Issuer or any Bondholder.

The Issuer will also indemnify the Trustee and the Bondholders on demand, on an after-tax basis, from and against all stamp, issue, registration, documentary, transfer or other Taxes, including interest and penalties, paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, the Bondholders to enforce the Issuer's obligations under this Trust Deed, the Agency Agreement or the Bonds. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Trustee and/or the Bonds no longer being outstanding and/or the termination of this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 4.1.

- 4.2 Change of Taxing Jurisdiction:** If the Issuer becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to Tax other than or in addition to the Cayman Islands, the PRC, Hong Kong or, in each case, any political subdivision or any authority thereof or therein or having the power to Tax, then the Issuer will notify the Trustee in writing as soon as practicable after it becomes aware and give the Trustee an undertaking in form and substance satisfactory to the Trustee in terms and manner corresponding to the terms of Condition 11 with the substitution for, or (as the case may require) the addition to, the references in that Condition to the Cayman Islands, the PRC, Hong Kong or any other jurisdiction in which the Issuer is then organised or resident for tax purposes of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer has become so subject. In such event this Trust Deed, and the Bonds and the Conditions, including, but not limited to, the provision in Condition 10(C), will be read and construed accordingly. For the avoidance of doubt, the references in Condition 10(C) to the Cayman Islands, the PRC and Hong Kong should deem to include that other or additional territory or authority to whose taxing jurisdiction the Issuer has become so subject.

## **5 Covenants relating to the Exchange Property, Exchange Rights and Cash Election**

- 5.1** Whilst any Bond remains outstanding, the Issuer undertakes to and covenants with the Trustee that it will observe all its obligations under the Conditions and this Trust Deed with respect to Exchange Rights and in addition it shall:
- 5.1.1 Delivery of Exchange Property and Payment of Cash Alternative Amount:** comply with its obligations to deliver Exchange Property and any Additional Exchange Property and, if it has made a Cash Election, comply with its obligations to pay the Cash Alternative Amount, in each case in accordance with the instructions set out in any Exchange Notice on exercise of Exchange Rights and to pay, or procure the payment of, any Equivalent Amounts, Offer Consideration or any other cash amounts or other property payable under the Conditions, in each case, in accordance with this Trust Deed, the Conditions and the Agency Agreement;
- 5.1.2 Record of Exchange Property:** at all times maintain a record clearly identifying the composition of the Exchange Property and provide a copy of such record to the Trustee, or allow the Trustee and any person appointed by it to whom the Issuer shall have no reasonable objection free access to such record at all reasonable times

during normal business hours at the Issuer's principal place of business in Hong Kong, after receiving the Trustee's prior written request;

- 5.1.3 Changes to the Exchange Property:** as soon as reasonably practicable thereafter, notify the Trustee and the Agents in writing and the Holders in accordance with this Trust Deed and the Conditions of any change in the nature or composition of the Exchange Property or any adjustment to the Exchange Property pursuant to the Conditions and including, but not limited to, the circumstances requiring such change in the nature and composition of the Exchange property, details of the Exchange Property, which, following such change, the Holder will be entitled to receive upon exercise of an Exchange Right, and the date from which it shall become, or became effective and such other or further information as the Trustee may from time to time request, and shall certify such details as the Trustee may require of the Exchange Property to which the Holder would be entitled upon exercise of the Exchange Right in respect of such Bond following such change;
- 5.1.4 Notices relating to Exchange Property:** in the circumstances described in Clause 5.1.3, send or procure to be sent to the Trustee two copies of all notices, statements and circulars which are received by it in its capacity as legal or beneficial owner of any Shares and which contain information having or which may have a material bearing on the matters described in Clause 5.1.3 as soon as practicable, but in any event not later than 10 Payment Business Days after the date of receipt thereof;
- 5.1.5 No encumbrance over the Exchange Property:** not, and the Issuer shall procure that the registered holder or owner of the Exchange Property shall not, transfer, pledge or otherwise encumber or deliver any of the Exchange Property to, or for the benefit of, any third party (or transfer or deliver or direct or request the transfer or delivery of any of the Exchange Property out of such designated account) or dispose of any interest in the Exchange Property except (i) for the purpose of delivering such Exchange Property to exchanging Bondholders, (ii) for the purpose of the Securities Lending Agreement, (iii) as may otherwise be required by law or any legal proceedings, and (iv) as provided in the Conditions or this Trust Deed;
- 5.1.6 Amount of Exchange Property:** procure that there is kept available for the purpose of effecting the exercise of the Exchange Rights such amount of Exchange Property as would be required to be delivered upon exercise of all of the Exchange Rights outstanding from time to time, provided that the Issuer may, subject to compliance with the Conditions, lend and deliver initially up to 613,877,227 Shares pursuant to and in accordance with the Securities Lending Agreement;
- 5.1.7 Delivery Unlawful:** at any time where it would be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation or any applicable jurisdiction to transfer or deliver any Exchange Property (other than cash), certify the same to the Trustee;
- 5.1.8 Rights Issue:** provide such notice and take such action as is required by Condition 7(F);
- 5.1.9 Bonus Issues, Capital Distributions and Reorganisation:** provide such notice and take such action as is required by Condition 7(G);
- 5.1.10 Relevant Securities:** to the extent that it is attributable to the Exchange Property, as determined in accordance with the Conditions and this Trust Deed, procure that any

Securities or other property or assets received following a Relevant Event are included as part of the Exchange Property; and

- 5.1.11 **Notification of Satisfaction of Exchange Rights:** notify or procure notification to the Trustee, the Principal Agent and the Registrar in writing promptly when any Exchange Right has been duly exercised and of the principal amount of the Bonds in respect of which such Exchange Right has been duly exercised and discharged.

## 6 Exchange

- 6.1 **Rights of Exchange:** Subject to the right of the Issuer to make a Cash Election, the holder of each Bond will have the right, subject to any applicable laws and regulations and in the manner described in the Conditions, to exchange such Bond for a *pro rata* share of the Exchange Property at any time during the Exchange Period as provided in the Conditions. Delivery of the pro rata share of the Exchange Property, or where a Cash Election is made as provided in the Conditions, payment of such sum in cash equal to the relevant Cash Alternative Amount, upon an exercise of Exchange Rights with respect to a Bond and performance by the Issuer of its obligations in respect of such exchange shall satisfy and constitute a discharge of the Issuer's obligations in respect of such Bond. From the Exchange Date up to the Settlement Date, the Issuer's obligations relating to such Bond shall be limited to the Exchange Right in relation to that Bond, except as provided in the Conditions.
- 6.2 **Adjustment to Exchange Property:** The assets comprising the Exchange Property may be subject to change in accordance with the Conditions.
- 6.3 **Payment of Stamp Duty and Other Expenses:** A Holder exercising Exchange Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights ("**Stamp Taxes**") or provide an indemnity and/or security in respect thereof in such form as the Issuer may reasonably require, other than or in respect of any Stamp Taxes payable or imposed in the Cayman Islands, Hong Kong, the PRC or any other jurisdiction in which the register in respect of any securities or other property comprising Exchange Property is located or in which any property comprising Exchange Property is situated ("**Excluded Stamp Taxes**"), which shall be payable by the Issuer directly to the relevant authorities. If the Issuer fails to pay any Excluded Stamp Taxes, the relevant Holder shall be entitled to pay the Excluded Stamp Taxes to the relevant tax authority. The Issuer covenants to reimburse each such Holder in respect of the payment of Excluded Stamp Taxes by them and any penalties payable in respect thereof, which shall be payable by the Issuer. Such Holder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with the exercise of Exchange Rights by it.
- 6.4 **Trustee Not Obligated to Monitor the Exchange Property:**
- 6.4.1 The Trustee shall not be under any duty or obligation to (and will not be responsible or liable to any Bondholder or any other person for not so doing) monitor whether any event or circumstance which gives rise or may give rise to an adjustment to the Exchange Property has happened or exists as described in Condition 7 or Condition 8 and, unless it has express notice in writing from the Issuer to the contrary, may assume that no such event or circumstance has happened or does exist and shall not be liable to any Bondholder or any other person for so doing.

6.4.2 The Trustee shall not be under any duty or obligation to (and will not be responsible or liable to any Bondholder or any other person for not so doing) perform, verify or assist in any calculation or determination in connection with any amount payable under any redemption option under Condition 10, the number of a *pro rata* share of the Exchange Property or Additional Exchange Property, the Equivalent Amount, the Further Amount, the Cash Alternative Amount, or any other amount with respect to any exercise of the Exchange Right and shall not be responsible for delivery of any Exchange Property, Additional Exchange Property or Cash Election Notice or for payment of any Equivalent Amount, Further Amount, Cash Alternative Amount, or any other amount with respect to any exercise of the Exchange Right.

## 7 Offers

Upon receipt of any Offer as is referred to in the Conditions, the Issuer shall, and shall procure that the registered holder or owner of the Exchange Property shall, as soon as practicable notify the Trustee and (in the case of the Issuer) give notice to Holders in accordance with the Conditions giving details of the Offer and stating that, subject as provided in the Conditions, the Exchange Rights shall be suspended during the Suspension Period.

## 8 Application of Moneys Received by the Trustee

8.1 **Declaration of Trust:** All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them (subject to Clause 8.2):

8.1.1 firstly, in payment of all fees, all costs, charges and expenses properly incurred and all liabilities incurred by the Trustee (including without limitation remuneration payable to the Trustee) in carrying out its functions and/or duties and/or exercising its rights, powers and/or discretions under and in accordance with this Trust Deed, the Bonds and/or the Agency Agreement and the Bonds (which for the avoidance of doubt includes but is not limited to the fees, costs, charges, expenses and liabilities of, and all other amounts payable to, any Appointee appointed by the Trustee hereunder and the Agents for so long as they are acting as agents of the Trustee;

8.1.2 secondly, in payment of any amounts (including principal, premium (if any) and interest (if any)) owing in respect of the Bonds *pari passu* and rateably;

8.1.3 thirdly, in payment or satisfaction of all fees, costs, charges and expenses properly incurred and all liabilities incurred by or payable to each Agent (including without limitation remuneration payable to it) in carrying out its duties, discretions or functions under or in connection with the Agency Agreement or in connection with the Bonds (if any) but unpaid; and

8.1.4 fourthly, in payment of any balance (if any) to the Issuer for itself.

If the Trustee holds any moneys in respect of the Bonds on which claims for payment have become void, the Trustee will hold them on these trusts.

8.2 **Accumulation:** If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 8.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its sole discretion, place such moneys on deposit into an interest bearing account (and for the avoidance of doubt, the Trustee shall not be required to obtain best rates or exercise any other form of investment discretion with respect to such

deposits, and it is acknowledged that an interest bearing account may result in negative interest rates applying) in the name or under the control of the Trustee at such bank or other financial institution and in such currency as the Trustee may think fit in light of the cash needs of the transactions relating to the Bonds and not for purposes of generating income. The Trustee may at its sole discretion retain such monies and accumulate the resulting income until the monies and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the Bonds then outstanding and then such monies, accumulations and funds (after deduction of, or provision for, any applicable Taxes) will be applied as specified in Clause 8.1. For the avoidance of doubt, the Trustee shall in no circumstances, have any discretion to invest any moneys referred to in this Clause 8.2. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such deposits or convert any moneys so deposited into any other currency. The Trustee will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates, interest rates or otherwise and shall not be liable for obtaining a return thereon which is less than the return which may have been obtained if the relevant deposit was made in another form and/or with another institution. All interest and other income deriving from such deposits shall be applied in accordance with Clause 8.1.

## **9 Covenants**

So long as any Bond is outstanding, the Issuer will:

- 9.1 Books of Account:** keep, and procure that each of its Principal Subsidiaries keeps, proper books of account and, at any time after an Event of Default or a Potential Event of Default has occurred or if the Trustee believes or is notified that such an event has occurred, so far as permitted by Applicable Law, allow, and procure that each such Principal Subsidiary will allow, the Trustee and anyone appointed by it access to its and/or the Principal Subsidiary's books of account at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.);
- 9.2 Notice of Events of Default:** notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default without waiting for the Trustee to take any further action;
- 9.3 Information:** so far as permitted by Applicable Law, give the Trustee such information, opinions, certificates and evidence as it requires and in such form as it shall require or consider necessary (including without limitation the procurement by the Issuer of all such certificates called for by the Trustee pursuant to Clause 9.5) to perform or discharge its functions and obligations and/or exercise its rights, powers and discretions as Trustee under this Trust Deed, the Agency Agreement and the Bonds or any other document required or contemplated hereunder or thereunder or relating to the transactions herein or therein contemplated or by operation of law;
- 9.4 Financial Statements etc.:** send to the Trustee (in addition to any copies to which the Trustee may be entitled as a holder of any securities of the Issuer), as soon as practicable and in any event within 180 days after the close of each Fiscal Period), one copy or translation, in each case in the English language, of the annual Issuer Audited Financial Reports of the Issuer as at the end of, and for, such Fiscal Period, reported on by the Auditors and prepared in accordance with International Financial Reporting Standards, provided that if and to the extent

that the Issuer Audited Financial Reports are not prepared, or adjusted, on a basis consistent with that used for the preceding corresponding Fiscal Period, that fact shall be stated. In this Clause 9.4, “**Fiscal Period**” means, as the context may require, a period commencing on 1 January and ending on the succeeding 31 December, provided that if the Issuer shall change its financial year so as to end on a date other than 31 December, the foregoing shall be amended as necessary and the Issuer shall notify the Trustee thereof in writing, and “**Issuer Audited Financial Reports**” means the consolidated audited financial statements of the Issuer and its subsidiaries prepared in accordance with International Financial Reporting Standards;

**9.5 Certificate of Authorised Signatories:** send to the Trustee, (i) at the same time as the Issuer Audited Financial Reports are provided pursuant to Clause 9.4, and (ii) within 14 days after any written request by the Trustee, a certificate in (or translated into) English substantially in the form as set out in Schedule 6 signed by two Authorised Signatories of the Issuer on behalf of the Issuer to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the “**Certification Date**”) being not more than five days before the date of the certificate:

**9.5.1** no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it; and

**9.5.2** the Issuer has complied with all its obligations under this Trust Deed and the Bonds or, if there is any non-compliance, giving details of it.

The Trustee shall be entitled to rely conclusively upon certificates of the Issuer given as contemplated in this Trust Deed and shall not be liable to any Bondholder or any other person for so relying upon such certificates;

**9.6 NDRC Post-Issuance Filing:** comply with the requirements with respect to the Post-Issuance Filing as set forth in the Conditions and provide the Trustee with, within 10 PRC Business Days after submission of the Post-Issuance Filing, (i) a certificate (substantially in the form set out in Schedule 7) in English signed by two Authorised Signatories of the Issuer confirming the submission of the Post-Issuance Filing has occurred; and (ii) copies of the relevant documents evidencing the Post-Issuance Filing (if any), each certified in English by two Authorised Signatories of the Issuer as a true and complete copy of the original (the items specified in (i) and (ii) together, the “**Registration Documents**”). In addition, the Issuer shall, within five PRC Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 17) confirming the submission of the Post-Issuance Filing.

The Trustee shall have no obligation or duty to monitor or ensure that the Post-Issuance Filing is filed with the NDRC or completed within the prescribed timeframe in accordance with these Conditions and/or any other applicable PRC laws and regulations or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Post-Issuance Filing or to give notice to the Bondholders confirming the filing of the Post-Issuance Filing, and shall not be liable to the Issuer, the Bondholders or any other person for not doing so;

**9.7 Notices to Holders:** send to the Trustee at least five business days prior to the proposed date of publication, a copy of the form of each notice in English to be given to Bondholders for the Trustee’s approval and, once given, two copies of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute



approval for the purposes of section 21 of the FSMA of any such notice which is communicated within the meaning of section 21 of the FSMA). The failure of the Trustee to provide its approval shall not preclude the Issuer from giving any notice required by the Conditions or any Applicable Law. For the avoidance of doubt, the Trustee shall not be concerned with, nor shall it be obligated or required to enquire into, the sufficiency or accuracy of the contents of such notices and shall not be liable to Bondholders or any other person for the contents of such notices or for any such approval given by the Trustee;

- 9.8 Information Material to Bondholders:** send to the Trustee copies or translations, in each case in English, of all notices, statements, circulars and documents which are material in the context of the Bonds and which are issued to its shareholders or creditors generally as soon as reasonably practicable (but not later than 14 days) after their date of issue and make available to the Agents (without cost to the Agents) as many further copies or translations as they may request in order to satisfy any request from the holders of the Bonds from time to time;
- 9.9 Further Acts:** so far as permitted by Applicable Law and unless prohibited by the Listing Rules (or, if applicable, the listing rules of the Alternative Stock Exchange) for so long as the Bonds or the ordinary shares of the Issuer are listed or admitted to trading on the Hong Kong Stock Exchange and not suspended for trading, execute all such further documents and do all such further things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed, the Agency Agreement and/or the Bonds;
- 9.10 Notice of Late Payment:** forthwith (unless the Trustee otherwise permits) give notice to the Bondholders of any unconditional payment to the Principal Agent or the Trustee of any sum due in respect of the Bonds made after the due date for such payment;
- 9.11 Listing:** use all reasonable endeavours to maintain the listing of the Bonds on Hong Kong Stock Exchange but, if it is unable to do so, having used such reasonable endeavours, instead use all reasonable endeavours to obtain and maintain a listing of the Bonds on another stock exchange and the admission to trading of the Bonds on another market as the Issuer may select and notify in writing to the Trustee;
- 9.12 Change in Agents:** give at least 14 days' prior notice to the Bondholders in accordance with Condition 19 of any future appointment, resignation or removal of an Agent or of any change by an Agent of its specified office. The Issuer shall at all times maintain the Agents as provided in Condition 19;
- 9.13 Notification of a Relevant Event:** notify the Trustee in writing and the holders of the Bonds in accordance with the Conditions by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event;
- 9.14 Early Redemption:** give prior notice (in the manner set out in the Conditions) to the Trustee, the Principal Agent and the Holders of any proposed early redemption in accordance with Condition 10(B). Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under Condition 10(B) and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so;
- 9.15 Register:** deliver or procure the delivery to the Trustee of an up-to-date copy of the Register in respect of the Bonds, certified as being a true, accurate and complete copy, at such times as the Trustee may require upon written request;

- 9.16 Compliance:** comply with and perform and observe all the provisions of this Trust Deed, the Agency Agreement, the Bonds and the Conditions relating to any Bonds which are expressed to be binding on it. The Conditions shall be binding on the Issuer and the holders of the Bonds. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds and the Conditions. The provisions contained in Schedule 3 shall have effect in the same manner as if herein set forth;
- 9.17 Filing, Registration and Reporting:** duly and punctually comply with or procure that there is compliance with all filing, registration, reporting and similar requirements required in accordance with applicable laws and regulations from time to time relating in any manner whatsoever to this Trust Deed, the Agency Agreement, the Bonds and the Conditions relating to any Bonds;
- 9.18 Consents, Approvals and Authorisations:** obtain, comply with and maintain in full force and effect any governmental or regulatory or other consent, approval, authorisation, filing, resolution, licence, exemption, order, recording or registration required (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the Bonds and this Trust Deed as and when required, (ii) to ensure that such obligations are legally binding and enforceable and (iii) to make the Bonds and this Trust Deed admissible in evidence in the courts of Hong Kong;
- 9.19 Legal Opinions:** unless the Trustee agrees otherwise, prior to making any modification or amendment or supplement to any of this Trust Deed, the Agency Agreement, the Bonds and the Conditions, procure the delivery of (a) legal opinion(s) as to the Cayman Islands, Hong Kong, English, PRC and any other relevant law, addressed to the Trustee, dated the date of such modification or amendment or supplement, as the case may be, and in form and substance acceptable to the Trustee from legal advisers acceptable to the Trustee;
- 9.20 Principal Subsidiaries:** give to the Trustee at the same time as sending the Issuer Audited Financial Reports referred to in Clause 9.4 or within 21 days of a request by the Trustee, a certificate of the Issuer substantially in the form set out in Schedule 5 and signed by two Authorised Signatories listing those Subsidiaries of the Issuer which as at the last day of the last financial year of the Issuer, or as at the date specified in such request, were Principal Subsidiaries. The certificate shall be signed by two Authorised Signatories of the Issuer, stating that, in their opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary and shall also set out the relevant particulars and calculations for the purpose of determining the Principal Subsidiaries of the Issuer, as the case may be. The Issuer shall also notify the Trustee in writing as soon as practicable of the acquisition or disposal of any company which, due to such acquisition or disposal, becomes or ceases to be a Principal Subsidiary;
- 9.21 Bonds held by the Issuer:** send to the Trustee as soon as practicable after being so requested by the Trustee and in any event within 14 days of any such request, a certificate of the Issuer, as the case may be, signed by an Authorised Signatory of the Issuer, as the case may be, stating the number of Bonds which are beneficially held by or on behalf of the Issuer or any of its Principal Subsidiaries and Affiliates at the date of such certificate;
- 9.22 Amendment of Regulations:** seek prior written approval of the Trustee and the Registrar for any change in the regulations concerning transfer and registration of the Bonds and entries on the Register as scheduled to the Agency Agreement;
- 9.23 Inspection of Trust Deed and Agency Agreement:** use all reasonable endeavours to procure that the Trustee makes available for inspection upon prior written request by the

Bondholders and proof of holding and identity to the satisfaction of the Trustee at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time), Monday to Friday other than public holidays) at the principal office for the time being of the Trustee, copies of the Trust Deed and the Agency Agreement;

- 9.24 Information Collection and Sharing:** within ten business days of any written request by the Trustee, supply to the Trustee such forms, documentation and other information relating to it, its operations, or the Bonds as the Trustee reasonably requests for the purposes of the Trustee's compliance with Applicable Law and shall notify the Trustee promptly in the event that it becomes aware that any of the forms, documentation or other information provided by the Issuer is (or becomes) inaccurate in any material respect; provided, however, that the Issuer shall not be required to provide any forms, documentation or other information pursuant to this Clause 9.24 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to the Issuer and cannot be obtained by the Issuer using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of the Issuer constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality;
- 9.25 Modification of Bonds:** so long as any Bond remains outstanding, not propose or agree to any material modification of the Bonds unless provision satisfactory to the Trustee and the Agents is made to deal with any resulting consequences under FATCA;
- 9.26 Notice of Possible Withholding:** notify the Trustee in the event that it determines that any payment to be made by the Trustee under this Trust Deed and/or the Bonds is a payment which could be subject to any deduction or withholding for or on account of any Tax, including without limitation any Tax imposed by FATCA, if such payment were made to a recipient that is generally unable to receive payments free from any deduction or withholding under any Tax, including without limitation any Tax imposed by FATCA, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this Clause 9.26 shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Bonds, or both; and
- 9.27 Tax Indemnity:** indemnify the Trustee on demand and on an after tax basis against any liability or loss howsoever incurred in connection with the Issuer's obligation to withhold or deduct an amount for or on account of Tax including, without limitation, any Tax imposed by FATCA.

## **10 Remuneration and Indemnification of the Trustee**

- 10.1 Normal Remuneration:** So long as any Bond is outstanding, the Issuer will pay, or cause to be paid, the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree in writing. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Bondholder of moneys due in respect of any Bond is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment or delivery to such Bondholder or the Trustee is duly made.
- 10.2 Extra Remuneration:** If an Event of Default or Potential Event of Default shall have occurred or if the Trustee believes or is notified that such an event has occurred or is about to occur, the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties which in the

opinion of the Trustee are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Agency Agreement, the Bonds and/or the Conditions (including without limitation in the event of any proposed amendment, waiver or consent), the Issuer will pay or cause to be paid, such additional remuneration as they may agree (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this Clause 10.2, as determined by a financial institution or person (acting as an expert) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such financial institution's or person's fees will be borne by the Issuer. The determination of such financial institution or person will be conclusive and binding on the Issuer, the Trustee and the Bondholders.

**10.3 Expenses:** The Issuer will also on demand by the Trustee pay or discharge all fees, costs, charges and expenses properly incurred and all other liabilities incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions and the exercise of its rights, powers and/or discretions under this Trust Deed, the Agency Agreement and the Bonds including, but not limited to, expenses incurred in seeking legal, financial, accounting or other advice to discharge its duties in accordance with this Trust Deed, the Agency Agreement and the Conditions, travelling expenses, any amounts incurred in relation to the appointment or engagement of any Appointee and any stamp, documentary or other Taxes paid by the Trustee in connection with any legal proceedings brought or contemplated by the Trustee against the Issuer to enforce any provision of this Trust Deed, the Agency Agreement or the Bonds together in each case with any applicable value added tax, sales, stamp, issue, registration, documentary or other Taxes.

Such costs, charges, liabilities and expenses will:

**10.3.1** in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate which is equal to two per cent. per annum above the Trustee's cost of funds on the date on which the Trustee made such payments, as notified by the Trustee; and

**10.3.2** in other cases carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

**10.4 Indemnity:** The Issuer hereby unconditionally and irrevocably covenants and undertakes, on demand by the Trustee, to indemnify and hold harmless the Trustee, its directors, officers, employees and agents (each an "**indemnified party**") in full at all times on an after-tax basis against all costs, fees, expenses and disbursements (including without limitation the costs and expenses of legal advisers and other experts) properly incurred and all losses, liabilities, actions, proceedings, claims, demands, penalties, damages and other liabilities whatsoever, which may be suffered or brought against or may be incurred by such indemnified party (all such costs, fees, expenses, disbursements, losses, liabilities, actions, proceedings, claims, demands, penalties, damages and other liabilities whatsoever, collectively "**Losses**") as a result of or in connection with (i) their appointment or involvement hereunder or the exercise or non-exercise of any of their powers or duties hereunder or under the Bonds or the taking of any acts in accordance with the terms of this Trust Deed, the Agency Agreement, the Bonds or its usual practice, (ii) this Trust Deed, the Agency Agreement, the Bonds and any other transaction documents in relation to the Bonds or relating to the transactions contemplated in the Trust Deed, the Agency Agreement and/or the Conditions, or (iii) any instruction,

certificate, communication, direction or other document upon which the Trustee may rely under this Trust Deed, the Agency Agreement and/or the Bonds as well as the costs and expenses incurred by an indemnified party in defending itself against or investigating any claim or liability in respect of the foregoing, provided that this indemnity shall not apply in respect of an indemnified party to the extent that a court of competent jurisdiction determines that any such Losses incurred or suffered by or brought against such indemnified party arise directly from the fraud, wilful default or gross negligence of such indemnified party. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 10.4.

- 10.5 Taxes:** The Issuer hereby further undertakes to the Trustee that all monies payable by it to the Trustee or any indemnified party under this Clause 10, Clause 4.1 and Clause 16 shall be made without set-off or counterclaim and without deduction or withholding or on account of any present or future Taxes of, whatever nature imposed, levied, collected, withheld or assessed by or in any jurisdiction or any political subdivision thereof or by an authority thereof or therein having power to Tax unless compelled by law, in which event the Issuer will pay or cause to be paid, such additional amounts as will result in the receipt by the Trustee or such other indemnified party of the amounts which would otherwise have been payable by it to the Trustee or such indemnified party under this Clause 10.5, Clause 4.1 and Clause 16 in the absence of any such set-off, counterclaim, deduction or withholding.
- 10.6 Corporate Income Tax of the Trustee:** For the avoidance of doubt, the Trustee shall be responsible for its own corporate income tax and nothing in this Trust Deed shall require the Issuer to pay taxes imposed in respect of the Trustee's overall net income by a taxing jurisdiction wherein the Trustee is incorporated or resident or carries on or is deemed to carry on business for tax purposes.
- 10.7 Interest:** All remuneration payable to the Trustee that is not paid on the due date thereof shall carry interest from such due date at the rate of two per cent. per annum over its cost of funds prevailing at the date of such payment until the date of payment of such remuneration in full.
- 10.8 Continuing Effect:** Clauses 10.3, 10.4, 10.5 and 10.7 will continue in full force and effect as regards the Trustee even if it no longer is the Trustee or the Bonds are no longer outstanding or this Trust Deed has been terminated.

## **11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000**

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 and subject to Clause 12, it is expressly declared as follows:

- 11.1 Advice:** The Trustee and each of its directors, officers, employees and Appointees may engage and consult, at the expense of the Issuer, and may rely conclusively and act on the opinion or advice of, or information obtained from, any adviser, expert or other professional adviser (including without limitation any lawyer, valuer, accountant, surveyor, banker, broker, rating agency, auctioneer, investment bank or financial consultant) selected by it (including the Auditors), whether obtained by or addressed to the Issuer, the Trustee the Principal Agent or otherwise, and whether or not liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise, and none of them will be responsible or liable to Bondholders, the Issuer or anyone else for any loss occasioned by so acting or not acting. Any such opinion, advice or information may be sent or obtained by letter, electronic communication or fax and the Trustee and each of its directors, officers, employees and Appointees will not be liable to anyone for acting on any opinion, advice or

information purporting to be conveyed by such means, even if it contains some error or is not authentic. The Trustee may accept and shall be entitled to rely on any such information, report, confirmation, certificate, opinion or advice and, in such event, such information, report, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Bondholders.

- 11.2 Trustee to Assume Performance:** The Trustee need not notify anyone of the execution of this Trust Deed, the Agency Agreement or any other document referred to herein or therein or do anything to find out if an Event of Default or Potential Event of Default or Relevant Event has occurred and it will not be responsible to Holders or any other person for any loss arising from any failure by it to do so. Until the Trustee has received express notice in writing from the Issuer to the contrary, the Trustee may assume that no such event has occurred and that the Issuer and the Agents are performing all their respective obligations under this Trust Deed, the Bonds, the Agency Agreement and any other document referred to herein or therein, and the Trustee shall not be liable to the Bondholders or any other person for doing so.
- 11.3 No Obligations to Monitor:** The Trustee shall be under no obligation to monitor or supervise the functions of any other person under, or to ascertain compliance with the provisions of, or to be responsible for the performance of any other person in relation to, the Bonds, this Trust Deed, the Agency Agreement, the Conditions or any other agreement or document relating to the transactions herein or therein contemplated or take any steps to ascertain whether an Event of Default or a Potential Event of Default, or a Relevant Event or any event or circumstance which gives rise or may give rise to a Relevant Event or any redemption under Condition 10, has occurred. It shall not be liable for not doing so, and shall be entitled, in the absence of express notice in writing of a breach of obligation, to assume that each such person is properly and fully performing and complying with its obligations. The Trustee shall be under no obligation to monitor any performance (financial or otherwise) of the Issuer or any other person appointed by any of them in relation to the Bonds and/or the Exchange Property of the duties and obligations on their part expressed in respect of the same. The Trustee shall not be responsible or liable to the Issuer, the Bondholders or any other person for not doing so.
- 11.4 Resolutions of Holders:** The Trustee will not be responsible or liable to any person for having acted on a resolution purporting (i) to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed or (ii) to be a Written Resolution made or Electronic Consent obtained in accordance with paragraph 23 of Schedule 3, even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.
- 11.5 Illegality/Expenditure of Trustee Funds:** Nothing in this Trust Deed, the Bonds, the Agency Agreement or any other document referred to herein or therein shall require the Trustee to do anything, and the Trustee may refrain without liability from doing anything in any state or jurisdiction, which in its opinion: (i) may be illegal or contrary to Applicable Law, directive, regulation or fiscal requirement of any governmental agency or state or jurisdiction (and the Trustee may do anything which is, in its opinion, necessary to comply with any such Applicable Law, directive, court order, arbitral award, regulation or fiscal requirement); (ii) it would not have power to do the relevant thing in that state or jurisdiction by virtue of any Applicable Law in that state or jurisdiction or if it is determined by any court or other competent Authority in that state or jurisdiction that it does not have such power or (iii) cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authority or discretion hereunder or pursuant to the Conditions and/or the Agency Agreement, if it believes that repayment of such funds or

satisfactory indemnity against, and/or security and/or pre-funding for, such risk or the liability is not assured to it. Furthermore, notwithstanding anything else contained in this Trust Deed, the Agency Agreement or the Conditions, the Trustee may refrain from doing anything which would or might in its opinion be contrary to the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system on which the Bonds are listed or through which the Bonds are held and/or cleared, or which would or might otherwise render it liable to any person, and the Trustee may do anything which is, in its opinion, necessary to comply with any of the Applicable Law and the aforementioned directives, regulations, fiscal requirements, rules, operating procedures or market practice.

- 11.6 Certificate Signed by Directors/Authorised Signatories:** If the Trustee, in the exercise of its functions, rights, powers and/or discretions under this Trust Deed, the Agency Agreement, the Conditions or any other document to which the Trustee is a party in its capacity as such, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two directors of the Issuer who are also Authorised Signatories of the Issuer as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible or liable to any Bondholder or any other person for any loss occasioned by relying or acting (or refraining from acting) on such a certificate.
- 11.7 Deposit of Documents:** The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it in its absolute discretion to be good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof at the cost of the Issuer, and the Trustee shall not be responsible for or required to insure against any loss incurred in connection with such deposit. The Trustee is not obliged to appoint a custodian of securities payable to bearer.
- 11.8 Discretion:** The Trustee will have absolute and unfettered discretion as to the exercise or non-exercise of its functions, rights, powers and discretions under this Trust Deed, the Agency Agreement, the Bonds, the Conditions and any other transaction documents and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise.

Whenever in this Trust Deed, the Agency Agreement and the Bonds or by law, the Trustee shall have any discretion or permissive power it may decline to exercise the same in the absence of approval by or directions from the Bondholders. The Trustee shall not be bound to exercise any discretion or power or act at the request or direction of the Bondholders unless first indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which, in its opinion, it may render itself liable and all costs, charges, damages, expenses and liabilities it may incur by doing so.

As between the Trustee and the Bondholders, the exercise of such discretion shall be conclusive and binding.

The Trustee shall not be responsible or liable for any loss or liability incurred by any person as a result of any delay in it exercising any such discretion or power or in taking any action, making any decision, or giving any direction where the Trustee is seeking such directions or instructions or where directions or instructions sought are not provided by the holders of the Bonds. The Trustee shall not be liable to the Issuer or any other person for any loss, costs, charges, liabilities and expenses incurred or suffered by the Issuer or any such other person

where it is acting on the instructions or at the direction of the Bondholders (whether given by Extraordinary Resolution or otherwise as contemplated or permitted by this Trust Deed and/or the Bonds).

**11.9 Agents:** Whenever it considers it expedient in the interests of the Holders, the Trustee may, in the conduct of its trust business, instead of acting personally, without the permission of any other party and at the expense of the Issuer, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).

**11.10 Delegation:** The Trustee may (at the expense of the Issuer), without the permission of any other party, in the execution and exercise of all or any of the trusts, rights, powers, authorities and discretions vested in it by this Trust Deed, the Agency Agreement and the Conditions, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, the Agency Agreement and/or the Bonds and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders.

**11.11 Nominees and Custodians:** In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee or custodian on any terms.

**11.12 Confidentiality:** Unless ordered to do so by a court of competent jurisdiction or as required by Applicable Law or regulation, the Trustee shall not be required to disclose to any Bondholder or any other person any confidential financial or other information made available to the Trustee by the Issuer or any of its Subsidiaries and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

**11.13 Forged Bonds and Documents:** The Trustee will not be liable to the Issuer, any Holder or any other person by reason of having accepted as valid or not having rejected any Certificate or entry in the Register purporting to be such and later found to be forged or not authentic, nor shall it be liable for any action taken or omitted to be taken in reliance on any document, certificate or communication believed by it to be genuine and to have been presented or signed by the proper person or persons.

**11.14 Determinations Conclusive:** As between itself and the Bondholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed, the Agency Agreement and the Bonds. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Bondholders.

**11.15 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided herein or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, and the Bondholders.

**11.16 Events of Default, etc.:** The Trustee may, but is not obliged to, determine in its absolute discretion whether or not an Event of Default or Potential Event of Default or any other



proposed action or any circumstance is in its opinion capable of remedy and/or materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding on the Issuer, and the Bondholders. The Trustee will not be responsible or liable to the Issuer or any Bondholder or any other person for any loss arising from a failure to make such a determination. Without prejudice to the foregoing, the Trustee is not obliged to make a determination under this Clause 11.16 unless first indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may in its opinion render itself liable and all costs, charges, damages, expenses and liabilities which it may in its opinion incur by so doing.

**11.17 Payment for and Delivery of Bonds:** The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds, any exchange of Bonds or the delivery of Bonds to the persons entitled to them.

**11.18 No Responsibility for Exchange Property:** The Trustee shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist which may require any adjustment to the assets comprising the Exchange Property in accordance with the Conditions or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same. The Trustee shall not at any time be under any duty or responsibility in respect of the validity or value (or the kind or amount) of the Exchange Property, which may at any time be made available or delivered upon the exchange of any Bonds, and it makes no representation with respect thereto. The Trustee shall not be responsible for any failure of the Issuer to make available or deliver any Exchange Property or to make any payment (including in respect of any fractional Relevant Security) upon an exercise of Exchange Rights in respect of any Bond or of the Issuer to comply with any of its covenants contained in this Trust Deed, the Conditions or the other Transaction Documents. The Trustee shall not be under any duty or and shall have no responsibility or liability for any insufficiency of the Exchange Property resulting from any Bondholder or the Trustee or the Issuer being liable for any Tax in respect of the Exchange Property.

**11.19 Enforcement:** The Trustee may, at its sole discretion and without further notice, (i) declare the Bonds due and payable and/or (ii) take such steps, action and/or proceedings against the Issuer, in each case, as it may think fit to enforce payment of the Bonds after the Bonds have become due and payable and/or to enforce the provisions of this Trust Deed and/or the Agency Agreement, provided that the Trustee shall not be under any obligation to do any of the foregoing unless (a) it shall have been so requested in writing by the Holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction, and the Trustee shall incur no liability to the Holders or any other person for taking or refraining from taking such action. No Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

**11.20 Satisfaction of Trustee in Condition 10(C):** For the purposes of Condition 10(C), the Trustee shall be entitled to be satisfied by the Issuer that the Issuer has or will be obliged to pay Additional Amounts as provided in that Condition if the Issuer delivers to it (a) a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (b) an opinion of an independent legal counsel or tax advisors to the effect that the Issuer is permitted to effect such redemption pursuant to the terms of this Trust Deed and the Issuer has or will become obligated to pay

such amounts as a result of such changes or amendment (irrespective of whether the change or amendment in the laws or regulations of the PRC, Hong Kong or the Cayman Islands referred to in Condition 10(C) is effective at the time of delivery of such certificate to the Trustee), and the Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion as sufficient evidence thereof without further enquiry, in which event the same shall be conclusive and binding on the Bondholders, and the Trustee shall not be responsible or liable to Holders or any other person for so doing.

**11.21 Acceleration:** The Trustee shall not be obliged to declare the Bonds immediately due and payable under Condition 12 unless the Trustee is so requested in writing by Bondholders holding at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or so directed by an Extraordinary Resolution and unless in any such case it has been indemnified and/or secured and/or pre-funded to its satisfaction.

**11.22 Bonds held by the Issuer:** In the absence of express written notice from the Issuer to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under Clause 9.21) that no Bonds are for the time being held by or on behalf of the Issuer or any Principal Subsidiary or Affiliate of the Issuer.

**11.23 Responsibility for agents etc.:** If the Trustee exercises due care in selecting any custodian, agent, delegate or nominee appointed under this Trust Deed (an “**Appointee**”), it will not have any obligation to monitor or supervise the Appointee and shall not be responsible or liable for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee’s act, omission, misconduct or default or the act, omission, misconduct or default of any substitute appointed by the Appointee.

**11.24 Interests of Holders through the Clearing Systems:** In considering the interests of Bondholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any certificate, report or any other information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Bonds evidenced by the Global Certificate and may consider such interests as if such accountholders were the holders of the Bonds represented by the Global Certificate. The Trustee may call for any certificate or other document to be issued by the relevant clearing system as to the principal amount of Bonds evidenced by the Global Certificate standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. The Trustee shall not be liable to any Bondholders, the Issuer or any other person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the relevant clearing system and subsequently found to be forged or not authentic or not to be correct.

**11.25 No Responsibility for Recitals etc.:** The Trustee shall not be responsible for recitals, statements, warranties, representations, statements or covenants of any other party contained in this Trust Deed or any other transaction document relating to the Bonds or other document entered into in connection therewith which shall be taken as statements by the Issuer, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of the Bonds or this Trust Deed. The Trustee shall be entitled to assume the accuracy and correctness thereof or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any such agreement or other document or any security constituted thereby or pursuant thereto.

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of, or for any matter or thing done or omitted in any way in connection with or in relation to, this Trust Deed or the Agency Agreement or any other document relating hereto or thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed or the Agency Agreement or any other document relating hereto or thereto. In addition, the Trustee shall not be responsible to the Bondholders or any other person for the effect of the exercise or non-exercise of any of its rights, powers, duties and/or discretions hereunder except to the extent that a court of competent jurisdiction determines that the Trustee's own gross negligence, wilful default or fraud was the primary and direct cause of any loss to the Bondholders or such other person.

Neither the Trustee nor any of the Agents shall be responsible for monitoring or in any way ascertaining the existence, coming into effect or change of the laws or regulations related to the obligations of the Issuer under this Trust Deed, the Agency Agreement and/or the Conditions or any governmental or regulatory consents, approval, authorisation, resolution, licence or exemption required by the Issuer in relation thereto, or to ascertain whether such certification, if applicable, shall have been done by the Issuer, any Bondholder or any other person and shall not be liable for any failure by the Issuer, any Bondholder or any other person to provide such certification.

**11.26 No Responsibility for the Issuer's Condition:** Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Bondholder shall rely on the Trustee in respect thereof.

**11.27 [Reserved]**

**11.28 Consent:** Any consent to be given, or any right, discretion or power to be exercised, by the Trustee for the purposes of this Trust Deed, the Agency Agreement and/or the Bonds may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in this Trust Deed, the Agency Agreement and/or the Bonds may be given or exercised retrospectively.

**11.29 Professional Charges:** Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other fees for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed, the Agency Agreement and the Bonds and any properly incurred disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, the Agency Agreement and/or the Bonds including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

**11.30 Special Damages and Consequential Loss:** Notwithstanding any other term or provision of this Trust Deed, the Agency Agreement, the Conditions or any other transaction document contemplated by the foregoing documents to the contrary, none of the Trustee and each of its directors, officers, employees and Appointees shall be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever including but not limited to loss of business, goodwill, reputation, opportunity or profits or anticipated

saving, in each case howsoever caused or arising and whether arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise. The provisions of this Clause 11.30 shall survive the termination of this Trust Deed and/or the Bonds no longer being outstanding and/or the resignation or removal of the Trustee.

**11.31 Interests of Bondholders:** In connection with the exercise of its powers, trusts, rights, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed, the Agency Agreement or the Bonds), the Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and no Bondholder shall be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in Condition 11 and/or in any undertakings given in addition thereto or in substitution therefor pursuant to this Trust Deed.

**11.32 Independent Investment Bank:** The Trustee has no responsibility for the appointment of, or for the accuracy or otherwise of any valuation or determination made by, any independent investment bank or independent appraiser pursuant to or as contemplated in the Conditions.

**11.33 Force Majeure:** Notwithstanding anything to the contrary in this Trust Deed, the Agency Agreement, the Bonds or in any other transaction document, the Trustee shall not in any event be liable for any failure or delay in the performance of its obligations or the exercise of its rights, powers and discretions hereunder or thereunder if it is prevented from so performing its obligations or exercising its rights, powers and/or discretions by any circumstances beyond the control of the Trustee, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, without limitation, liabilities arising from any existing or future law, order, judgment or regulation, any existing or future act of supranational or regulatory body, judicial authority or self-regulatory organisation or governmental authority, regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations, market conditions affecting the execution or settlement of transactions or the value of assets, breakdown, failure or malfunction of any third party transport, telecommunication, computer services or systems, nationalisation, expropriation, other governmental action, natural disasters, Acts of God, fire, flood, war whether declared or undeclared, terrorism, insurrection, revolution, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, interruption of communications or computer facilities, computer failure or failure of any SWIFT or money transmission system or any other reason which is beyond the control of the Trustee. The provisions of this Clause 11.33 shall survive the termination of this Trust Deed and/or the Bonds no longer being outstanding and/or the resignation or removal of the Trustee.

**11.34 Directions from Holders:** The Trustee shall not be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee in accordance with the instructions,

direction or request of the Bondholders. The Trustee shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with this Trust Deed or by any other means as provided for in this Trust Deed (including without limitation passed by Written Resolution or by Electronic Consent).

Whenever the Trustee is required or entitled by the terms of this Trust Deed or the Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the holders of the Bonds by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction where the Trustee is seeking such directions or in the event that the instructions sought are not provided by the holders of the Bonds. The Trustee is entitled to refrain from acting in the absence of any, or any clear, instructions and shall not be liable for not acting in such circumstances.

**11.35 Insurance:** The Trustee shall not be under any obligation to insure and document or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

**11.36 Equivalent Amount:** The Trustee shall not be under any duty to determine, calculate or verify the Equivalent Amount payable under Condition 7(B) and will not be responsible to Holders for any loss arising from any failure by it to do so.

**11.37 Determination of a Court of Competent Jurisdiction:** Subject to Sections 750 and 751 of the Companies Act 2006 and notwithstanding anything to the contrary in this Trust Deed, the Agency Agreement, the Conditions and any other transaction documents relating thereto, the Trustee shall not be liable for any action taken or omitted by it except to the extent that a court of competent jurisdiction determines that the Trustee's own fraud, gross negligence or wilful default was the primary and direct cause of any loss to the Bondholders or the Issuer.

**11.38 Information Sharing:** The Issuer understands that Citibank, N.A. and its subsidiaries and affiliates are a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (the "Citi Group"). The Issuer also understands that the Citi Group may centralise in one or more affiliates', subsidiaries' or unaffiliated service providers' certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Issuer. Consequently, the Issuer hereby consents and authorises the Trustee to disclose to (i) other members of the Citi Group (and their respective officers, directors and employees) and third parties and agents selected by any of them, wherever situated, copies of this Trust Deed, the Agency Agreement and information and data regarding the Issuer, its employees and representatives, and any accounts established pursuant to this Trust Deed and/or the Agency Agreement in connection with the foregoing activities and (ii) Bondholders who have provided proof of holding and identity satisfactory to the Trustee copies of this Trust Deed and the Agency Agreement (including without limitation financial statements and compliance certificates) relating to the Issuer. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to the Issuer, the Issuer represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to the Trustee will comply with the relevant data protection legislation. The

Issuer acknowledges and agrees that information concerning the Issuer may be disclosed to unaffiliated service providers (and if such information is confidential, such disclosure shall be on the basis that such information is confidential), to governmental, regulatory or other Authorities in jurisdictions where the Citi Group operates, to persons from whom it receives payments or to whom it makes payment on behalf of the Issuer, and otherwise as required by law. The Trustee may without liability send copies of this Trust Deed, the Agency Agreement and information as aforesaid regarding the Issuer to any Bondholder by electronic mail to such email address as may be provided to it by such Bondholder. The Issuer represents that it has provided to and secured from any person regarding whom it has provided information to the Trustee any notices, consents and waivers necessary to permit the processing, transfer and disclosure of that information as permitted by this Clause 11.38 and that it will provide such notices and secure such necessary consents and waivers in advance of providing similar information to the Trustee in the future.

**11.39 Error of Judgment:** The Trustee shall not be liable for any error of judgment made by any officer, director, Appointee or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

**11.40 Right to Deduct or Withhold:** Notwithstanding anything contained in this Trust Deed, the Agency Agreement and/or the Bonds, to the extent required by the Applicable Law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to Tax as a consequence of performing its duties hereunder or thereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its own remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than its own remuneration as herein provided for) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to Tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to Tax from the funds held by the Trustee upon the trusts of this Trust Deed. If Taxes are paid by the Trustee, the Issuer agrees that it shall, upon receiving notice from the Trustee together with such evidence of payment thereof as may be reasonably available to the Trustee, promptly reimburse the Trustee for such payment to the extent not covered by withholding from any payment or debited from any balance held for it. In such event the Trustee shall not be obliged to gross up any such distribution or to pay any additional amounts to the intended recipient of the distribution or payment as a result of making such deduction or withholding and shall not be liable to the Issuer, the Bondholders or any other person for any of the aforesaid

**11.41 Tax Information:** The Issuer undertakes to the Trustee that: (i) it will, unless it is prohibited by applicable law or (for so long as the Bonds or the ordinary shares of the Issuer are listed or admitted to trading on the Hong Kong Stock Exchange and not suspended for trading) the Listing Rules, provide to the Trustee all documentation and other information required by the Trustee from time to time to comply with any Applicable Law as soon as practicable and in any event within 10 business days upon request by the Trustee; and (ii) it will notify the Trustee in writing within 30 days of any change that affects the tax status of the Issuer pursuant to any Applicable Law and will provide the Trustee with any information or instructions required to

effect payments which the Issuer determines are required to be made to the relevant Authorities in respect of the Bonds in light of such change.

It shall be the sole responsibility of the Issuer to determine whether a deduction or withholding is or will be required from any payment to be made in respect of the Bonds or otherwise in connection with this Trust Deed and to procure that such deduction or withholding is made in a timely manner to the appropriate Authorities and shall promptly notify the Trustee in writing upon determining or becoming aware of such requirement. The Issuer shall notify the Trustee in writing a minimum of five Business Days prior to the date on which any payment for which a deduction or withholding is required of (i) the amount of such deduction or withholding and (ii) the relevant Authorities to whom such amount should be paid. The Issuer shall forthwith provide the Trustee with all information required for the Trustee to be able to make such payment. The terms of this Clause 11.41 shall survive even if the Trustee is no longer a Trustee and/or the Bonds are no longer outstanding and/or this Trust Deed has been terminated.

**11.42 Notice of Possible Deduction or Withholding:** The Issuer shall notify the Trustee in writing in the event that it determines that any payment to be made by the Trustee under the Bonds is a payment which could be subject to any deduction or withholding including without limitation FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from any deduction or withholding including without limitation FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the obligation of the Issuer under this Clause 11.42 shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Bonds, or both.

**11.43 Legal Opinions:** The Trustee shall not be responsible to any person for (i) failing to request, require or receive any legal opinion relating to the Bonds, this Trust Deed and/or the Agency Agreement or (ii) checking or commenting upon the content of any such legal opinion or (iii) the content of any such legal opinion, and the Trustee shall not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience incurred and resulting thereby.

**11.44 Freedom to Refrain:** Notwithstanding anything else contained herein, the Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction, any court order or arbitral award or any directive or regulation of any agency or any state or which would or might otherwise render it liable to any person or which it would not have the power to do in that jurisdiction, and the Trustee may do anything which is, in its opinion, necessary to comply with any such law, court order, arbitral award, directive or regulation.

**11.45 Consolidation, amalgamation etc.:** The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto or the consequences thereof to any Bondholder.

**11.46 Waiver of Conflicts:** The Issuer hereby irrevocably waives, in favour of the Trustee, any conflict of interest which may arise by virtue of the Trustee or any affiliate of the Trustee acting in various capacities under the Agency Agreement, this Trust Deed and any other documents relating to the Bonds or for other customers of the Trustee. The Issuer hereby acknowledges that the Trustee and its affiliates (together, the “**Trustee Parties**”) may have interests in, or may be providing or may in the future provide financial or other services to, other parties with interests which an issuer may regard as conflicting with its interests and may possess

information (whether or not material to the Issuer) that the Trustee Parties may not be entitled to share with the Issuer.

**11.47 Anti-Money Laundering and Terrorism:** The Trustee may, at the expense of the Issuer, take and instruct any agent or delegate to take any action which it in its sole discretion considers appropriate so as to comply with any Applicable Law, request of a public or regulatory authority or any policy of Citi Group (as defined in Clause 11.38) (including Know Your Client and other compliance) which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include but is not limited to the interception and investigation of transactions on the accounts of the Issuer or any Bondholder (particularly those involving the international transfer of funds) including the source of the intended recipient of funds paid into or out of the accounts of the Issuer or any Bondholder. In certain circumstances, such action may delay or prevent the processing of the instructions of the Issuer or any Bondholder, the settlement of transactions over the accounts of the Issuer or any Bondholder or the Trustee's performance of its obligations under this Trust Deed. Neither the Trustee nor any agent or delegate will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by the Trustee or any agent or delegate pursuant to this Clause 11.47.

**11.48 Powers, Discretions and Functions Additional:** The powers, discretions and functions conferred on the Trustee by this Trust Deed, the Agency Agreement and/or the Conditions shall be in addition to any powers, discretions and functions the Trustee may otherwise have under general law or as holder of any of the Bonds.

**11.49 Reliance on Certificates:** The Trustee may rely without liability to holders of the Bonds or any other person on any certificate prepared by or on behalf of the Issuer (whether by one or more Authorised Signatories or otherwise), which certificate may be accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to the Conditions and/or this Trust Deed, whether or not in such event addressed to the Trustee and whether or not, if relevant, the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and; if the Trustee so relies any such certificate or report, the same shall be conclusive and binding on the Issuer and the holders of the Bonds.

**11.50 Satisfaction as to Indemnity:** The Trustee shall not be bound to take any action in connection with this Trust Deed or the Bonds or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not satisfied that the Issuer or as the case may be, the holders of the Bonds will be able to indemnify and/or secure and/or prefund it against all liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure and/or prefund it. On such demand being made the Issuer or, as the case may be, the holders of the Bonds shall be obliged to make payment of all such sums in full.

**11.51 Bondholder Direction:** The Bondholders shall not direct the Trustee to take any actions in breach of its obligations under this Trust Deed, the Agency Agreement or the Bonds and the Trustee shall not incur any liability for failing to take any action which it deems to be contradictory to the provisions of this Trust Deed, the Agency Agreement or the Bonds.



**11.52 No Implied Duties:** The Trustee shall be obliged to perform such duties, and only such duties, as are herein or in this Trust Deed, the Agency Agreement or the Bonds, as applicable, specifically set forth, and no implied duties or obligations shall be read into such documents against the Trustee.

**11.53 Notice in writing:** Notwithstanding anything to the contrary contained in this Trust Deed, the Agency Agreement and the Conditions, notices, requests, instructions, and other communications to the Trustee shall not be valid unless such notice is delivered to the Trustee in writing.

**11.54 Not Responsible for Listing:** Nothing in this Trust Deed shall require the Trustee to assume an obligation of the Issuer arising under any provision of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other applicable competent Authority).

## **12 Trustee's Duty of Care and Liability**

Section 1 of the Trustee Act 2000 shall not apply to any function or duty of the Trustee in relation to the trusts constituted by this Trust Deed, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee having regard to the provisions of this Trust Deed, the Agency Agreement and the Conditions, nothing in this Trust Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty. Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail. In the case of any inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

## **13 Modification, Waiver and Proof of Default**

**13.1 Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement, the Bonds or the Conditions (together the "**Documentation**") which, in the Trustee's opinion, is of a formal, minor or technical nature, or is made to correct a manifest error, or to comply with mandatory provisions of law, and (ii) any other modification to the Documentation (except as mentioned in this Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Documentation which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. Any such modification and any authorisation or waiver will be binding on the Holders and, unless the Trustee otherwise agrees, any such modification, authorisation or waiver shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 17.

The Trustee's waiver or authorisation may be subject to it being indemnified and/or secured and/or prefunded to its satisfaction and to any other condition which the Trustee requires, including but not limited to obtaining, at the expense of the Issuer, advice from or an opinion of any investment bank or legal or other expert and/or the Auditors and a certificate signed by two persons who are Authorised Signatories of the Issuer. The Trustee shall be entitled to but shall not be obligated to rely on such advice or opinion. No such direction or request will affect a previous waiver, authorisation or determination.

**13.2 Proof of Default:** Proof that the Issuer has failed to pay a sum due to the holder of any one Bond will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds which are then payable.

## **14 Trustee not Precluded from Entering into Contracts**

The Trustee and entities associated with the Trustee and any of its respective officers, directors, employees and Appointee may become the owner of, and/or may acquire any interest in, any Bonds or Shares with the same rights that it or he would have had if the Trustee were not appointed under this Trust Deed, and may engage or be interested in any financial or other transaction with the Issuer and any other persons, and may act on, or as depositary, trustee or agent for, any committee or body of Bondholders or other obligations of the Issuer or any other person, as freely as if the Trustee were not appointed under this Trust Deed, and shall not be accountable for the same, and shall be entitled to retain and shall not in any way be liable to account to the Issuer, the Bondholders or any other person for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

## **15 Appointment, Retirement and Removal of the Trustee**

**15.1 Appointment:** Subject as provided in Clause 15.2 below, the Issuer has the power of appointing new trustees but no one may be so appointed unless previously approved by an Extraordinary Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Bondholders as soon as practicable.

**15.2 Retirement and Removal:** Any Trustee may retire at any time on giving at least 45 days' written notice to the Issuer without giving any reason or being responsible for any costs, charges and expenses occasioned by such retirement or the appointment of a new trustee and the Bondholders may by Extraordinary Resolution remove any Trustee, without the Trustee being responsible for any costs occasioned by such removal, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if it fails to do so by the day falling 15 days prior to the expiry of such 45 day notice period or, as the case may be, by the day falling 30 days after the date of such Extraordinary Resolution, the Trustee shall have the power (i) to petition any court of competent jurisdiction for its resignation provided that it has notified the Issuer prior to doing so and (ii) to appoint a new trustee, in each case at the expense of the Issuer. The Trustee shall not be responsible for monitoring or supervising any such new trustee.

**15.3 Co-Trustees:** The Trustee may, despite Clause 15.1, by written notice to the Issuer, appoint anyone to act as an additional trustee jointly with the Trustee:

**15.3.1** if the Trustee considers the appointment to be in the interests of the Bondholders;

**15.3.2** to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

**15.3.3** to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed, the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer and that person remove that person. At the Trustee's request, the Issuer will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the

Trustee as its attorney in its name and on its behalf to do so. The Trustee shall not be responsible for monitoring or supervising any such additional trustee and shall not be liable for the acts and/or omissions of any additional trustee. The obligations of each co-trustee shall be several and not joint.

**15.4 Competence of a Majority of Trustees:** If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation. The obligations and liabilities of the Trustees shall be several and not joint.

**15.5 Successor:** Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor to the Trustee hereunder without the execution or filing of any papers or any further act on the part of any of the parties hereto. Notice shall be given to the Issuer by the Trustee as soon as reasonably practicable if any event described in this Clause 15.5 occurs.

## **16 Currency Indemnity**

**16.1 Currency of Account and Payment:** U.S. 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 Trust Deed and the Bonds, including damages.

**16.2 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 Trustee or any Holder 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).

**16.3 Indemnity:** If the Contractual Currency amount in Clause 16.2 is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed, the Agency Agreement or the Bonds, the Issuer will indemnify it on demand, on an after-tax basis, against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient on demand, on an after-tax basis against the cost of making any such purchase.

**16.4 Indemnity separate:** The indemnities in this Clause 16 and in Clauses 4.1 and 10.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Holder 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 Trust Deed, the Agency Agreement and/or the Bonds or any other judgment or order.

**16.5 Continuing Effect:** The terms of this Clause 16 shall survive the termination of this Trust Deed and/or the Bonds no longer being outstanding and/or the resignation or removal of the Trustee.

## **17 Communications**

Any communication shall be by letter or fax:

in the case of communications to the Issuer, to it at:

**China Mengniu Dairy Company Limited**

32nd Floor,  
COFCO Tower,  
262 Gloucester Road,  
Causeway Bay, Hong Kong

Fax no.: (852) 2180 9039  
Attention: Chris Kwok

and in the case of communications to the Trustee, to it at:

**Citicorp International Limited**

20/F, Citi Tower, One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

Fax no.: +852 2323 0279  
Attention: Agency and Trust

Communications will take effect, in the case of a letter, when delivered or in the case of fax, when the relevant delivery receipt is received by the sender; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) after 5:00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Trust Deed which is to be sent by fax will be written legal evidence.

Any of the parties named above may change its address for the purpose of this Clause 17 by giving notice of such change to the other parties to this Trust Deed.

Unless otherwise agreed by the Trustee, all notices and other communications hereunder shall be made in English or shall be accompanied by an English translation thereof certified as a true and accurate translation by a professionally qualified translator or by some other person competent to do so. The Trustee may rely conclusively on any such translation and shall be entitled to assume that it is a complete and accurate translation of the original, and the Trustee shall not be responsible or liable to the Issuer, any Bondholder, the Agents or any other person for doing so.

The Trustee may conclusively rely on and shall be fully authorised and protected in and shall have no liability for acting or omitting to act upon or in reliance on written or facsimile communications from and instructions of the Issuer with respect to any matter covered in this Trust Deed, and/or the Bonds and/or the Agency Agreement or on any certificate, instruction, opinion, notice, letter, facsimile, e-mail, or other document or instrument (including without limitation, a message received from, through or on behalf of Euroclear or Clearstream or any other Alternative Clearing System), original or copy, delivered or faxed or sent by email or electronically to it and believed by it to be genuine and to have been sent by the proper person or persons, and shall not have any responsibility or duty or obligation to verify or confirm that the person giving the same is duly authorised to do so and shall not be liable for any losses, liability, costs or expenses incurred or sustained by the Issuer or any other person as a result of such reliance upon or compliance with such instructions, directions, notices, certificates or

other communications. The Issuer agrees that the indemnity set out in Clause 10.4 shall apply in respect of any loss or liability suffered by the Trustee as a result of acting upon instructions and directions sent by electronic methods.

## **18 Further Issues**

**18.1 Further Issues:** The Issuer may from time to time without the consent of the Holders, create and issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the issue price, the first payment of interest on them, the first date on which Exchange Right may be exercised and the timing for the making of the Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds.

**18.2 Supplemental Trust Deed:** If the Issuer issues further bonds as provided in Condition 18, it shall, before their issue, execute and deliver to the Trustee a deed supplemental to this Trust Deed (in relation to which all applicable stamp duties or other documentation Taxes have been paid by the Issuer and, if applicable, duly stamped or denoted accordingly) containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require, including making such consequential modifications to this Trust Deed as the Trustee shall require, and such other documents and opinions as the Trustee may require in order to give effect to such issue of any such further bonds.

**18.3 Notice to Trustee:** Whenever it is proposed to create and issue any further Bonds of the Issuer so that such further issue shall be consolidated and form a single series with the outstanding Bonds in accordance with the Conditions, the Issuer shall give to the Trustee not less than 14 days' prior notice in writing of its intention so to do stating the amount of further Bonds proposed to be created and issued, which notice shall be accompanied by a draft of the proposed supplemental trust deed.

## **19 Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed, except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms. Subject to and as provided in this Trust Deed, the parties to this Trust Deed shall have the right to amend, vary or rescind any provision of this Trust Deed without the consent of any such third party.

## **20 Governing Law and Jurisdiction**

**20.1 Governing law:** This Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

**20.2 Jurisdiction:** The parties hereto agree that the courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Bonds ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

**20.3 Service of Process:** The Issuer irrevocably agrees to receive service at its usual business address at 32nd Floor, COFCO Tower 262, Gloucester Road, Causeway Bay, Hong Kong. Nothing in this Trust Deed shall affect the right to serve process in any other manner permitted by law.

**20.4 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.

## **21 Counterparts**

This Trust Deed (and any supplemental trust deed thereto) may be executed in counterparts, which when taken together shall constitute one and the same instrument.

**Schedule 1  
Form of Certificate**

On the front:

Amount	ISIN	Common Code	Certificate Number
	XS2189122570	218912257	

**CHINA MENGNIU DAIRY COMPANY LIMITED  
U.S.\$100,000,000  
1.50 per cent. Exchangeable Bonds due 2023**

The Bond or Bonds in respect of which this Certificate is issued, the identifying numbers of which are noted above, are in registered form and form part of a series designated as specified in the title (the “**Bonds**”) of China Mengniu Dairy Company Limited (the “**Issuer**”) and constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the “**Conditions**”) set out on the reverse hereof.

The Issuer hereby certifies that [●] of [●] is, at the date hereof, entered in the register of Holders as the holder of Bonds in the principal amount of U.S.\$[●] ([●] U.S. dollars). For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Holders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

Subject to the right of the Issuer to make a cash election as described under “*Terms and Conditions of the Bonds – Exchange Right*”, the Bonds in respect of which this Certificate is issued are exchangeable into fully-paid ordinary shares in the issued share capital of China Modern Dairy Holdings Ltd. subject to and in accordance with the Conditions and the Trust Deed.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Holders and only the duly registered holder is entitled to payments on Bonds in respect of which this Certificate is issued.

This Certificate shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

The Certificate and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**IN WITNESS** whereof the Issuer has caused this Certificate to be signed on its behalf.

Dated [●]

**CHINA MENGNIU DAIRY COMPANY LIMITED**

By:

By:

Director/Authorised Signatory

**Certificate of Authentication**

This Certificate is authenticated  
by or on behalf of the Registrar  
without recourse, warranty or liability.

**Citigroup Global Markets Europe AG**

as Registrar

By:

Authorised Signatory

For the purposes of authentication only



On the back:

**Terms and Conditions of the Bonds**

[The Terms and Conditions that are set out in Schedule 4 to the Trust Deed will be set out here.]

**Form of Transfer**

FOR VALUE RECEIVED the undersigned hereby transfers to

.....  
.....

(Please Print or Typewrite Name and Address of Transferee)

U.S.\$..... principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

Dated: .....

.....

Certifying Signature

Name: .....

Notes:

- (i) A representative of the Holder should state the capacity in which he signs, e.g. executor.
- (ii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar or the relevant Agent may require.
- (iii) [TO BE COMPLETED BY TRANSFEREE:

[INSERT ANY REQUIRED TRANSFEREE REPRESENTATIONS, CERTIFICATIONS ETC.]

**PRINCIPAL AGENT**

**CITIBANK, N.A., LONDON BRANCH**

c/o Citibank, N.A., Dublin Branch  
1 North Wall Quay  
Dublin 1  
Ireland

**REGISTRAR**

**CITIGROUP GLOBAL MARKETS EUROPE AG**

Reuterweg 16  
60323 Frankfurt  
Germany

## Schedule 2 Form of Global Certificate

ISIN: XS2189122570  
Common Code: 218912257

**CHINA MENGNIU DAIRY COMPANY LIMITED**  
**U.S.\$100,000,000**  
**1.50 per cent. Exchangeable Bonds due 2023**

### GLOBAL CERTIFICATE

The Bonds in respect of which this Global Certificate is issued are in registered form (the “**Bonds**”) of China Mengniu Dairy Company Limited (the “**Issuer**”).

The Issuer hereby certifies that Citivic Nominees Limited is, at the date hereof, entered in the register of Holders as the holder of Bonds in the principal amount of U.S.\$100,000,000 or such other amount as is shown on the register of Holders as being represented by this Global Certificate and is duly endorsed (for information purposes only) in the third column of Schedule A to this Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Holders as holder of the Bonds in respect of which this Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Trust Deed and the Conditions, as referred to below.

The Bonds are constituted by a trust deed dated 24 June 2020 (the “**Trust Deed**”) and made between the Issuer and Citicorp International Limited as trustee (the “**Trustee**”) and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the “**Conditions**”) set out in Schedule 4 to the Trust Deed, as modified by the provisions of this Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Subject to the right of the Issuer to make a cash election as described under Condition 7(B)(iv), the Bonds in respect of which this Global Certificate is issued are exchangeable into the Exchange Property (initially comprising initially comprise 613,877,227 ordinary shares of par value HK\$0.10 each in the issued share capital of China Modern Dairy Holdings Ltd. (“**Modern Dairy**”) or shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends nor of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of Modern Dairy) subject to and in accordance with the Conditions and the Trust Deed (the “**Exchange Right**”). Such Exchange Right may be exercised by a person entitled to an interest in the Bonds in respect of which this Global Certificate is issued depositing at its own expense a duly signed and completed exchange notice in the form (for the time being current) obtainable from the specified office of any Exchange Agent with any Exchange Agent accompanied by a written authority to such Agent to procure the debit of the relevant person’s account with Euroclear Bank SA/NV (“**Euroclear**”), or Clearstream Banking S.A. (“**Clearstream**”) or any Alternative Clearing System (as defined below) with the principal amount of the portion of the Bonds in respect of which this Global Certificate is issued to which such person is entitled.

### Interpretation and Definitions

References in this Global Certificate to the “Conditions” are to the Terms and Conditions applicable to the Bonds (which are in the form set out in Schedule 4 to the Trust Deed (the “**Trust Deed**”) dated 24 June 2020 between the Issuer and Citicorp International Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this Global Certificate, which

in the event of any conflict shall prevail). Other capitalised terms used in this Global Certificate shall have the meanings given to them in the Conditions or the Trust Deed.

### **Promise to Pay**

The Issuer, for value received, promises to pay to the holder of the Bonds represented by this Global Certificate (subject to surrender of this Global Certificate if no further payment falls to be made in respect of such Bonds) on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Bonds represented by this Global Certificate and to pay interest in respect of such Bonds from 24 June 2020 in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by this Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Such payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

For the purposes of this Global Certificate, (a) the holder of the Bonds represented by this Global Certificate is bound by all the provisions of the Trust Deed and those provisions applicable to it of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Bonds represented by this Global Certificate, (c) this Global Certificate is evidence of entitlement only, (d) title to the Bonds represented by this Global Certificate passes only on due registration on the Register, and (e) only the holder of the Bonds represented by this Global Certificate is entitled to payments in respect of the Bonds represented by this Global Certificate.

### **Exchange of Bonds Represented by Global Certificates**

Owners of interests in the Bonds in respect of which this Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (“**definitive Certificates**”) if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Bonds are held (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

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

## **Meetings**

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

## **Cancellation**

Cancellation of any Bond represented by this Global Certificate by the Issuer following its redemption, exchange or purchase by the Issuer or any Principal Subsidiary or Affiliate will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

## **Trustee's Powers**

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

## **Exchange Rights**

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

## **Notices**

So long as the Bonds are represented by this Global Certificate and this Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to Holders may be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

## **Holder's Redemption**

The Holders' redemption option in Condition 10(E) or 10(F) may be exercised by the holder of this Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Conditions.

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

The options of the Issuer provided for in Condition 10(B) or 10(C) shall be exercised by the Issuer giving notice to the Holders within the time limits set out therein and containing the information required by such Condition.

### **Transfers**

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

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

This Global Certificate and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**In witness** whereof the Issuer has caused this Global Certificate to be signed on its behalf.

Dated

**CHINA MENGNIU DAIRY COMPANY LIMITED**

By:

Director/Authorised Signatory

**Certificate of Authentication**

This Global Certificate is authenticated by or on behalf of the Registrar without recourse, warranty or liability.

**CITIGROUP GLOBAL MARKETS EUROPE AG**

**as Registrar**

By:

Authorised Signatory

For the purposes of authentication only.

## Schedule A

### Schedule of Reductions/Increases in Principal Amount of Bonds in respect of which this Global Certificate is Issued

The following reductions/increases in the principal amount of Bonds in respect of which this Global Certificate is issued have been made as a result of: (i) exercise of the Exchange Rights attaching to Bonds, or (ii) redemption of Bonds, or (iii) purchase and cancellation of Bonds, or (iv) issue of definitive Certificates in respect of the Bonds, or (v) the issue of further Bonds in accordance with Condition 18:

<b>Date of Exchange / Redemption / Purchase and Cancellation of Bonds / Issue of definitive Certificates / Issue of further Bonds (stating which)</b>	<b>Amount of decrease/increase in principal amount of this Global Certificate</b>	<b>Principal Amount of this Global Certificate following such decrease/increase</b>	<b>Notation made by or on behalf of the Registrar</b>
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**PRINCIPAL AGENT**

**CITIBANK, N.A., LONDON BRANCH**

c/o Citibank, N.A., Dublin Branch  
1 North Wall Quay  
Dublin 1  
Ireland

**REGISTRAR**

**CITIGROUP GLOBAL MARKETS EUROPE AG**

Reuterweg 16  
60323 Frankfurt  
Germany

**Form of Transfer**

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of Bonds in respect of which the Global Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

**Principal Amount transferred**

**Name, address and account for payments of transferee**

Dated : .....

Certifying Signature : .....

Name : .....

Bonds:

- (i) A representative of the Holder should state the capacity in which he signs e.g. executor.
- (ii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Principal Agent or the Registrar may require.

## Schedule 3 Provisions for Meetings of Bondholders

### Interpretation

- 1 In this Schedule:
  - 1.1 references to a meeting are to a meeting of Bondholders and include, unless the context otherwise requires, any adjournment;
  - 1.2 “**agent**” means a proxy or a representative;
  - 1.3 “**Electronic Consent**” has the meaning set out in paragraph 23.1;
  - 1.4 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast; (b) by a Written Resolution or (c) by an Electronic Consent; and
  - 1.5 “**Written Resolution**” has the meaning set out in paragraph 23; and
  - 1.6 references to persons representing a proportion of the Bonds are to Bondholders or agents holding or representing in the aggregate at least that proportion in principal amount of the Bonds for the time being outstanding

### Appointment of Proxy or Representative

- 2 A proxy or representative may be appointed in the following circumstances:
  - 2.1 A holder of a Bond may by an instrument in writing in the English language (a “form of proxy”) in the form available from the specified office of any Agent signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or the Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a “**proxy**”) to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting.
  - 2.2 Any holder of a Bond which is a corporation may, by delivering to any Agent not later than 48 hours before the time fixed for any meeting a resolution of its directors or other governing body in English, authorise any person to act as its representative (a “**representative**”) in connection with any meeting of the Bondholders and any adjourned such meeting.
  - 2.3 Any proxy appointed pursuant to sub-paragraphs 2.1 or 2.4 or representative appointed pursuant to sub-paragraph 2.2 shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the holder of the Bonds to which such appointment relates and the holder of the Bonds shall be deemed for such purposes not to be the holder or owner, respectively.
  - 2.4 If the holder of a Bond is an Alternative Clearing System or a nominee of an Alternative Clearing System and the rules or procedures of such Alternative Clearing System so require, such nominee or Alternative Clearing System may appoint proxies in accordance with, and in the form used, by such Alternative Clearing System as part of its usual procedures from time to time in relation to meetings of Bondholders. Any

proxy so appointed may, by an instrument in writing in the English language in the form available from the specified office of the Registrar, or in such other form as may have been approved by the Trustee at least seven days before the date fixed for a meeting, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Registrar not later than 48 hours before the time fixed for any meeting, appoint the Principal Agent or any employee of it nominated by it (the “sub-proxy”) to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders. All references to “proxy” or “proxies” in this Schedule other than in this sub-paragraph 2.4 shall be read so as to include references to “sub-proxy” or “sub-proxies”.

- 2.5** For so long as the Bonds are eligible for settlement through an Alternative Clearing System’s book-entry settlement system and the rules or procedures of such Alternative Clearing System so require, the Issuer may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting which shall be specified in the notice convening the meeting.

### **Powers of Meetings**

- 3** A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this Trust Deed, have power by Extraordinary Resolution:
- 3.1** to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer, whether or not those rights arise under this Trust Deed or the Bonds;
  - 3.2** to sanction the exchange or substitution for the Bonds of, or the exchange of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other entity;
  - 3.3** to assent to any modification of this Trust Deed, the Agency Agreement or the Bonds proposed by the Issuer or the Trustee;
  - 3.4** to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
  - 3.5** to give any authority, direction or sanction required to be given by Extraordinary Resolution;
  - 3.6** to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders’ interests of the Holders and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;
  - 3.7** to approve a proposed new Trustee and to remove a Trustee;
  - 3.8** to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds and/or this Trust Deed; and
  - 3.9** to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions in paragraph 10 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of subparagraphs 3.2 or 3.8 for the purpose of making a modification to this Trust Deed or the Bonds which would have the effect of:

- 3.9.1 modifying the due date for any payment in respect of the Bonds; or
- 3.9.2 reducing or cancelling the amount of principal, interest or premium (if any) payable in respect of the Bonds or changing the method of calculation of any amount payable under the Bonds; or
- 3.9.3 changing the currency of payment of the Bonds; or
- 3.9.4 modifying or cancelling the Exchange Right; or
- 3.9.5 reducing the rate of interest in respect of the Bonds or varying the method or basis of calculating the rate of interest or the basis for calculating any other amount payable in respect of the Bonds; or
- 3.9.6 modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or sign a resolution in writing; or
- 3.9.7 amending this proviso.

### **Convening a Meeting**

- 4** The Issuer or the Trustee may at any time convene a meeting. If the Trustee receives a written request by Bondholders holding at least 10 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses, the Trustee shall convene a meeting. Every meeting shall be held at a time and place approved by the Trustee.

A meeting that has been validly convened in accordance with the immediately preceding paragraph may be cancelled by the person who convened such meeting by giving at least 7 days’ notice (exclusive of the date on which the notice is given or deemed to be given and of the day of the meeting) to the Bondholders (with a copy to the Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph 4 shall be deemed not to have been convened

- 5** At least 21 days’ notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives and the details of the time limits applicable.

### **Chairman**

- 6** The chairman of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes from the time fixed for the meeting, the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman.

- 7 The chairman may, but need not, be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

**Attendance**

- 8 The following may attend and speak at a meeting:
- 8.1 Bondholders and agents;
  - 8.2 the chairman; and
  - 8.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

**Quorum and Adjournment**

- 9 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum be present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall be adjourned to such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

- 10 Two or more Bondholders or agents present in person or by proxy shall be a quorum.

Column 1	Column 2	Column 3
Purpose of meeting	Any meeting except one referred to in column 3	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	Not less than 66 per cent.	Not less than 25 per cent.
To pass any other Extraordinary Resolution	More than 50 per cent.	Two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented
Any other purpose	Not less than 10 per cent.	Two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented

- 11 The holder of the Global Certificate and any proxy or representative appointed by it shall be treated as two persons for the purpose of any quorum requirements of a meeting of Bondholders.

- 12 The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph 12 or paragraph 9.

- 13** At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

### **Voting**

- 14** Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by any of the chairman, the Issuer, the Trustee or one or more persons representing not less than 2 per cent. of the Bonds.
- 15** Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- 16** If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 17** A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 18** On a show of hands every holder who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each U.S.\$100,000 in principal amount of Bonds produced or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 19** In case of equality of votes, the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.
- 20** A proxy need not be a Holder. Any vote given in accordance with the terms of a form of proxy shall be valid even if the form of proxy or any of the Holders' instructions pursuant to which it was executed has been previously revoked or amended, provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Agent by the Issuer or the Trustee at its registered office or by the chairman of the meeting in each case not less than 24 hours before the time fixed for the meeting or adjourned meeting at which the form of proxy is used.

### **Effect and Publication of an Extraordinary Resolution**

- 21** An Extraordinary Resolution shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Bondholders within 14 days but failure to do so shall not invalidate such resolution justify the passing of it.

## Minutes

- 22** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## Written Resolutions and Electronic Consent

- 23** Subject to the following sentence, a written resolution signed by the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds for the time being outstanding ("**Written Resolution**") may be contained in one document or in several documents in like form, each signed by or on behalf of one or more Bondholders.

For so long as the Bonds are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear, Clearstream or other clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee:

- 23.1** where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds for the time being outstanding ("**Electronic Consent**"). None of the Issuer, or the Trustee shall be liable or responsible to anyone for such reliance; and
- 23.2** where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be (a) by accountholders in the clearing system with entitlements to such Global Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by the relevant accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream or any other relevant clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the person identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or



not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

### **Trustee's Power to Prescribe Regulations**

- 24** Subject to all other provisions in this Trust Deed, the Trustee may, without the consent of the Bondholders or any other person, prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks appropriate to satisfy itself that the persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and to satisfy itself that persons who purport to attend or vote at a meeting or to sign a Written Resolution or to provide an Electronic Consent are entitled to do so.

**Schedule 4**  
**Terms and Conditions of the Bonds**

## TERMS AND CONDITIONS OF THE BONDS

*The following are the terms and conditions substantially in the form in which they (other than the text in italics) will be endorsed on the Certificate issued in respect of the Bonds and referred to in the global certificate relating to the Bonds.*

The issue of U.S.\$100,000,000 in aggregate principal amount of 1.50 per cent. Exchangeable Bonds due 2023 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 18 and consolidated and forming a single series therewith) of China Mengniu Dairy Company Limited (the “**Issuer**”) was authorised by a resolution of the board of directors of the Issuer passed on 12 December 2019. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated on or about 24 June 2020 (the “**Issue Date**”) between the Issuer and Citicorp International Limited as trustee for itself and the Holders of the Bonds (the “**Trustee**”, which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed). The Issuer will enter into a paying, exchange and transfer agency agreement dated on or about the Issue Date (as amended and/or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent, principal exchange agent and principal transfer agent (in such capacities collectively the “**Principal Agent**”, which expression shall include its successor(s)), Citigroup Global Markets Europe AG as registrar (the “**Registrar**”, which expression shall include its successor(s)) and the other paying agents, exchange agents and transfer agents appointed under it (each a “**Paying Agent**”, an “**Exchange Agent**” or, as the case may be, a “**Transfer Agent**” (which expressions shall, in each case, include their respective successor(s) and any other agent appointed in such capacity in connection with the Bonds) and, together with the Registrar and the Principal Agent, the “**Agents**”) relating to the Bonds. References herein to each of the “**Paying Agent**”, the “**Exchange Agent**” and the “**Transfer Agent**” each include the Principal Agent. References to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, registrar and agents for the time being for the Bonds.

These terms and conditions of the Bonds (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed. The “ **Holders**” or “**Bondholders**”, in each case as defined below, are entitled to the benefit of, and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by the Holders at all reasonable times during normal business hours (9:00 a.m. to 3:00 p.m., Monday to Friday other than public holidays) at the principal office for the time being of the Trustee (being at the date hereof at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) following prior written request and proof of holding and identity to the satisfaction of the Trustee.

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

### 1 STATUS

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

## 2 FORM, DENOMINATION AND TITLE

- (A) **Form and Denomination:** The Bonds will be issuable only in registered form and in the denominations of U.S.\$200,000 and integral multiples of U.S.\$100,000 in excess thereof. A certificate (each a “**Certificate**”) will be issued to each Holder in respect of its registered holding of Bonds. Each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the register of Holders which the Issuer will procure to be kept by the Registrar pursuant to the Agency Agreement (the “**Register**”).
- (B) **Title:** The Bonds will be registered instruments, title to which will pass only by registration in the Register. The Holder of any Bond will, except as ordered by a court of competent jurisdiction or as otherwise required by law, be treated as the absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in or any writing (other than the endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it), and none of the Issuer, the Trustee or any Agent thereof shall be affected by notice to the contrary and no person shall be liable for so treating the holder. In these Conditions, “**Bondholder**” and, in relation to a Bond, “**Holder**” mean the person in whose name a Bond is registered on the Register.

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. These terms and conditions are modified by certain provisions contained in the Global Certificate.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

## 3 TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

- (A) **Transfers:** Subject to this Condition, Condition 3(D) and the terms of the Agency Agreement, a Bond may be transferred by delivering to the specified office of the Registrar or any Transfer Agent the Certificate issued in respect of that Bond duly endorsed, accompanied by a form of transfer duly completed and signed and any other evidence as the Registrar or such Transfer Agent may require to prove the title and identity of the transferor and the authority of the individuals who have executed such form of transfer. No transfer of a Bond will be valid unless and until entered on the Register. The Registrar and any Transfer Agent may decline to effect any transfer of a Bond (i) during the period of 15 days ending on (and including) the due date for any payment of the principal of, and the premium (if any) on, such Bonds or (ii) in respect of which an Exchange Notice (as defined in Condition 7(B)) has been delivered in accordance with Condition 7(B) or a Put Exercise Notice (as defined in Condition 10(E)) has been delivered in accordance with Condition 10(E) or (iii) after the Bond has been tendered by the Holder in accordance with Condition 10(F) or (iv) during the period of 15 days ending on (and including) the Record Date (as defined in Condition 9(A)).

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

- (B) **Delivery of New Certificates:** Each new Certificate to be issued on transfer of a Bond will, within seven business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate and the form of transfer on the back of such Certificate duly completed and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the Holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. Where some but not all the Bonds in respect of which a Certificate is issued are to be transferred, exchanged for Shares or redeemed, a new Certificate in respect of the Bonds not so transferred, exchanged or redeemed will, within seven business days of deposit or surrender of the original Certificate with or to the Registrar or the relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the Holder of the Bonds not so transferred, exchanged or redeemed to the address of such Holder appearing on the Register.
- (C) **Formalities Free of Charge:** No service charge shall be made for any registration of transfer of Bonds but the Issuer, the Registrar or any of the Transfer Agents may require payment (or such indemnity and/or security and/or pre-funding as the Issuer or the relevant Agent may require) of a sum sufficient to cover any taxes, duties or other governmental charges that may be imposed in relation to such transfer and such transfer shall not be made unless and until the required payment (or indemnity, security and/or pre-funding, as the case may be) described herein is made.
- (D) **Regulations:** All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds attached as a schedule to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (or sent via facsimile) by the Registrar to any Holder upon written request and proof of holding and identity satisfactory to the Registrar.

As used in this Condition 3, "**business day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business in the city in which the specified office of the Registrar or the relevant Transfer Agent with which a Certificate is deposited or surrendered in connection with a transfer or exchange or redemption is located.

#### **4 NEGATIVE PLEDGE AND OTHER COVENANTS**

- (A) **Negative Pledge:** For so long as any Bond remains outstanding (as defined in the Trust Deed) and except for any issuance of debt or convertible securities or any other similar transaction by the Issuer for the purpose of providing incentive to the management and/or employees of the Issuer and/or its subsidiaries, the Issuer will not, and the Issuer will ensure that none of its Principal Subsidiaries (other than a Listed Subsidiary) will, create any Encumbrance or permit to exist any Encumbrance to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according the Bonds to either (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as either the Trustee shall in its absolute discretion deem not materially less

beneficial to the interest of the Bondholders or shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

- (B) **Notification to NDRC:** The Issuer undertakes to use its reasonable endeavours to file or cause to be filed with the National Development and Reform Commission (the “**NDRC**”) the requisite information and documents within 10 PRC Business Days after the Issue Date in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知 (發改外資[2015] 2044 號)) issued by the NDRC and which came into effect on 14 September 2015, and any implementation rules as issued by the NDRC from time to time (the “**Post-Issuance Filing**”).
- (C) **Notification of Submission of Post-Issuance Filing:** The Issuer shall within 10 PRC Business Days after submission of the Post-Issuance Filing, provide the Trustee with (i) a certificate (substantially in the form scheduled to the Trust Deed) in English signed by two Authorised Signatories of the Issuer confirming the submission of the Post-Issuance Filing has occurred; and (ii) copies of the relevant documents evidencing the Post-Issuance Filing (if any), each certified in English by two Authorised Signatories of the Issuer as a true and complete copy of the original (the items specified in (i) and (ii) together, the “**Registration Documents**”). In addition, the Issuer shall, within five PRC Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 17) confirming the submission of the Post-Issuance Filing.

The Trustee shall have no obligation or duty to monitor or ensure that the Post-Issuance Filing is filed with the NDRC or completed within the prescribed timeframe in accordance with these Conditions and/or any other applicable PRC laws and regulations or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Post-Issuance Filing or to give notice to the Bondholders confirming the filing of the Post-Issuance Filing, and shall not be liable to the Issuer, the Bondholders or any other person for not doing so.

- (D) **Other Covenants:** The Issuer has, *inter alia*, undertaken in the Trust Deed that, so long as any Bond remains outstanding:
- (i) it will obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bonds and the Trust Deed;
  - (ii) to use all reasonable endeavours to maintain a listing of the Bonds on the Hong Kong Stock Exchange (as defined below); and
  - (iii) it will keep available for the purpose of effecting the exercise of Exchange Rights such amount of Exchange Property required to be delivered upon exercise of all of the Exchange Rights outstanding from time to time, provided that the Issuer may, subject to compliance with these Conditions, lend and deliver initially up to 613,877,227 Shares pursuant to and in accordance with the Securities Lending Agreement (as defined below).

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

## 5 DEFINITIONS

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

“**Additional Exchange Property**” has the meaning set out in Condition 7(B)(iii);

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control of more than 50 per cent. with such specified Person;

“**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 Hong Kong Stock Exchange, the principal stock exchange or securities market as shall have been approved by an Extraordinary Resolution and on which the Shares are then listed or quoted or dealt in;

“**Capital Distribution**” means (a) any distribution of assets in specie charged or provided for in the accounts of a Relevant Company 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-up (other than Relevant Securities credited as fully paid) by way of capitalisation of reserves); and (b) any cash dividend or distribution of any kind charged or provided for in the accounts of the Relevant Company for any financial period (whenever paid or made and however described);

“**Cash Alternative Amount**” means a sum in U.S. dollars equal to the average of the Value on each Trading Day in the Cash Alternative Calculation Period of the relevant *pro rata* share of the Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds;

“**Cash Alternative Calculation Period**” means the period of five consecutive Trading Days commencing on the second Trading Day immediately following the Cash Election Exercise Date;

“**Cash Alternative Payment Date**” has the meaning set out in Condition 7(B)(iv);

“**Cash Election**” has the meaning set out in Condition 7(B)(iv);

“**Cash Election Exercise Date**” has the meaning set out in Condition 7(B)(iv);

“**Cash Election Notice**” has the meaning provided in Condition 7(B)(iv);

“**Cash Limit**” has the meaning provided in Condition 7(B)(iv);

“**CCASS**” means the Central Clearing and Settlement System of Hong Kong;

“**Closing Price**” of any Securities for any Trading Day shall be, (i) in respect of the Shares, the price published in the Daily Quotation Sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day; and (ii) in respect of any other Relevant Securities or any other Securities, the price published in the quotation sheet of the stock exchange or other securities market on which such Relevant Securities or any other Securities are principally traded for such day;

“**Current Market Price**” of any Securities shall be, in respect of any particular date, (i) in the case of the Shares, the average daily Closing Price for 20 consecutive Trading Days

immediately before any particular date as obtained or derived from the Relevant Exchange for one Share on such date; and (ii) in the case of any other Relevant Security, the average daily Closing Price for 20 consecutive Trading Days as obtained or derived from such stock exchange or other securities market on which such Relevant Security is principally traded for one share of such Relevant Security on such date;

**“Effective Date”** means, in relation to a Rights Issue or any Sub-division, Consolidation or Redenomination or Relevant Adjustment Event, the completion date of such event where cash, Securities and/or other property has been received by and/or credited into the relevant accounts of the person(s) entitled to receive the same;

**“Encumbrance”** means, in relation to a person, any mortgage, charge, lien, pledge or other security interest over the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of that person;

**“Exchange Period”** has the meaning set out in Condition 7(A)(ii);

**“Exchange Property”** has the meaning set out in Condition 7(C);

**“Exchange Right”** has the meaning set out in Condition 7(A)(i);

**“Exchange Business Day”** shall mean a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business in the city in which the specified office of the relevant Exchange Agent is located;

**“Final Date”** means, in relation to any Offer, the date such Offer becomes or is declared unconditional in all respects;

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

**“Hong Kong Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

**“Listed Subsidiary”** means a Subsidiary the common shares of which are listed for trading on any recognised stock exchange;

**“Modern Dairy”** means China Modern Dairy Holdings Ltd., whose Shares are currently listed on the Hong Kong Stock Exchange (stock code: 1117);

**“Offer”** means a publicly announced offer to the holders of any Relevant Securities comprising Exchange Property, whether expressed as a legal offer, an invitation to treat or in any other way, in circumstances where such offer is available to all holders of the applicable Relevant Securities or all or substantially all such holders other than any holder who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined not to make such an offer;

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

**“Person”** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state, agency of a state (in each case whether



or not being a separate legal entity) but does not include the Issuer's directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect Subsidiaries.

**"PRC Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Beijing, the PRC;

**"Prevailing Rate"** means, in respect of any two currencies on any day, the spot rate of exchange between such 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, in each case, as notified in writing by the Issuer to the Trustee and the relevant Agent(s) on the date of determination of the Prevailing Rate;

**"Principal Subsidiary"** means any Subsidiary of the Issuer:

- (a) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least 5 per cent. of the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or
- (b) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement is at least 5 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of revenue of Subsidiaries not consolidated and of jointly controlled entities and after adjustment for minority interests; or
- (c) whose net profits or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profits, as shown by its latest audited income statement are at least 5 per cent. of the consolidated net profits as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustment for minority interests; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (xx) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall forthwith become a Principal Subsidiary and (yy) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

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

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, net profits or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross assets, revenue or net profits (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and
- (iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate signed by two Authorised Signatories of the Issuer that, in their opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Bondholders and all parties. The certificate must be accompanied by a report by an internationally recognised firm of accountants addressed to the directors of the Issuer as to proper extraction and basis of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation;

**“Relevant Company”** means Modern Dairy, and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of Modern Dairy with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the Securities are, at the relevant time included in the Exchange Property;

**“Relevant Exchange”** means the Hong Kong Stock Exchange or, if the Shares are no longer admitted to trading on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are traded or dealt in;

**“Relevant Indebtedness”** means any indebtedness issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**“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, in

each case, as notified in writing by the Issuer to the Trustee and the relevant Agent(s) on the date of determination of the Prevailing Rate;

**“Relevant Securities”** means Securities included in the Exchange Property from time to time, and **“Relevant Security”** shall be read accordingly;

**“Securities”** means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other Securities);

**“Securities Lending Agreement”** means the securities lending agreement entered into between the Issuer and BOCI Financial Products Limited dated 17 June 2020 to provide stock lending of up to 613,877,227 Shares;

**“Settlement Date”** means, in the case of the exercise of Exchange Rights (other than where a Cash Election is made), the date falling 15 Exchange Business Days after the relevant Exchange Date provided that in the event that a relevant Bondholder is entitled to receive Additional Exchange Property (defined below), the Settlement Date shall then be the later of (i) 15 Exchange Business Days after the relevant Exchange Date; and (ii) 15 Exchange Business Days after the Effective Date;

**“Shares”** means ordinary shares of par value HK\$0.10 each in the issued share capital of Modern Dairy or shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends nor of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of Modern Dairy;

**“Specified Date”** means, in respect of any Offer, the fifteenth day following that on which such Offer was made, or where such Offer is open for less than 15 days the final date for acceptance of such Offer, which, if such Offer is extended prior to such final date, shall be the final date for acceptance of such extended Offer;

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

**“Trading Day”** means (i) in respect of the Shares, a day (other than a Saturday or Sunday) on which the Relevant Exchange is open for business provided that if no closing price in respect of the Shares is reported on any such Trading Day, that Trading Day shall not be a Trading Day for the purposes of any calculation; and (ii) in respect of any other Relevant Securities or any other Securities, a day (other than a Saturday or Sunday) on which the stock exchange or other securities market on which such Relevant Securities or any other Securities are principally traded is open for business provided that if no closing price in respect of such Relevant Security is reported on any such Trading Day, that Trading Day shall not be a Trading Day period for the purposes of any calculation; and

**“Value”**, in respect of the Exchange Property on any day, shall be the aggregate of:

- (1) the value of publicly traded Securities included in the Exchange Property, which shall be deemed to be the Current Market Price of such Securities on such day, provided that if such day is not a Trading Day then the value of such publicly traded Securities shall be the Current Market Price on the immediately preceding Trading Day, converted (if necessary) into U.S. dollars at the Prevailing Rate on such day; and
- (2) the value of all other assets and of publicly traded Securities for which a value cannot be determined pursuant to (1) above of this definition included in the Exchange Property, which shall be deemed to be the value on such day (converted (if necessary) into U.S. dollars as aforesaid) as certified by an independent investment bank (in the case of Securities) or independent appraiser (in the case of other assets (other than cash)) of international repute selected by the Issuer and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint such independent investment bank or independent appraiser and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it; and
- (3) the value of cash shall be deemed to be the amount thereof (converted (if necessary) into U.S. dollars as aforesaid),

provided that (a) if on any day any such publicly traded Securities are quoted on the Relevant Exchange or, as the case may be, such stock exchange or other Securities market as aforesaid cum any dividend or other entitlement, or any assets or publicly traded Securities the Value of which is to be determined pursuant to (2) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to these Conditions on exercising Exchange Rights on the last day permitted pursuant to these Conditions (disregarding for this purpose any Cash Election), then the Value of any such assets or publicly traded Securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the Value (as determined by an independent investment bank as aforesaid) of any entitlement or dividend where that is other than cash, and (b) for the purposes of determining any Cash Alternative Amount, references to Current Market Price in this definition shall be replaced with Closing Price.

## 6 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.50 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$750 per Calculation Amount (as defined below) on 24 June and 24 December in each year (each an “**Interest Payment Date**”), beginning on 24 December 2020.

Each Bond will cease to bear interest (a) (subject to Condition 7(A) and Condition 7(O)) where the Exchange Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Exchange Date (as defined below), or if none, the Issue Date (subject in any case as provided in Condition 7(A) and Condition 7(O)) or (b) where such Bond is redeemed or repaid pursuant to Condition 10 or Condition 12, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal and premium (if any) is improperly withheld or refused. In such event, such unpaid amount shall bear interest at the rate of 2 per cent. per annum above the rate aforesaid (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to

that day are received by or on behalf of the relevant Bondholder, and (b) the day falling seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

Interest in respect of any Bond shall be calculated per U.S.\$100,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of (A) the rate of interest specified above, (B) the Calculation Amount, and (C) the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed. Interest payable under this Condition 6 will be paid in accordance with Condition 9(A).

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

## **7 EXCHANGE RIGHT**

### **(A) Exchange Period, Exchange Rights and Cash Election**

- (i) Subject to the right of the Issuer to make a Cash Election, each Bondholder has the right, subject to any applicable laws and regulations and in the manner described below, to exchange a Bond at any time during the Exchange Period referred to below for a *pro rata* share of the Exchange Property as at the relevant Exchange Date. The right of a Bondholder to exchange a Bond for Exchange Property (or, as the case may be, exchange a Bond for payment of the Cash Alternative Amount pursuant to Condition 7(B)(iv)) is herein referred to as the "**Exchange Right**". Upon the exchange of a Bond for Exchange Property (or, as the case may be, the exchange of a Bond for payment of the Cash Alternative Amount), the right of the exchanging Bondholder to repayment of any amount of principal or premium (if any) of the Bond to be exchanged shall be extinguished and released, and in consideration and in exchange thereof the Issuer shall deliver or procure the delivery of the relevant *pro rata* share of the Exchange Property (or, as the case may be, pay or procure the payment of the Cash Alternative Amount) as provided in this Condition 7.
- (ii) The period during which Bondholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the "**Exchange Period**". Subject to and upon compliance with these Conditions, the Exchange Right attaching to any Bond may be exercised by the holder thereof at any time on or after 4 August 2020 and up to the close of business (at the place where the Certificate representing such Bond is deposited for exchange) on the date which falls 10 days prior to the Maturity Date (or, if such date shall not be a business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place) or if such Bond shall have been called for redemption prior to the Maturity Date,

then up to the close of business (at the place aforesaid) on the date which falls 10 days prior to the date fixed for redemption thereof (or, if such date shall not be a business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place).

Subject to Condition 7(B), the Exchange Right in respect of any Bond in relation to which the conditions required for exchange have not been satisfied by the relevant Bondholder by the end of the fifteenth day (or, if such date shall not be a business day at the place where the Certificate representing such Bond has been delivered in connection with the exercise of the Exchange Right, on the immediately preceding business day at such place) prior to any date for redemption thereof pursuant to Condition 10 below shall, save as provided below, thereupon terminate.

Notwithstanding the provisions of the foregoing paragraphs of this Condition 7(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and repayable prior to the Maturity Date by reason of the occurrence of any of the events referred to in Condition 12 or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 10, the Exchange Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for exchange) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of this Condition 7, any Bond in respect of which the Certificate and Exchange Notice are deposited for exchange prior to such date shall be exchanged on the relevant Exchange Date (as defined in Condition 7(B)(i)) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Exchange Date or that the Exchange Period may have expired before such Exchange Date.

- (iii) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, upon a due exercise of Exchange Rights, the relevant Bondholder shall be entitled to receive a *pro rata* share of the Exchange Property calculated and determined by the Issuer as at the relevant Exchange Date.
- (iv) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fractions and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property. Notwithstanding the foregoing, in the event of a consolidation or re-classification of a Relevant Security by operation of law or otherwise occurring after 17 June 2020 which reduces the number of Relevant Securities outstanding, the Issuer will upon exchange of Bonds pay, or procure that payment is made, to the relevant

Bondholder (by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with instructions contained in the relevant Exchange Notice) a sum equal to such portion of the face value of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Exchange Rights as corresponds to any fraction of a Relevant Security not delivered if such sum, when translated to U.S. dollars at the Prevailing Rate on the relevant Exchange Date, exceeds U.S.\$10.

If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered (including, if applicable, any Cash Alternative Amount) and any sum payable to that Bondholder shall be calculated on the basis of the aggregate principal amount of such Bonds so deposited.

(B) **Procedure for Exchange**

- (i) To exercise the Exchange Right attaching to any Bond, the Holder thereof must complete, execute and deposit at the specified office of any Exchange Agent at the Holder's own expense at reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time), Monday to Friday other than public holidays) during the Exchange Period, a notice of exchange (an "**Exchange Notice**") in the form (for the time being current) obtainable from the specified office of any Exchange Agent, together with the Certificate evidencing such Bond (and any certificates and other documents as may be required by applicable law) and any amount to be paid by the Bondholder pursuant to this Condition 7(B)(i). An Exchange Notice once delivered shall be irrevocable.

Exchange Rights may be exercised in respect of whole Bonds only.

An Exchange Notice once deposited shall not be withdrawn without the consent in writing of the Issuer.

The Exchange Date in respect of a Bond (the "**Exchange Date**") will be the Exchange Business Day in the location of the relevant Exchange Agent immediately following the date of the surrender of the Certificate in respect of such Bond (and any other documents as may be required by applicable law), due delivery of the relevant Exchange Notice and, if applicable, the making of any payment to be made and the giving of any indemnity and/or security to be given under these Conditions in connection with the exercise of such Exchange Right.

A Bondholder exercising Exchange Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights ("**Stamp Taxes**") or provide an indemnity and/or security in respect thereof in such form as the Issuer may reasonably require, other than or in respect of any Stamp Taxes payable or imposed in the Cayman Islands, Hong Kong, the PRC or any other jurisdiction in which the register in respect of any securities or other property comprising Exchange Property is located or in which any property comprising Exchange Property is situated ("**Excluded Stamp Taxes**"), which shall be payable by

the Issuer directly to the relevant authorities. If the Issuer fails to pay any Excluded Stamp Taxes, the relevant Holder shall be entitled to pay the Excluded Stamp Taxes to the relevant tax authority. The Issuer covenants to reimburse each such Bondholder in respect of the payment of Excluded Stamp Taxes by them and any penalties payable in respect thereof, which shall be payable by the Issuer. Such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with the exercise of Exchange Rights by it.

(ii) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the Issuer shall, as soon as practicable, and in any event not later than the Settlement Date:

(a) take all necessary action to procure the transfer of Shares and/or other Relevant Securities to exchanging Bondholders in accordance with prevailing regulations relevant to the transfer of the Shares and/or other Relevant Securities to exchanging Bondholders. The Issuer shall take all necessary action to procure that the Shares and/or Relevant Securities are delivered to an exchanging Bondholder or its nominee as provided for in the Exchange Notice through CCASS (where permitted to do so under the rules, regulations and procedures of CCASS effective from time to time) within 15 Exchange Business Days after the Exchange Date.

References to “**Exchange Business Day**” in the definition of “**Settlement Date**” and this Condition 7(B)(ii) shall mean a day on which both CCASS and the share registrar and transfer office of Modern Dairy in Hong Kong are open for business for trade, settlement of the Shares and for registration of Share transfers; and

(b) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and any payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into U.S. dollars at the Prevailing Rate on the relevant Exchange Date) in accordance with directions given by the relevant Bondholder in the Exchange Notice.

Notwithstanding the above, if the Exchange Property has changed in whole or in part as a result of acceptance of an Offer or as a result of the compulsory acquisition of any Relevant Securities, in each case as provided in Condition 8, then the time for such delivery shall be the longer of such period set out above and the day falling five Payment Business Days after the date on which the consideration is received by the Issuer under the terms of the Offer or, as the case may be, the day falling five Payment Business Days following the date on which the consideration pursuant to such compulsory acquisition is received by the Issuer.

Upon exercise of an Exchange Right, a Holder exchanging Bonds shall be required to represent and agree in the Exchange Notice that, at the time of signing and delivery of the Exchange Notice, it, or the person who has the beneficial interest in such Bonds, is (I) acquiring the Exchange Property



(initially comprising the Shares) to be delivered upon exchange of such Bonds in an offshore transaction (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)) in accordance with Rule 903 or Rule 904 of Regulation S (“**Regulation S**”), (II) located outside the United States and is not a U.S. person (within the meaning of Regulation S), and (III) understands that the Exchange Property to be delivered upon exchange of such Bonds has not been and will not be registered under the Securities Act and agrees that (x) if it, or such person, should offer, sell, pledge or otherwise transfer such Exchange Property, it, or such person, will do so only in compliance with the Securities Act and other applicable laws and only in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any applicable securities law of any State of the United States, and (y) it and such person may not, subject to restrictions under U.S. securities laws, deposit or cause to be deposited any of such Exchange Property in the form of Shares in any unrestricted depository receipt facility for the Shares which is existing or may be created in the United States. No Exchange Property will be delivered to a Holder or a beneficial interest therein unless such Holder satisfies the foregoing conditions. If such Holder is unable or otherwise fails to satisfy the foregoing conditions, such Holder may transfer its Exchange Property or beneficial interest therein subject to compliance with the transfer restrictions set forth in the Agency Agreement.

- (iii) Unless a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the relevant Bondholder (or the person designated in the relevant Exchange Notice) will be treated as the owner of the *pro rata* share of the Exchange Property deliverable upon exchange with effect from the Exchange Date and, in respect of such *pro rata* share of the Exchange Property, will be entitled to all rights, distributions or payments in respect of such *pro rata* share of the Exchange Property from the Exchange Date except voting rights.

Accordingly, relevant adjustments to the Exchange Property shall be made in accordance with Conditions 7(C), 7(D), 7(E), 7(F), 7(G) and 7(J), as the case may be, such that further Relevant Securities or other property or assets (including cash) received pursuant to such adjustment shall be added to the Exchange Property (“**Additional Exchange Property**”). All Exchange Property deliverable upon exchange (including the Additional Exchange Property) shall be deliverable by the Issuer only on the Settlement Date.

Exchange Property delivered or to be delivered upon exercise of Exchange Rights shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for the payment of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date

(or any other date from which the relevant Bondholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange Property) with the effect that the relevant Bondholder is not entitled to such dividend, interest or other income, payment or distribution of rights, the Issuer will:

- (a) (in the case of dividends, interest or other income or distributions or rights to be paid in cash) pay, or procure the payment to, the exchanging Bondholder (or the person designated in the relevant Exchange Notice) in lieu of such dividend, interest or other income or distribution or rights, an amount equal to the amount actually received, with respect thereto, converted if necessary into U.S. dollars at the Prevailing Rate on the date of receipt thereof by the Issuer (the “**Equivalent Amount**”). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Bondholder (or the person designated in the relevant Exchange Notice) by whichever is the later of five Payment Business Days after payment is made of the dividend, interest or other income, payment or distribution or rights and the relevant Settlement Date; and
  - (b) subject to the last two paragraphs of Condition 7(B)(ii), (in the case of dividends, or other income or distributions or rights satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Bondholder (or the person designated in the relevant Exchange Notice) as soon as practicable by whichever is the later of 10 Payment Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights and the relevant Settlement Date.
- (iv) Upon the exercise of Exchange Rights by a Bondholder on or after 24 June 2022, the Issuer may make an election (a “**Cash Election**”) by giving notice (a “**Cash Election Notice**”) to the relevant Bondholders by not later than the date (the “**Cash Election Exercise Date**”) falling five business days in Hong Kong following the relevant Exchange Date, with a copy to the Trustee, the Principal Agent and the Registrar, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds, in whole or in part, and where in part, by reference to either (a) the principal amount of the Bonds in respect of which the Cash Election is being exercised (a “**Principal Limit**”), or (b) a maximum amount in U.S. dollars to be paid upon exercise of the Cash Election (a “**Cash Limit**”), by making payment, or procuring that payment is made, to the relevant Bondholder of the Cash Alternative Amount instead of delivering the *pro rata* share of the Exchange Property, together with any other amounts payable by the Issuer to such Bondholder pursuant to these Conditions in respect of, or relating to, the relevant exercise of Exchange Rights.

A Cash Election may be made in respect of the whole or any part of the Exchange Property that would otherwise be deliverable in respect of the relevant exercise of Exchange Rights. The relevant Cash Election Notice shall specify whether the Cash Election is in respect of the whole of such Exchange Property or any part thereof, and if in respect of part, shall specify

the relevant principal amount if a Principal Limit is applicable or the maximum amount payable if a Cash Limit is applicable.

If a Cash Limit is applicable, then the proportion of Exchange Property subject to the Cash Election shall be equal to the number of Shares (or, if not available, any Relevant Security) represented by the Cash Limit divided by the Cash Alternative Amount attributable to a Share (or, if not available, any applicable Relevant Security) rounded down to the nearest whole number. The Cash Alternative Amount payable for the purposes of this Condition 7(B)(iv) where a Cash Limit is applicable shall be equal to Cash Alternative Amount attributable to a Share or a Relevant Security multiplied by the number of Shares or such Relevant Securities indicated in the foregoing sentence, as the case may be. Any remaining Exchange Property shall be delivered pursuant to Condition 7(B)(ii) and Condition 7(B)(iii) as if no Cash Election has been made with respect to such Exchange Property.

A Cash Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than four Payment Business Days following the last day of the Cash Alternative Calculation Period (the “**Cash Alternative Payment Date**”) by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with instructions contained in the relevant Exchange Notice.

If a Bondholder would otherwise have been entitled to receive, in respect of the exercise of Exchange Rights, any Additional Exchange Property pursuant to Condition 7(B)(iii) in circumstances where a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall, in lieu of delivering such Additional Exchange Property, pay to the relevant Bondholder an amount (the “**Further Amount**”) equal to the Value of such Additional Exchange Property as at the date on which the relevant adjustment to the Exchange Property is or would be effective (the “**Change Date**”), and the Issuer shall pay such Further Amount, or procure that such Further Amount is paid, to the Bondholder by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with the instructions given by such Bondholder in the relevant Exchange Notice by not later than the latest of (a) the date falling five Payment Business Days after the Change Date, and (b) the relevant Cash Alternative Payment Date in accordance with the instructions given by the relevant Bondholder in the relevant Exchange Notice, provided that where a Cash Limit is applicable in respect of any Cash Election then any Additional Exchange Property shall be delivered to the Bondholder pursuant to Condition 7(B)(iii).

(C) **The Exchange Property and Adjustments to the Exchange Property**

The “**Exchange Property**” shall initially comprise 613,877,227 Shares, deposited in a designated account in accordance with Condition 7(L), and shall include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any

such property as may or may be deemed to have ceased to form part of the Exchange Property.

Subject to the right of the Issuer to make a Cash Election, on the exercise of Exchange Rights, Bondholders will initially be entitled to receive 613,877.2277 Shares for each U.S.\$100,000 principal amount of Bonds (subject to adjustment pursuant to these Conditions).

All Exchange Property delivered upon exercise of Exchange Rights shall be delivered with full title guarantee and free from any and all mortgage, charge, pledge or other security interests or other adverse interests.

Shares forming part of the Exchange Property to be delivered on exercise of the Exchange Rights will be fully paid and will rank *pari passu* with all fully paid Shares of the same class in issue on the relevant Exchange Date.

(D) **Income, etc. arising on the Exchange Property**

Subject to Condition 7(G), income and other benefits and rights derived from the Exchange Property prior to an Exchange Date in respect of such Exchange Property shall not comprise part of the Exchange Property and shall belong to the Issuer or the registered holder or owner of the Exchange Property. Where a cash dividend is announced by a Relevant Company in respect of Relevant Securities which may, at the election of a holder or holders of such Relevant Securities, be satisfied by the issue or delivery of Relevant Securities or other property or assets, the Issuer shall be entitled to make such election as it may determine in its sole discretion.

(E) **Sub-division, Consolidation or Redenomination**

If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed ("**Sub-division, Consolidation or Redenomination**") then the Securities resulting from such Sub-division, Consolidation or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property.

(F) **Rights issues**

If further Relevant Securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other Securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) or other Securities comprising Exchange Property (a "**Rights Issue**"), then the Issuer may, at its option, and by notice in writing to the Trustee not later than the seventh day prior to the latest day for accepting or taking up any such rights, either:

- (i) on an arm's length basis in good faith, procure the sale of sufficient rights to enable the whole of the balance of such rights to be taken up and procure the application of the net proceeds of sale (after deduction of the amounts referred to below) in the taking up of such rights, with the property acquired upon such exercise of rights and any excess proceeds of sale being added to and forming part of the Exchange Property; or
- (ii) add to the Exchange Property such number of shares of Relevant Securities or other Securities as would have been subscribed or purchased if sufficient rights had been sold on an arm's length basis in good faith to enable the whole of the balance of such rights to be so taken up together with an amount

equal to what would have been any such excess proceeds of sale as aforesaid; or

- (iii) if such rights may not be so sold, the Issuer may use any part of the Exchange Property comprising cash to take up such rights and/or on an arm's length basis in good faith, procure the sale of sufficient Relevant Securities to enable (after deduction of the amounts referred to below) the whole of the balance of such rights to be taken up, with, in any such case any excess proceeds of sale being added to and forming part of the Exchange Property.

The Issuer undertakes to take such action as the Trustee may in its absolute discretion require to ensure that the provisions of this Condition 7(F) are complied with.

The timing of any sale of any relevant rights or Exchange Property (as the case may be) shall be at the Issuer's discretion and the Issuer shall not be liable to Bondholders for any loss incurred as a result of such transactions provided that the Issuer executes such sale at the best price reasonably obtainable in the market by the Issuer. There shall be deducted from the proceeds of sale of the relevant rights or Exchange Property (as the case may be) an amount equal to any stamp, transfer, registration or similar duties actually payable by the Issuer or the Trustee (as the case may be) and any expenses incurred by the Issuer or the Trustee (as the case may be) in connection with the sale of the relevant rights or Exchange Property (as the case may be) and such amount (if any) as the Issuer or the Trustee (as the case may be) shall determine to be necessary to indemnify it in respect of any liability to taxation of the Issuer or the Trustee (as the case may be) arising therefrom.

Pending application of the provisions of this Condition 7(F), such rights shall form part of the Exchange Property.

(G) **Bonus Issues, Capital Distributions and Reorganisation**

If any of the following events occurs (each, a "Relevant Adjustment Event"):

- (i) Relevant Securities or other Securities are issued credited as fully paid to holders of Relevant Securities comprising Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities (otherwise than in lieu of the whole or any part of a cash dividend which is not a Capital Distribution and which such holders would or could otherwise have received);
- (ii) any Capital Distribution is paid or made;
- (iii) a Relevant Company purchases or redeems any Relevant Securities comprising Exchange Property; or
- (iv) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), any further Relevant Securities or other Securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities,

then the further Relevant Securities, Securities or other property or assets (including cash) actually received in relation to the Relevant Adjustment Event, so far as attributable to the Exchange Property or, as the case may be, the Capital Distribution in respect of the Relevant Securities comprising the Exchange Property, shall be included as part of the Exchange Property.

If the Issuer determines that, notwithstanding sub-paragraphs (i) to (iv) of this Condition 7(G), an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in this Condition 7(G) or circumstances have arisen which might have an adverse effect on the Exchange Property and no adjustment to the Exchange Property under this Condition 7(G) would otherwise arise, the Issuer shall (at its own expense) instruct an independent investment bank of international repute acting as an expert to determine as soon as practicable what adjustment (if any) to the Exchange Property or terms of this Condition 7(G) is fair and reasonable to take account thereof and the date on which such adjustment should take effect, and upon such determination the Issuer shall procure that such adjustment shall be made (provided it would result in an addition to the Exchange Property and take effect in accordance with such determination), provided that an adjustment shall only be made pursuant to this Condition 7(G) if such investment bank is so requested to make such a determination in writing not more than 21 days after the occurrence of the relevant circumstance or event. The determination by such independent investment bank shall be informed by the Issuer or such independent investment bank to the Trustee in writing and to the Bondholders and shall be conclusive and binding on the Issuer, the Trustee and the Bondholders.

**(H) Notice of Change in Exchange Property**

The Issuer shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 17 of any change in the nature or composition of the Exchange Property pursuant to this Condition 7 (other than Condition 7(I)) as soon as reasonably practicable following such change, and shall certify such details as the Trustee may require of the Exchange Property to which the Bondholder would be entitled upon exercise of the Exchange Right in respect of such Bond following such change.

**(I) Release from the Exchange Property**

Upon actual delivery of Exchange Property to the relevant Bondholder or, in the case of a Cash Election, the payment of the Cash Alternative Amount to the relevant Bondholder pursuant to these Conditions on an exercise of Exchange Rights or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

**(J) Purchase or substitution of Relevant Securities etc.**

If any cash amount or Securities or other property is received under or pursuant to these Conditions in respect of Exchange Property which is to be added to and is to form part of the Exchange Property (other than (i) any Shares or Relevant Securities of a class already comprised in the Exchange Property; and (ii) as included in the Offer Consideration received under Condition 8 or added to and forming part of the

Exchange Property pursuant to Condition 8) before the Exchange Rights lapse, such cash amount may be added directly to the Exchange Property or may (at the Issuer's option) be applied, and such Securities or other property may be added directly to the Exchange Property or may (at the Issuer's option) be sold by the Issuer and the proceeds of such sale (net of any costs and expenses incurred in connection with such sale) be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional Shares (not then comprised in the Exchange Property) or, where the Exchange Property comprises Relevant Securities other than Shares, additional units of such Relevant Securities. The timing of such sales and purchases shall be at the Issuer's discretion and the Issuer shall not be liable to the Bondholders for any loss incurred as a result of such transactions provided that the Issuer executes such purchases and sales in good faith at the best price reasonably obtainable in the market by the Issuer. At its option, the Issuer may elect to substitute any cash amount which is otherwise to be added to and form part of the Exchange Property with additional Shares or Relevant Securities of a class already comprised in the Exchange Property (owned by it and not comprised in the Exchange Property) at their Value as at the third Trading Day following the day on which such cash amount was received by the Issuer. Any such additional Shares or other Securities purchased or substituted shall thereafter form part of the Exchange Property.

(K) **Voting Rights**

Neither the Bondholders nor the Trustee shall have any voting rights in respect of the Shares and any other Relevant Securities comprising Exchange Property prior to the Settlement Date relating to such Exchange Property. The Issuer or the registered holder or owner of the Exchange Property will be entitled to exercise the voting rights attaching to the Relevant Securities.

*It is possible that, in exercising such voting rights or making such election, the Issuer or the registered holder or owner of the Exchange Property may act contrary to the best interests of Bondholders.*

(L) **Deposit of Shares**

The Issuer has deposited with BOCI Financial Products Limited (the "**Agent Bank**") and/or in a designated account, 613,877,227 Shares, which are sufficient to satisfy the Exchange Rights relating to the Bonds as at 24 June 2020. The Issuer shall not, and the Issuer shall procure that the registered holder or owner of the Exchange Property shall not, transfer, pledge or otherwise encumber or deliver any of the Exchange Property to, or for the benefit of, any third party (or transfer or deliver or direct or request the transfer or delivery of any of the Exchange Property out of such designated account) or dispose of any interest in the Exchange Property except (i) for the purpose of delivering such Exchange Property to exchanging Bondholders, (ii) for the purpose of the Securities Lending Agreement, (iii) as may otherwise be required by law or any legal proceedings, and (iv) as provided in these Conditions or the Trust Deed. If, due to any event, the amount of the Shares, other Relevant Securities and/or cash deposited in such designated account ceases to be sufficient to satisfy the Exchange Rights relating to the Bonds at any time, the Issuer shall (within five Payment Business Days of such adjustment or other event) procure the deposit of additional Securities of a Relevant Company in such designated account or deposit share certificate(s) with the Agent Bank with respect to such Securities of a Relevant Company prior to crediting such Securities of a Relevant Company in

dematerialised form to the designated account, in order to ensure that the total amount deposited in such account or with the Agent Bank is sufficient to satisfy the Exchange Rights relating to the Bonds at such time.

**(M) Maintenance of Exchange Property**

*Exchange Rights are not exercisable in respect of any specific Shares or other property comprising Exchange Property from time to time and no Shares or other Exchange Property has been or will be charged to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. The composition of the Exchange Property may also change as a result of the operation of the Conditions.*

*The Issuer has undertaken to keep available for the purpose of effecting the exercise of Exchange Rights such amount of Exchange Property required to be delivered upon exercise all of the Exchange Rights outstanding from time to time, provided that the Issuer may, subject to compliance with these Conditions, deliver initially up to 613,877,227 Shares pursuant to and in accordance with the Securities Lending Agreement. However, the arrangements described herein in relation to the Exchange Property do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.*

*Accordingly, in the event that the Issuer at any time holds any Shares or other property comprising Exchange Property from time to time with another person and such person is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of such person available on a pari passu basis to all unsecured creditors of such person.*

At any particular time, the Issuer may or may not hold or be the beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. However, these Conditions shall be read and construed as though at all times the Issuer shall be the holder and beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. Accordingly, for the purposes of determining whether and to what extent any adjustment should be made to the Exchange Property at any time, for the purposes of these Conditions, the Issuer shall be deemed to be entitled to receive such further or other Shares, Relevant Securities, securities, property or assets including cash and/or consideration on the date the Issuer would have been entitled to receive the same, and to make any relevant elections in respect thereof or relating thereto, as it would have been entitled to receive and or make had it at all relevant times been the holder and beneficial owner of sufficient Exchange Property to satisfy exercise of Exchange Rights or otherwise required to be delivered pursuant to these Conditions in respect of all outstanding Bonds, and references in these Conditions to the Exchange Property being adjusted shall be construed accordingly.

**(N) Trustee and Agents not Obligated to Monitor the Exchange Property**

None of the Trustee and the Agent shall be under any duty or obligation to (and will not be responsible or liable to any Bondholder or any other person for not so doing) monitor whether any event or circumstance which gives rise or may give rise to an adjustment to the Exchange Property has happened or exists as described in this



Condition 7 or Condition 8 and, unless it has express notice in writing from the Issuer to the contrary, may assume that no such event or circumstance has happened or does exist and shall not be liable to any Bondholder or any other person for so doing.

(O) **Interest Accrual**

If any notice requiring the redemption of any Bonds is given pursuant to Condition 10(B) or Condition 10(C) on or after the fifteenth Hong Kong business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) in respect of any dividend or distribution payable in respect of the Shares and/or Relevant Securities, and such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of which Exchange Rights shall have been exercised and in respect of which the Exchange Date falls after such record date and on or prior to the Interest Payment Date next following such record date in each case from and including the preceding Interest Payment Date (or, if such Exchange Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Exchange Date; provided that no such interest shall accrue on any Bond in the event that the Shares and/or Relevant Securities transferred thereof shall carry an entitlement to receive such dividend or distribution or in the event the Bond carries an entitlement to receive a Cash Alternative Amount. Any such interest shall be paid not later than 14 days after the relevant Exchange Date by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with the instructions given by such Bondholder in the relevant Exchange Notice.

## 8 GENERAL OFFERS

In the event of an Offer for Relevant Securities in a Relevant Company, the Issuer or the registered holder or owner of the Exchange Property shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that it shall not (provided it is not thereby prejudiced) take any action with respect to any such Offer prior to the Specified Date. If it accepts such Offer (or if the Relevant Securities are subject to compulsory acquisition), then, with effect from the Final Date, the Exchange Property will be deemed to consist, in whole or in part, of the consideration (the "**Offer Consideration**") received for the Relevant Securities acquired under the Offer or pursuant to such compulsory acquisition and in place of the Exchange Property which it substitutes. The Issuer or the registered holder or owner of the Exchange Property shall not accept any Offer in respect of such part of the Exchange Property which would be deliverable to Bondholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period (as defined below). The Issuer or the registered holder or owner of the Exchange Property shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 17 forthwith upon receipt of any Offer for the Relevant Securities.

In relation to any scheme of arrangement, reorganisation, amalgamation or reconstruction of any company or companies (whether or not involving liquidation or dissolution), the Issuer or the registered holder or owner of the Exchange Property shall at all times be entitled at its discretion, in relation to any Relevant Securities, to vote on, exercise its rights in respect of, or otherwise participate in, any such scheme of arrangement, reorganisation,

amalgamation or reconstruction as it thinks fit up to the Settlement Date relating to such Relevant Securities.

The Exchange Rights shall be suspended during the period (the “**Suspension Period**”) from and including (i) the Specified Date until the acceptance of the relevant Offer is withdrawn or the relevant Offer lapses or becomes or is declared unconditional in all respects; or (ii) the date any vote is cast in relation to any applicable scheme of arrangement, reorganisation, amalgamation or reconstruction which is approved by the required majority until the same is approved or rejected by any relevant judicial or other authorities (both dates inclusive), and if Exchange Rights are exercised such that the Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

If a tender or other offer is made by or on behalf of a Relevant Company (or any person associated with such Relevant Company) to purchase or otherwise acquire, redeem or exchange such Relevant Securities, the Issuer or the registered holder or owner of the Exchange Property shall not tender or be entitled to be treated as having tendered any such Relevant Securities which are comprised in the Exchange Property or be treated as having accepted any such offer in respect thereof or vote in respect of any such Relevant Securities in relation to any such tender or other offer, nor shall the Issuer or the registered holder or owner of the Exchange Property exercise or be treated as having exercised any option to require the redemption or repayment of such Relevant Securities prior to the final due date for redemption or repayment thereof.

## 9 PAYMENTS

- (A) **Payment Methods:** Payment of principal, premium (if any), interest and any other amount due other than on an Interest Payment Date will be in U.S. dollars and will be made by transfer to the registered account of the Holder. Such payments will only be made against surrender of the relevant Certificate at the specified office of the Principal Agent or any of the other Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th day before the due date for the payment of interest (such day being the “**Record Date**”). Payments of interest on each Bond will be in U.S. dollars and will be made by transfer to the registered account of the Bondholder.

*All payments in respect of Bonds represented by the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.*

- (B) **Payments subject to laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 11 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

- (C) **Registered Accounts:** A Holder's "registered account" means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the 15th day (as defined below) before the due date for payment and a Holder's registered address means its address appearing on the Register at that time.
- (D) **Payment Instruction:** Payment instructions (for value on the due date or, if that is not a business day (as defined below in Condition 9(F)), for value on the next succeeding business day) will be initiated on the due date for payment or, in the case of a payment of principal, premium (if any) and interest due other than on an Interest Payment Date, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.
- (E) **Delay in Payment:** Holders 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 at the place of payment (or, in the case of the surrender of a Certificate, the place where the Certificate is surrendered) is not a business day (provided the amount is duly provided for on or before the due date), if the Holder is late in surrendering its Certificate (if required to do so).
- (F) **Business Day:** In this Condition 9, "business day" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business in (i) New York City and the city in which the specified office of the Principal Agent is located, (ii) such place (if so specified), and (iii) (where surrender of the relevant Bond is required pursuant to these Conditions as a precondition to payment) the city in which the specified office of the relevant Paying Agent to whom the relevant Bond is surrendered is located.
- (G) **Partial Payment:** If the amount of principal, premium (if any) and interest which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount of principal, premium (if any) and interest, in fact paid in accordance with its customary practice.
- (H) **Fractions:** When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest such unit.

## 10 REDEMPTION, PURCHASE AND CANCELLATION

- (A) **Redemption at Maturity:** Unless previously redeemed, exchanged or purchased and cancelled as herein provided, the Issuer will redeem the Bonds on 24 June 2023 (the "Maturity Date") at its principal amount together with interest accrued but unpaid thereon to such date.
- (B) **Redemption at the Option of the Issuer:** The Bonds may be redeemed at the option of the Issuer at their principal amount, together with interest accrued but unpaid thereon to but excluding the relevant date fixed for redemption (the "Optional Redemption Date"):
  - (i) in whole but not in part, at any time from and including 24 June 2022 to but excluding the Maturity Date, provided that the Value of the Exchange

Property on each of 20 out of 30 consecutive Trading Days the last day of which period occurs no more than five Trading Days immediately prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded 130 per cent. of the aggregate principal amount of the Bonds outstanding on such Trading Day (excluding for this purpose the face value of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property (or any cash payment in respect thereof) has not yet been delivered and excluding from the Exchange Property such undelivered (or unpaid) Exchange Property); or

- (ii) in whole but not in part, at any time, if prior to the date on which the relevant notice of redemption is given by the Issuer less than 10 per cent. in aggregate principal amount of the Bonds originally issued is outstanding.

In order to exercise such option the Issuer shall give not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Principal Agent and to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds at their principal amount, together with interest accrued but unpaid thereon to but excluding the Optional Redemption Date, on the Optional Redemption Date specified in such notice).

- (C) **Redemption for Taxation Reasons:** At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent and to the Holders in accordance with Condition 17 (which notice will be irrevocable), redeem the Bonds in whole but not in part at their principal amount, together with interest accrued but unpaid thereon to but excluding the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 11) as provided or referred to under Condition 11 as a result of any change in, amendment or non-renewal of, or judicial decision relating to, the law or regulations of the PRC, Hong Kong, the Cayman Islands or any political subdivision or any authority thereof or therein or 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 17 June 2020, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption will be given earlier than 90 days before the earliest date on which the Issuer would be obligated to pay such Additional Amounts (as defined in Condition 11) were a payment in respect of the Bonds then due; provided further, that no such redemption may be made such that the Redemption Date therefor is set during a Suspension Period.

Prior to the delivery or publication of any notice of redemption pursuant to this Condition 10(C), the Issuer will deliver to the Trustee (a) a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (b) an opinion of an independent legal counsel or tax advisors to the effect that the Issuer is permitted to effect such redemption pursuant to the terms of the Trust Deed and the Issuer has or will become obligated to pay such amounts as a result of such changes

or amendment. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in this Condition 10(C) without further enquiry and without liability to any Bondholder or any other person, in which event the same shall be conclusive and binding on the Bondholders.

If the Issuer issues a notice pursuant to this Condition 10(C), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 11 shall not apply in respect of any payment to be made in respect of such Bond(s) which falls due after the relevant Redemption Date, whereupon no Additional Amounts shall be payable in respect thereof pursuant to Condition 11 and payment of all amounts shall be made subject to the deduction of withholding of any taxation required to be withheld or deducted. To exercise such a right, the relevant Bondholder must complete, sign and deposit during normal office hours (being between 9:00 a.m. and 3:00 p.m. (local time)) at the specified office of any Paying Agent a duly completed and signed notice of election, in the form for the time being current, obtainable at reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time)) from the specified office of any Paying Agent (a "**Tax Option Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed, on or before the day falling 10 days prior to the relevant Redemption Date. A Tax Option Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

- (D) **Purchases:** The Issuer or any Principal Subsidiary or Affiliate of the Issuer may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds will be surrendered to any Paying Agent for cancellation. The Bonds so purchased, while held by or on behalf of the Issuer or any Principal Subsidiary or Affiliate of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 12, Condition 14 and Condition 15(A).
- (E) **Redemption at the Option of the Holders:** On 24 June 2022 (the "**Put Option Date**"), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Put Option Date at their principal amount, together with interest accrued but unpaid thereon to but excluding the Put Option Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time)) at the specified office of the Principal Agent or any other Paying Agent a duly completed and signed notice of redemption, in the then current form obtainable at such reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time)) from the specified office of the Principal Agent or any other Paying Agent (a "**Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.

A Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of Put Exercise Notices delivered as aforesaid on the Put Option Date.

- (F) **Repurchase at the Option of Holders for Relevant Events:** Following the occurrence of a Relevant Event (as defined below), each Holder will have the right, at such Holder's option, to require the Issuer to redeem all or some only of such Holder's Bonds on the Relevant Event Redemption Date at their principal amount, together with interest accrued but unpaid thereon to but excluding the Relevant Event Redemption Date. To exercise such right, the Holder of the relevant Bond must deposit at the specified office of the Principal Agent or any other Paying Agent at reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time)) a duly completed and signed notice of redemption, in the form for the time being current, obtainable at such reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. (local time)) from the specified office of the Principal Agent or any other Paying Agent (a "**Relevant Event Redemption Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which written notice thereof is given by the Issuer to the Trustee and the Principal Agent and to Bondholders in accordance with Condition 17. The "**Relevant Event Redemption Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to the Trustee and the Principal Agent and to the Bondholders in accordance with Condition 17 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Bonds pursuant to this Condition 10(F) and shall give brief details of the Relevant Event.

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred.

For the purpose of this Condition 10(F), a "**Relevant Event**" will be deemed to occur:

- (i) when the Shares cease to be listed or admitted to trading, or are suspended from trading for a period exceeding 30 consecutive Trading Days, on the Hong Kong Stock Exchange (and if applicable, the Alternative Stock Exchange); or
- (ii) when there is a Change of Control.

In this Condition 10(F):

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

- (i) COFCO Corporation ("**COFCO**") ceases to directly or indirectly be interested in not less than 15 per cent. of the issued share capital of the Issuer;
- (ii) any Person or Persons (other than Permitted Holders) acting together acquires Control of the Issuer;
- (iii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person, unless the

consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control of the Issuer or the successor entity; or

- (iv) the Issuer ceases to be the largest direct or indirect holder or ceases to hold at least 40 per cent. of the issued share capital of Modern Dairy;

“**Control**” means (i) the ownership or control of more than 50 per cent. of the Voting Rights of the issued share capital of a person or (ii) the possession, directly or indirectly, of the power to nominate or designate more than 50 per cent. of the members then in office of a person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise;

“**Permitted Holders**” means COFCO and any of its Affiliates; and

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of a person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, and any such voting power shall therefore be excluded for the purpose of this definition).

- (G) **Cancellation:** All Bonds redeemed by the Issuer or purchased and surrendered to any Paying Agent for cancellation as provided in Conditions 10(B), 10(C), 10(D), 10(E) or 10(F) above will forthwith be cancelled, and all Certificates in respect of cancelled Bonds will be forwarded to or to the order of the Principal Agent and such Bonds may not be reissued or resold.
- (H) **Redemption Notices:** All redemption notices to Holders given by or on behalf of the Issuer pursuant to Conditions 10(B) or 10(C) will specify (i) the *pro rata* share of the Exchange Property attributable to each U.S.\$100,000 in principal amount of Bonds as at the date of the notice, (ii) the redemption date (the “**Redemption Date**”), (iii) the outstanding principal amount, (iv) that on the Redemption Date the principal of, and premium (if any) on, any Bonds to be redeemed will become due and payable, (v) the place where Certificates are to be surrendered and (vi) the identifying numbers of the Bonds and/or Certificates to be redeemed. If there is more than one notice of redemption given in respect of any Bond, the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

## 11 TAXATION

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

Where such withholding or deduction is made by the Issuer by or within the PRC at the rate of up to and including the aggregate rate applicable on 17 June 2020 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

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

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

In this Condition 11,

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

References in these Conditions to principal, premium (if any) and interest will be deemed also to refer to any Additional Amounts which may be payable under this Condition 11 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charge, assessment, governmental charge, withholding or other payment referred to in Condition 7(B) and this Condition 11 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Bondholder or any other person to pay such tax, duty, charge, assessment, governmental charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee, any Agent or any other person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

## 12 EVENTS OF DEFAULT

- (A) If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, and if so requested in writing by Holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided that in either case, the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable



at their principal amount, together with interest accrued but unpaid thereon to the date of payment:

- (i) **Non-Payment:** there is failure to pay (i) the principal of or any premium (if any) on, any of the Bonds when due or (ii) any interest on any of the Bonds within 21 days of the due date of such interest; or
- (ii) **Exchange Rights:** any failure by the Issuer to perform any of its obligations arising in respect of the exercise of Exchange Rights, including any failure to transfer or deliver any Exchange Property or Additional Exchange Property or to pay any Equivalent Amount or any Cash Alternative Amount by the time required pursuant to these Conditions required to be transferred or delivered or paid in respect of such exercise; or
- (iii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if capable of remedy in the opinion of the Trustee, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (iv) **Cross-Default:** (a) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due unless payment is made within the applicable grace period, or (c) the Issuer or any of its Subsidiaries fails to pay when due unless payment is made within the applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that no event described in this Condition 12(A)(iv) shall constitute an Event of Default unless 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 12(A)(iv) have occurred at any time equals or exceeds (either individually or in aggregate) U.S.\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 12(A)(iv) operates); or
- (v) **Enforcement Proceedings:** a distress, attachment, execution after final judgment by a court of competent jurisdiction or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or any of the its Principal Subsidiaries and is not discharged or stayed within 30 days; or
- (vi) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over a substantial part of the assets of the Issuer or the relevant Principal Subsidiaries, as the case may be, becomes enforceable pursuant to a final judgment by a court of competent jurisdiction and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such

judgment is not discharged within 45 days, provided that no event described in this Condition 12(A)(vi) shall constitute an Event of Default unless the aggregate amount of the relevant assets in respect of which one or more of the events mentioned above in this Condition 12(A)(vi) have occurred at any time equals or exceeds (either individually or in aggregate) U.S.\$5,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 12(A)(vi) operates); or

- (vii) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or
  - (viii) **Winding-up:** an order is made by any court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by an Extraordinary Resolution of the Bondholders, or (b) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Principal Subsidiaries on a *pro rata* basis in accordance with such Principal Subsidiary's shareholding; or
  - (ix) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer to lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Trust Deed and the Agency Agreement, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
  - (x) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under any of the Bonds, the Trust Deed or the Agency Agreement; or
  - (xi) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in either of Conditions 12(A)(vii) and 12(A)(viii).
- (B) Notwithstanding receipt of any payment after the acceleration of the Bonds, a Holder may exercise its Exchange Right by depositing an Exchange Notice with an

Exchange Agent during the period from and including the date of a notice of acceleration with respect to an event specified in Condition 12(A) (at which time the Issuer will notify the Holders of the number of Shares per Bond to be delivered upon exchange, assuming all the then outstanding Bonds are exchanged) to and including the close of business (at the place where the Certificate evidencing the relevant Bond is deposited for exchange) on the date upon which the full amount of moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders.

If any exchanging Holder deposits an Exchange Notice pursuant to this Condition 12(B) on the business day prior to, or during, a Suspension Period, the Holder's Exchange Right shall continue until the business day immediately following the last day of the Suspension Period, which shall be deemed the Exchange Date, for the purposes of such Holder's exercise of its Exchange Right pursuant to this Condition 12(B).

If the Exchange Right attached to any Bond is exercised pursuant to this Condition 12(B), the Issuer will deliver Shares (which number will be disclosed to such Holder as soon as practicable after the Exchange Notice is given) in accordance with these Conditions against repayment of the payment received by the relevant Holder after the acceleration of the Bonds, except that the Issuer shall have five business days before it is required to deliver the number of Shares to be delivered pursuant to this Condition 12(B) and an additional five business days from such delivery to make payment in accordance with the following paragraph.

If the Exchange Right attached to any Bond is exercised pursuant to this Condition 12(B) or if the Bonds have become due and payable pursuant to Condition 12(A)(ii), the Issuer shall, at the request of the exchanging Holder, pay to such Holder an amount in U.S. dollars (the "**Default Cure Amount**") equal to the product of (i) (a) the number of Shares that are required to be delivered by the Issuer to satisfy the Exchange Right in relation to such exchanging Holder minus (b) the number of Shares that are actually delivered by the Issuer pursuant to such Holders' Exchange Notice and (ii) the Share Price (as defined below in this Condition 12(B)) on the Exchange Date; provided that if such Holder has received any payment under the Bonds pursuant to this Condition 12, the amount of such payment shall be deducted from the Default Cure Amount.

In this Condition 12(B):

"**business day**" means a day in which banks are open for business in the place where the Certificate evidencing the relevant Bond is deposited for exchange; and

"**Share Price**" means the closing price of the Shares as quoted by the Hong Kong Stock Exchange on the Exchange Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the Hong Kong Stock Exchange or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by an independent investment bank of international repute acting as an expert instructed by, and at the expense of, the Issuer for such purpose and notified to the Trustee.

## 13 PRESCRIPTION

Claims for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal and premium (if any)) or five years (in the case of interest) from the relevant date for payment in respect thereof first becomes due.

#### **14 ENFORCEMENT**

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice, take such steps, action and/or proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such steps, action and/or proceedings unless (a) it shall have been so requested in writing by the Holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Holders and (b) it shall have been pre-funded and/or indemnified and/or secured to its satisfaction. No Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

#### **15 MEETINGS OF HOLDERS, MODIFICATION AND WAIVER**

(A) **Meetings:** The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from Holders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Holders whatever the aggregate principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal, interest or premium (if any) payable in respect of the Bonds or changing the method of calculation of any amount payable under the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify or cancel the Exchange Right, (v) to reduce the rate of interest in respect of the Bonds or to vary the method or basis of calculating the rate of interest or the basis for calculating any other amount payable in respect of the Bonds or (vi) to modify the provisions concerning the quorum required at any meeting of the Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 25 per cent. in aggregate principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Holders will be binding on all Holders, whether or not they are present at the meeting.

The Trust Deed provides that (A) a written resolution signed by or on behalf of the Holders of not less than 90 per cent. of the aggregate principal amount of Bonds for the time being outstanding or (B) a resolution passed by way of electronic consents through Euroclear and Clearstream (in a form satisfactory to the Trustee) by or on

behalf of holders of not less than 90 per cent. of the aggregate principal amount of the Bonds for the time being outstanding shall each be as valid and effective as a duly passed Extraordinary Resolution.

- (B) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Holders, to (i) any modification (except as mentioned in Condition 15(A)) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Holders or (ii) any modification to the Bonds, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Holders and, unless the Trustee agrees otherwise, any such modification, waiver or authorisation will be notified by the Issuer to the Holders in accordance with Condition 17 as soon as practicable thereafter.
- (C) **Interests of Holders:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those in relation to any proposed modification, authorisation or waiver), the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the interests of, or be responsible for, the consequences of such exercise for individual Holders and, in particular but without affecting the generality of the foregoing, the Trustee shall not be entitled to require on behalf of any Holder, nor shall any Holder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Holders.

## 16 REPLACEMENT OF CERTIFICATES

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

## 17 NOTICES

Unless otherwise provided in the Trust Deed or the Bonds, as described herein, all notices to all Holders as a group shall be validly given if in writing and mailed to them at their respective addresses in the Register, and published in a leading newspaper having general circulation in Asia (which is expected to be the Wall Street Journal Asia). Any such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV or Clearstream Banking S.A. or any alternative clearing system(s), notices to the Bondholders shall be given by delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking S.A. or such alternative clearing system(s), for communication by it to entitled accountholders in substitution for notification as required by the Terms and Conditions, and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to Euroclear or Clearstream or such alternative clearing system(s).*

The Issuer shall cause to be filed with the Trustee, and shall cause to be given to all Holders (i) at least 10 days prior to the applicable record date if Modern Dairy shall (A) declare a dividend (or other distribution) on its Shares payable otherwise than in cash out of its retained earnings, or (B) authorize the grant to the holders of its Shares of options, rights or warrants, and (ii) at least 10 days prior to the applicable record date, upon (A) a reclassification of the Shares (other than a subdivision or combination of its outstanding Shares), or of any consolidation, merger or share exchange to which the Issuer or Modern Dairy is a party and for which approval of any shareholders is required, or of any tender or exchange offer by the Issuer, Modern Dairy or any Principal Subsidiary of the Issuer for all or any of the Shares, or of the conveyance, lease, sale or transfer of all or substantially all of the assets of the Issuer, Modern Dairy or any Principal Subsidiary of the Issuer, or (B) the voluntary or involuntary dissolution, liquidation or winding up of the Issuer or any of its Principal Subsidiaries, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights options or warrants, or, if a record is not to be taken, the date as of which the holders of Shares of record to be entitled to such dividend, distribution, rights, options or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, share exchange, tender or exchange offer, conveyance, lease, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Shares of record shall be entitled to exchange their Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, share exchange, tender or exchange offer, conveyance, lease, sale, transfer, dissolution, liquidation or winding up. The foregoing will not require the Issuer to send any notice to the Holders or the Trustee prior to any notice or circular regarding the subject of such notice to the Holders or the Trustee is sent to shareholders of the Issuer.

## **18 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Holders, create and issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the issue price, the first payment of interest on them, the first date on which Exchange Rights may be exercised and the timing for the making of the Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further Bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

## **19 AGENTS**

The names of the initial Agents and their initial specified offices are set out below. The Issuer reserves the right, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents. The Issuer will at all times maintain (a) a Principal Agent, and (b) a Registrar which will maintain the Register outside the United Kingdom. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Holders in accordance with Condition 17.

## **20 INDEMNIFICATION**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Bonds and payment or

taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling it to be paid or reimbursed for any fees, costs, expenses and indemnity payments and for liabilities incurred by it in priority to the claims of Bondholders. The Trustee and the Agents are entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee and the Agents shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed or by any other means as provided for in the Trust Deed (including without limitation passed by Written Resolution or by Electronic Consent).

The Trustee and the Agents shall have no obligation to monitor or ascertain (i) compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or (ii) whether an Event of Default or a Potential Event of Default has occurred or (iii) whether a Relevant Event or any event or circumstance which gives rise or may give rise to a Relevant Event or any redemption under Condition 10, and shall, in each case, not be liable to the Issuer, the Bondholders or any other person for not doing so. None of the Trustee or any of the Agents shall be responsible for the performance (whether financial or otherwise) by the Issuer or any other person appointed by any of them in relation to the Bonds and/or the Exchange Property of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any of the Agents shall be under any duty or obligation to (and will not be responsible or liable to any Bondholder or any other person for not so doing) perform, verify or assist in any calculation or determination in connection with any amount payable under any redemption option under this Condition 10, the number of a *pro rata* share of the Exchange Property or Additional Exchange Property, the Equivalent Amount, the Further Amount, the Cash Alternative Amount, or any other amount with respect to any exercise of the Exchange Right and shall not be responsible for delivery of any Exchange Property, Additional Exchange Property or Cash Election Notice or for payment of any Equivalent Amount, Further Amount, Cash Alternative Amount, or any other amount with respect to any exercise of the Exchange Right.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and to be indemnified and/or secured and/or pre-funded to its satisfaction, and the Trustee is not responsible for any loss or liability incurred by the Issuer, any Bondholder or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received or an indemnity, security or pre-funding is not provided to the Trustee to its satisfaction.

The Trustee may rely without liability to the Issuer, any Bondholder or any other person on any report, confirmation or certificate or any opinion or advice of any legal advisors,

accountants, financial advisors, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, opinion or advice and, in such event, such report, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Bondholders.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, any Relevant Company and their respective Subsidiaries, and neither the Trustee nor any Agent shall at any time have any responsibility or liability to any Bondholder for the same and each Bondholder shall not rely on the Trustee or any Agent in respect thereof.

## **21 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Without prejudice to the rights of the Bondholders pursuant to and as contemplated in Condition 14, no person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 except to the extent provided for in these Conditions or in the Trust Deed.

## **22 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

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

The Issuer irrevocably agrees that the courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds) and that accordingly submits to the jurisdiction of the Hong Kong courts. The Issuer waives any objection to the courts of Hong Kong on the grounds that they are an inconvenient or inappropriate forum.



**Schedule 5**  
**Form of Principal Subsidiaries Certificate**

[DATE]

**Citicorp International Limited**  
(the “Trustee”)

20/F, Citi Tower, One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

Fax no.: +852 2323 0279  
Attention: Agency and Trust

Dear Sirs

**PRINCIPAL SUBSIDIARIES CERTIFICATE RELATING TO U.S.\$100,000,000 1.50 PER CENT.  
EXCHANGEABLE BONDS DUE 2023 (THE “BONDS”) ISSUED BY CHINA MENGNIU DAIRY  
COMPANY LIMITED (THE “ISSUER”)**

Pursuant to the Trust Deed dated 24 June 2020 between the Issuer and the Trustee, the Issuer hereby certifies that the following entities are Principal Subsidiaries as at the last day of the last financial year of the Issuer (being the financial year ended as of [●]) / [DATE]:

[set out list].

Capitalised terms used herein and not defined shall have the meanings given in the Terms and Conditions of the Bonds.

By:

**CHINA MENGNIU DAIRY COMPANY LIMITED**

By:

Authorised Signatory

By:

Authorised Signatory



**Schedule 6  
Form of Certificate of Compliance**

**[On the Headed Paper of the Issuer]**

To: Citicorp International Limited  
20/F, Citi Tower, One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

Attention: Agency and Trust

*[Date]*

Dear Sirs

**U.S.\$100,000,000 1.50 PER CENT.EXCHANGEABLE BONDS DUE 2023 (THE “BONDS”)  
ISSUED BY CHINA MENGNIU DAIRY COMPANY LIMITED (THE “ISSUER”)**

This certificate is delivered to you in accordance with Clause 9.5 of the Trust Deed dated 24 June 2020 (the “**Trust Deed**”) and made between China Mengniu Dairy Company Limited (the “**Issuer**”) and Citicorp International Limited (the “**Trustee**”). All words and expressions defined in the Trust Deed shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein. We hereby certify that, to the best of the knowledge, information and belief (having made all reasonable enquiries) of the Issuer:

- (a) as at [●], no Event of Default or Potential Event of Default occurred [other than [●]] and no Event of Default or Potential Event of Default had occurred at any time since [●] [the Certification Date (as defined in the Trust Deed) of the last certificate delivered under Clause 9.5 [other than [●]]; and
- (b) from and including [●] [the Certification Date of the last certificate delivered under Clause 9.5 to and including [●], the Issuer has complied in all respects with its obligations under the Trust Deed and the Bonds [other than [●]].

This certificate is given without personal responsibility.

For and on behalf of

**CHINA MENGNIU DAIRY COMPANY LIMITED**

.....  
**Authorised Signatory**

.....  
**Authorised Signatory**

**Schedule 7**  
**Form of Certificate of Satisfaction to the Trustee**

To: Citicorp International Limited (花旗國際有限公司)  
20/F, Citi Tower, One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

Attention: Agency and Trust

[Date]

Dear Sirs

**U.S.\$100,000,000 1.50 PER CENT.EXCHANGEABLE BONDS DUE 2023 (THE “BONDS”)  
ISSUED BY CHINA MENGNIU DAIRY COMPANY LIMITED (THE “ISSUER”)**

This certificate is delivered to you in accordance with Condition 4(C) of the Conditions and Clause 9.6 of the Trust Deed dated 24 June 2020 (the “**Trust Deed**”) and made between China Mengniu Dairy Company Limited (the “**Issuer**”) and Citicorp International Limited (the “**Trustee**”).

We hereby certify that the Post-Issuance Filing, as described in Condition 4(B) of the Conditions in respect of the Bonds and Clause 9.6 of the Trust Deed, has been submitted.

We attach hereto copies of the relevant documents evidencing the Post-Issuance Filing and setting out the particulars of filing, each certified in English as a true and complete copy of the original by two Authorised Signatories of the Issuer.

This Notice shall also be treated as an instruction to the Principal Agent to deliver the appended Notice to Bondholders to Euroclear and Clearstream for onward transmission to the Bondholders.

All words and expressions defined in the Trust Deed shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein.

For and on behalf of

**CHINA MENGNIU DAIRY COMPANY LIMITED**

.....  
**Authorised Signatory**

.....  
**Authorised Signatory**

## APPENDIX

ISIN: XS2189122570  
Common Code: 218912257

**CHINA MENGNIU DAIRY COMPANY LIMITED**  
**U.S.\$100,000,000 1.50 PER CENT.EXCHANGEABLE BONDS DUE 2023 (THE “BONDS”)**

Reference is made to Condition 4(C) of the terms and conditions of the Bonds (the “**Conditions**”). All words and expressions defined in the Conditions shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings in this Notice.

We hereby notify the holders of the Bonds that we have submitted the Post-Issuance Filing in accordance with, and in the timeframe set forth in, Condition 4(B).

For and on behalf of

**CHINA MENGNIU DAIRY COMPANY LIMITED**

.....  
**Authorised Signatory**

In witness whereof this Trust Deed has been executed as a deed on the date stated at the beginning.

EXECUTED as a DEED under seal by  
CHINA MENGNIU DAIRY COMPANY  
LIMITED

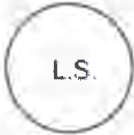
SIGNED, SEALED and DELIVERED  
as a DEED on its behalf by

Name: Lu Minfang

Title: Director

duly authorised by  
CHINA MENGNIU DAIRY COMPANY  
LIMITED

In the presence of:



Signature of witness

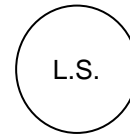
Witness name: Gu Peng

Address: No. 100, Zixu Road, Minhang Distract, Shanghai

Occupation: Director of Human Resources

Signed, sealed and delivered by  
**CITICORP INTERNATIONAL LIMITED**  
(花旗國際有限公司)  
as Trustee:

)  
)  
)  
)  
)



A handwritten signature in black ink, appearing to be "V. Loh", written over a light blue rectangular background.

Vanessa Loh  
Senior Vice President

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Authorised signatory