

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To NZX Limited

and

To Scales Corporation Limited

Relevant event being disclosed: Change in nature of relevant interest in substantial holding

Date of relevant event: 23 October 2024

Date this disclosure made: 24 October 2024

Date last disclosure made: 25 July 2022

Substantial product holder(s) giving disclosure

Full name(s): China Resources Enterprise, Limited ("**CRE**")

Summary of substantial holding

Class of quoted voting products: Ordinary shares in Scales Corporation Limited (NZX: SCL) ("**SCL**").

Summary for CRE

For **this** disclosure,—

- (a) total number held in class: 21,292,306
- (b) total in class: 143,571,527
- (c) total percentage held in class: 14.830%

For that relevant interest—

- 21,250,000 (14.801%) - China Resources Enterprise, Limited
- 42,306 (0.029%) - China Resources Enterprise, Limited (Custodian - The Hong Kong and Shanghai Banking Corporation Limited)

For **last** disclosure,—

- (a) total number held in class: 21,500,000
- (b) total in class: 142,721,868
- (c) total percentage held in class: 15.064%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure: On 23 October 2024, CRE entered into a block trade agreement (**attached** to this notice) with Craigs Investment Partners ("**CIP**"), under which CRE appointed CIP to manage and underwrite the sale of 21,250,000 ordinary shares in SCL held by CRE for a price to be determined under the procedures set out in the block trade agreement. As a consequence of that agreement, there is also a qualification on the power of CRE to dispose of, or control disposal of, such shares. Settlement of that sale is expected to occur on 25 October 2024.

There has been no change to the beneficial interest held by CRE in the 42,306 ordinary shares in SCL held by The Hong Kong and Shanghai Banking Corporation Limited in its capacity as custodian for CRE.

Details after relevant event

Details for China Resources Enterprise, Limited

Nature of relevant interest(s): Registered holder and beneficial owner of financial products

For that relevant interest,—

- (a) number held in class: 21,250,000
- (b) percentage held in class: 14.801%
- (c) current registered holder(s): China Resources Enterprise, Limited
- (d) registered holder(s) once transfers are registered: No change

Nature of relevant interest(s): Beneficial owner of financial products

For that relevant interest,—

- (a) number held in class: 42,306
- (b) percentage held in class: 0.029%
- (c) current registered holder(s): The Hong Kong and Shanghai Banking Corporation Limited (Custodian)
- (d) registered holder(s) once transfers are registered: No change

Additional information

Address(es) of substantial product holder(s): 39/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

Contact details: China Resources Enterprise, Limited
C/- Ian Beaumont
Russell McVeagh
Level 30
48 Shortland Street, Auckland
Telephone: +64 9 367 8302
Email: ian.beaumont@russellmcveagh.com

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Craigs Investment Partners Limited.

Certification

I, Chen Ying, director of China Resources Enterprise, Limited, certify that, to the best of our knowledge and belief, the information contained in this disclosure is correct and that we are duly authorised to make this disclosure by all persons for whom it is made.

ATTACHMENT
BLOCK TRADE AGREEMENT



Block trade agreement over Scales Corporation Limited stake

China Resources Enterprise, Limited

Craigs Investment Partners Limited

CONTENTS

1	CONSTRUCTION	1
2.	SALE OF SHARES	2
3.	SALE AND PURCHASE OF SALE SHARES	3
4.	FEES	4
5.	REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS	4
6.	UNDERTAKINGS OF THE SELLER	8
7.	INDEMNITY	8
8.	TERMINATION EVENTS	10
9.	PUBLICITY	11
10.	NOTICES	12
11.	GENERAL	13
	SCHEDULE 1: TIMETABLE	17

BLOCK TRADE AGREEMENT OVER SCALES CORPORATION LIMITED STAKE

Date: 23 October 2024

PARTIES

China Resources Enterprise, Limited

Craigs Investment Partners Limited

BACKGROUND

The Seller has requested that CIP underwrite, and arrange, the Sale, and CIP has agreed to do so, on the terms and subject to the conditions set out in this agreement.

THE PARTIES AGREE as follows:

1 CONSTRUCTION

In the construction of this agreement, unless the context requires otherwise:

- (a) *business days*: anything required by this agreement to be done on a day which is not a business day may be done effectually on the next business day;
- (b) *Clauses and Schedules*: a reference to a clause or a schedule is to a clause or schedule of this agreement, and a reference in a schedule to a clause is a reference to a clause in that schedule;
- (c) *Currency*: a reference to any monetary amount is to New Zealand currency;
- (d) *Defined Terms*: words or phrases appearing in this agreement, including in the Background, with capitalised initial letters are defined terms and have the meanings given to them in this agreement;
- (e) *Documents*: a reference to any document, including this agreement, includes a reference to that document as amended or replaced from time to time;
- (f) *Headings*: headings appear as a matter of convenience and do not affect the construction of this agreement;
- (g) *Parties*: a reference to a party to this agreement or any other document includes that party's personal representatives/successors and permitted assigns;
- (h) *Person*: a reference to a person includes an individual, body corporate, an association of persons (whether corporate or not), a trust and a state and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere);
- (i) *Related Terms*: where a word or expression is defined in this agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;



- (j) *Schedules*: the schedules form part of this agreement;
- (k) *Singular, Plural and Gender*: the singular includes the plural and vice versa, and words importing one gender include the other genders;
- (l) *Statutes and Regulations*: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;
- (m) *Time*: a reference to time is to New Zealand time; and
- (n) *Writing*: a reference to "written" or "in writing" includes all modes of presenting or reproducing words, figures and symbols in a tangible and permanently visible form.

2. SALE OF SHARES

- 2.1 China Resources Enterprise, Limited (the **Seller**) wishes to sell 21,250,000 shares (**Sale Shares**) in Scales Corporation Limited (the **Company**). Craigs Investment Partners Limited, its affiliates, successors and assigns, as appropriate (**CIP**) have agreed to procure the disposal of the Sale Shares (the **Sale**).
- 2.2 The Seller must comply with the timetable set out in Schedule 1 to this agreement (the **Timetable**) (which may be amended by the Seller with the prior written consent of CIP). All references to dates in this agreement have the same meaning as in the Timetable and any defined terms not otherwise defined in this agreement but defined in the Timetable have the meaning given to them in the Timetable.
- 2.3 To effect the Sale:
 - (a) The Seller agrees to sell the total number of the Sale Shares and, subject to clause 2.3(c), CIP agrees to procure purchasers for the Sale Shares.
 - (b) Subject to clause 2.3(c), CIP agrees to arrange the sale of the Sale Shares by procuring purchasers for the Sale Shares at the final per share price for the Sale Shares (**Sale Price**) determined under clause 2.4. Purchasers may include CIP's related companies (as that term is defined in the New Zealand Companies Act 1993, read as if the expression **company** includes any body corporate, wherever incorporated, each a **Related Company**) and will be determined by CIP in its discretion.
 - (c) CIP agrees to underwrite the Sale by purchasing at the Sale Price, which must not be less than \$3.52 per Sale Share (**Underwritten Floor Price**), the number of Sale Shares which have not been purchased by third party purchasers (or CIP's Related Companies) in accordance with clause 2.3(b), or in respect of which settlement of such purchase (including payment of the Sale Price) has not occurred, as at 5.00pm (New Zealand time) on the Settlement Date.
- 2.4 CIP, in consultation with the Seller, will determine the Sale Price for the Sale Shares via a bookbuild process (**Bookbuild**) to be conducted in accordance with the



Timetable in Schedule 1 (the closing time of which may be varied by CIP by agreement with the Seller). The Sale Price must not be less than the Underwritten Floor Price.

- 2.5 CIP agrees to provide the Seller with regular updates in relation to the progress of the Bookbuild, including:
- (a) updates on the orders for the Sale Shares obtained throughout the Bookbuild;
 - (b) the names of the accounts placing orders;
 - (c) the details of the orders, including sizes of orders, coverage ratios at different prices, the price of any orders and/or any price limits associated with such orders and the time of the orders; and
 - (d) such other information as reasonably requested by the Seller from time to time.
- 2.6 In consideration of CIP performing its obligations under this agreement, the Seller agrees to pay to CIP fees in accordance with clause 5.
- 2.7 CIP may perform its obligations through any branch or Related Company of CIP.

3. OFFER RESTRICTIONS

- 3.1 CIP and the Seller will conduct the Sale by way of an offer only to persons in New Zealand, or to persons outside New Zealand who are institutional or professional investors in such jurisdictions (but, to avoid doubt, not the United States) to whom CIP is reasonably satisfied that offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which the Seller, in its sole and absolute discretion, is willing to comply), as determined by this agreement between the Seller and CIP.

The Sale Shares shall only be offered and sold to persons that are not in the United States and acquire Sales Shares in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S and including persons that are dealers or other professional fiduciaries organised, incorporated or (if an individual) resident in the United States that are acting for an account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Regulation S) for which they have, and are exercising, investment discretions within the meaning of Rule 902(k)(2)(i) of Regulation S in reliance on Regulation S.

4. SALE AND PURCHASE OF SALE SHARES

- 4.1 The sale of the Sale Shares will be effected on the Settlement Date in accordance with New Zealand Clearing Limited's Clearing and Settlement Rules (the **Clearing and Settlement Rules**), with settlement to follow the trade date on a T+2 basis (the date of settlement will be referred to as the **Settlement Date**).



4.2 Subject to clause 9, on the Settlement Date, the Seller shall take all steps reasonably necessary to procure settlement and CIP shall arrange for the payment to the Seller, or as the Seller directs, by 4.30pm on the Settlement Date of an amount equal to the Sale Price multiplied by the number of Sale Shares, less any fees payable under clause 5, by transfer to the account nominated by the Seller in writing for value (in cleared funds) against delivery of Sale Shares.

5. FEES

- 5.1 In consideration of performing its obligations under this agreement, CIP will be entitled to the fee set out in the engagement letter between CIP and the Seller.
- 5.2 The fees payable under this clause 5 are payable in New Zealand dollars on (and are conditional upon) receipt by the Seller of the proceeds of sale of the Sale Shares to which the fees relate and may be retained by CIP from any amount received as agent, or deducted from any amount which it is otherwise obliged to pay the Seller, in respect of that sale. Beneficiary bank handling charges will be borne by the Seller and remitting bank handling charges will be borne by CIP.

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

6.1 Seller

The Seller represents, warrants and undertakes to CIP only at the date of this agreement and on each date until and including the Settlement Date that each of the following statements is true, accurate and not misleading:

- (a) *Body corporate*: it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) *Capacity*: the Seller has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) *Authority*: the Seller has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates and it has the appropriate authorities to enter into and perform its obligations under this agreement;
- (d) *Agreement effective*: this agreement constitutes the Seller's legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (e) *Sole owner, no encumbrance*: the Seller is the holder and sole legal and beneficial owner of the Sale Shares and owns the Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights;
- (f) *Shares rank equally*: following sale by the Seller, the Sale Shares will rank equally in all respects with all other outstanding ordinary shares of the Company, including their entitlement to dividends;



- (g) *Power to sell:* the Seller has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares, or any of them;
- (h) *Information true and correct:* all information provided by the Seller to CIP in writing, in relation to the Sale is true and correct in all material respects and not misleading or deceptive, whether by omission or otherwise in any material respect;
- (i) *No contravention:* compliance by the Seller with all of the provisions of this agreement will not conflict with, result in a breach or violation of, or constitute a default under:
 - (i) any agreement or instrument to which the Seller is a party or by which it or any of its properties or assets are bound; or
 - (ii) any statute, rule or regulation applicable to, or any order of any court or governmental agency with jurisdiction over, the Seller, its assets or its properties;
- (j) *No inside information:* the Seller (excluding any knowledge of any of its directors, officers or employees who are not involved in or aware of the Sale) does not at the date of this agreement have any information relating to the Company or its securities that is not generally available to the market and that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of the Company's quoted securities (other than knowledge that it proposes to enter into this agreement and the transactions contemplated by it) (*Inside Information*), and the Sale will not constitute a violation by the Seller of applicable insider trading laws for which there is no applicable defence;
- (k) *Information barriers:* notwithstanding the warranty provided at 6.1(j), if the Seller was in possession of Inside Information, in relation to the Sale, the Seller would be able to rely upon the defence set out in, and is satisfying the requirements of, section 261(1) of the Financial Markets Conduct Act 2013 (**FMCA**);
- (l) *No stabilisation or manipulation:* neither the Seller nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;
- (m) *NZX listing:* the Sale Shares are quoted on the financial market operated by NZX Limited known as the NZX Main Board;
- (n) *No general solicitation or general advertising:* none of the Seller, any of its affiliates (as that term is defined in Rule 501 under the US Securities Act of 1933 (the **US Securities Act**)) (**Affiliates**), any person acting on behalf of any of them (other than CIP or its Affiliates or any person acting on behalf of any of them, as to whom the Seller makes no representation) has offered or



sold, or will offer or sell, any Sale Shares in the United States using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the US Securities Act; and

- (o) *No directed selling efforts*: with respect to those Sale Shares sold, or to be sold, in reliance on Regulation S under the US Securities Act (**Regulation S**), none of the Seller, any of its Affiliates, any person acting on behalf of any of them (other than CIP or its Affiliates or any person acting on behalf of any of them, as to whom the Seller makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the US Securities Act) and each of the Seller, its Affiliates, and any person acting on behalf of any of them (other than CIP or its Affiliates or any person acting on behalf of any of them, as to whom the Seller makes no representation) has complied and will comply with the offering restrictions requirement of Regulation S.

For the purposes of this clause 6.1, the term **Affiliate** does not include (i) the Seller and its Affiliates other than the Seller and its Affiliates that it controls or (ii) the Company and its Affiliates that it controls.

6.2 **Craigs Investment Partners Limited**

CIP represents, warrants and undertakes to the Seller at the date of this agreement and on each date until and including the Settlement Date, in respect of itself and any branch or Related Company of CIP which performs CIP's obligations under this agreement in accordance with clause 2.7, that each of the following statements is correct:

- (a) *Body corporate*: it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) *Capacity*: it has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) *Authority*: it has taken all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates and it has the appropriate licensing, permits and authorities to enter into and perform its obligations under this agreement;
- (d) *Agreement effective*: this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) *Compliance*: it and its Affiliates will perform their obligations under this agreement, and the Sale will be conducted by it and its Affiliates (including the making of each offer or invitation to acquire Sale Shares), in accordance with all applicable laws and regulations in any relevant jurisdiction, including without limitation any applicable trade sanction or anti-money laundering laws or regulations, provided that there shall not be a breach of this warranty to the extent any breach is caused by an act or omission which constitutes a breach by the Seller of its representations, warranties and undertakings in clause 6.1 or to the extent that an offer or invitation is made to a person in a



jurisdiction listed in Section 5 of Schedule 4 of the Master ECM Terms published by the New Zealand Financial Markets Association whom CIP reasonably believes having followed the practice typically complied with by investment banks of international standing in connection with a transaction of this nature in the relevant jurisdiction, to be a person who is able to give the warranties and representations listed in that Section for the relevant jurisdiction and those set out under the heading "Regulation S Offer - Category 1 – excluding Eligible U.S. Fund Managers" in Section 2 of that Schedule;

- (f) *Status:* it is a "qualified institutional buyer" (as defined in Rule 144A under the US Securities Act (**QIB**)) or is not a "US person" (as defined in Rule 902(k) under the US Securities Act);
- (g) *No US registration:* it acknowledges that the Sale Shares have not been registered and will not be registered under the US Securities Act and they undertake to offer and sell the Sale Shares only in accordance with (i) the provisions of Rule 903 or Rule 904 under the US Securities Act and (ii) Rule 144A under the US Securities Act;
- (h) *No solicitation:* it, its Affiliates and any person acting on behalf of any of it, has not solicited offers for or offered to sell, and will not solicit offers for, or offer or sell, the Sale Shares in the "United States" (as defined in Rule 902(l) under the US Securities Act) using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the US Securities Act;
- (i) *Broker-dealer requirements:* all offers and sales of Sale Shares in the United States by it and any of its Affiliates will be effected in accordance with all applicable US broker-dealer requirements;
- (j) *Non-US offers:* it, its Affiliates and any person acting on its behalf has offered the Sale Shares, and will offer and sell the Sale Shares, only in offshore transactions (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S. With respect to those Sale Shares sold or to be sold in reliance on Regulation S, none of CIP, its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the US Securities Act);
- (k) *No stabilisation or manipulation:* none of CIP or any of its Affiliates or any person acting on behalf of any of them has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of any security of the Company to facilitate the sale or resale of the Sale Shares in violation of any applicable law; and
- (l) *Takeovers Code matters:* CIP (or its relevant Affiliates) is a professional underwriter (in terms of the Takeovers Code (Professional Underwriters) Exemption Notice 2004) and is entering into this agreement in order to earn underwriting fees. None of CIP or its Affiliates has a collateral purpose or



intention, in respect of CIP's entry into this agreement, of enabling CIP or any of its Affiliates to increase their control percentage in the Company. Immediately before CIP's entry into this agreement, the aggregate of the control percentages of CIP and its Affiliates did not exceed 5% of the voting rights of the Company.

6.3 Representations and warranties continue in force

The above representations and warranties continue in full force and effect notwithstanding completion of this agreement.

6.4 Acknowledgement of reliance on representations and warranties

The party or parties giving the above representations and warranties acknowledge that the other party or parties have relied on these representations and warranties in entering into this agreement and will rely on these representations and warranties in performing their respective obligations under this agreement.

6.5 Notification

Each party agrees that it will tell the other parties promptly upon becoming aware of any of the following occurring prior to the completion of the sale of the Sale Shares:

- (a) any material change affecting any of the foregoing representations and warranties; or
- (b) any of the foregoing representations or warranties becoming materially untrue or materially incorrect.

7. UNDERTAKINGS OF THE SELLER

7.1 The Seller undertakes, prior to the settlement of purchases in accordance with this agreement and the Clearing and Settlement Rules, not to carry out any activity in relation to the Sale which breaches:

- (a) the FMCA or the Takeovers Regulations 2000;
- (b) any other applicable laws or regulations in New Zealand or otherwise;
- (c) the NZX Listing Rules;
- (d) its constitution; or
- (e) any legally binding requirement of the Financial Markets Authority (**FMA**) or the NZX; and

in each case to the extent such breach impacts or could reasonably be expected to impact on the sale of the Sale Shares, this agreement or the Company, each of these undertakings being material terms of this agreement.

8. INDEMNITY

8.1 The Seller will keep CIP and their Related Companies and their respective directors, officers, partners, employees, representatives and agents (**Indemnified Parties**)



indemnified against any losses, damages, liabilities, reasonable costs, claims, actions and demands (including any properly incurred expenses arising in connection therewith) (**Losses**) sustained or incurred in connection with this agreement, the Sale or any breach of this agreement by the Seller (including any breach of any of the above representations or warranties given by the Seller) and will reimburse an Indemnified Party for all reasonable out of pocket costs, charges and expenses which it may properly pay or incur in connection with investigating, disputing or defending in good faith and on reasonable grounds any such action, demand or claim for which it is indemnified under this agreement.

8.2 The indemnity in clause 8.1 does not extend to and is not to be taken as an indemnity against any Losses of an Indemnified Party to the extent those Losses result from:

- (a) any fraud, recklessness, wilful misconduct or gross negligence of an Indemnified Party as determined by a judgment of a Court of competent jurisdiction;
- (b) any penalty or fine which the Indemnified Party is required to pay for any contravention of any law; or
- (c) any amount in respect of which the indemnity would be illegal, void or unenforceable under applicable law as determined by a judgment of a Court of competent jurisdiction; or
- (d) each party paying its own out of pocket costs and expenses (including any advisers' fees and bookbuild software usage costs) incurred by it in connection with this agreement or the Sale; or
- (e) any tax in respect of fees payable under this agreement,

and provided further that the indemnity in clause 8.1 does not extend to (and will not be deemed to be an indemnity against) any Losses suffered by an Indemnified Person solely as a result of the Indemnified Person performing its obligations under clause 2.3, which includes without limitation:

- (f) loss that has resulted from any loss of any fee (as agreed under clause 5 of the agreement) or other fees and expenses which may have been (but had not yet become) payable under this agreement, if this agreement had not been terminated in accordance with its terms; or
- (g) loss that is the direct cost of CIP being transferred the Sale Shares under clause 2.3(c) or is directly attributable to any loss suffered by an Indemnified Person as a result of a change in the value of the Sale Shares following the transfer.

8.3 If CIP becomes aware of any suit, action, investigation, proceedings, demand or claim in respect of which an Indemnified Party wishes to claim for indemnification under the indemnity contained in this clause 8, CIP must promptly notify the Seller of the substance of that matter. The failure of CIP to notify the Seller pursuant to this clause will not release the Seller from any obligation or liability which it may



have pursuant to this agreement except that such liability will be reduced to the extent to which the amount the subject of the indemnity under clause 8 has increased, as a result of the failure to so notify.

- 8.4 The Seller also agrees that no Indemnified Party will have any liability to the Seller, any of its Related Companies and their respective directors, officers, partners, employees, representatives and agents of any of them or any of the Seller's security holders or creditors for any Loss suffered by any of them in relation to any event to which the indemnity at clause 8.1 applies. This release does not apply to the extent that any Losses are finally judicially determined to have resulted from any fraud, recklessness, wilful misconduct or gross negligence of the Indemnified Party.
- 8.5 An Indemnified Party must not admit liability in respect of all or part of, or settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any suit, action, investigation, proceeding, demand or claim to which the indemnity in clause 8.1 relates without the prior written consent of the Seller, such consent not to be unreasonably withheld.
- 8.6 The indemnity in clause 8.1 is a continuing obligation, separate and independent from the other obligations of the parties under this agreement and survives termination or completion of this agreement. It is not necessary for an Indemnified Party to incur expense or make payment before enforcing that indemnity, provided always that CIP shall repay to the Seller all amounts received under the indemnity to the extent that such amount exceeds the amount of any Losses actually incurred or paid by CIP.
- 8.7 The parties agree that, for the purposes of the Contract and Commercial Law Act 2017, the indemnity in clause 8.1 (as limited by clause 8.2) and the release in clause 8.4 is intended to confer a benefit on, and be enforceable by, each Indemnified Party (provided that this agreement may be varied by the parties to it without the consent of any Indemnified Party).

9. TERMINATION EVENTS

9.1 CIP termination events

CIP may, without costs or liability, terminate its obligations under this agreement by giving written notice to the Seller at any time, up to and including, 10.00am on the Settlement Date in any of the following circumstances:

- (a) the NZX 50 index declines by an amount equivalent to 10% or more of the level of that index as at the close of trading on the Business Day immediately preceding the date of this agreement;
- (b) the Seller contravenes any applicable provisions of the FMCA or any other applicable laws or regulations in New Zealand or otherwise or any requirement of the FMA or the NZX, other than to the extent that the Seller has the benefit of a waiver or exemption under applicable laws or a defence under section 261(1) of the FMCA in relation to any such provision or regulation or requirement;



- (c) the FMA issues or threatens to issue proceedings in relation to the Sale or commences, or threatens to commence any inquiry or investigation in relation to the Sale (other than in respect of the actions of CIP where such actions are not contemplated by this agreement);
- (d) the NZX suspends trading of ordinary shares in the Company on the NZX Main Board, unless only as a consequence or in contemplation of the Sale, either by their own initiative or at the request of the Company or the NZX removes the Company from the official list of NZX, or the NZX announce any intention to do any of the foregoing;
- (e) the Seller defaults in the performance of any of its material obligations under this agreement; or
- (f) a representation, warranty or undertaking given by the Seller in this agreement is not true or correct,

provided that CIP may only terminate its obligations in any of the above circumstances if, in its reasonable opinion, the circumstances or combinations thereof:

- (g) have or would reasonably be expected to have, a material adverse effect on:
 - (i) the willingness of persons to purchase the Sale Shares; or
 - (ii) the price at which ordinary shares in the Company are traded on the NZX Main Board; or
- (h) would reasonably be expected to give rise to a material liability for CIP under the FMCA or other applicable law.

9.2 Seller termination events

The Seller may, without costs or liability, terminate its obligations under this agreement by giving written notice to CIP at any time up to and including 10.00am on the Settlement Date if the NZX 50 index increases by an amount equivalent to 10% or more of the level of that index as at the close of trading on the Business Day immediately preceding the date of this agreement.

9.3 Effect of termination

Subject to clause 8.6, if this agreement is terminated, neither CIP nor the Seller will have any obligations under this agreement. Any termination of this agreement will be without prejudice to any accrued rights or obligations arising before or in relation to such termination.

10. PUBLICITY

The Seller and CIP will consult with each other in respect of any material public releases by any of them concerning the Sale. The prior written consent of the other party (such consent not to be unreasonably withheld or delayed) must be obtained prior to any party making any release or announcement or engaging in publicity in relation to the Sale on or before the Settlement Date, and such release,



announcement or engagement must be in compliance with all applicable laws, including the securities laws of New Zealand and any other jurisdiction.

11. NOTICES

A notice, approval, consent or other communication in connection with this agreement must be:

- (a) in writing;
- (b) marked for the attention of the person specified in this clause; and
- (c) left at the address of the addressee, or sent by email to the email address of the addressee which is specified in this clause or if the addressee notifies another address or email address then to that address or email address.

The address, email address and addressee of each party is:

The Seller

Address: 39/F, China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Email: cre.csd@cre.com.hk

Attention: General Manager of Corporate Strategy and Development Department

With a copy to:

Attention: Ian Beaumont / General Counsel of China Resources Enterprise, Limited

Email: ian.beaumont@russellmcveagh.com / cre.lcd.@cre.com.hk

CIP

Craigs Investment Partners Limited

Address: Level 36
Vero Centre
48 Shortland Street
Auckland 1010
New Zealand

Email: William.Rattray@craigsip.com

Attention: William Rattray

with a copy (which will not constitute notice) to: roger.wallis@chapmantripp.com

A notice, approval, consent or other communication takes effect from the time it is received unless a later time is specified in it, but if it is received after 5.00pm in the



place of receipt or on a non-business day in that place, it is to be deemed received at 9.00am on the next business day in that place. A notice, approval, consent or other communication is shall be deemed to have been received, if sent by email, four business hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

12. GENERAL

12.1 Governing Law

The laws of New Zealand shall govern this agreement. The parties submit to the non-exclusive jurisdiction of the New Zealand courts.

12.2 Severability

Each provision of this agreement is severable. If the whole or part of any provision is or becomes void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remaining provisions will not be affected.

12.3 Entire Agreement

This agreement comprises the entire agreement between the parties in relation to its subject matter and supersedes all previous understandings, agreements or arrangement whether written or oral.

12.4 Waiver and Variation

A provision of or a right created under this agreement may not be:

- (a) waived except in writing signed by the party granting the waiver; or
- (b) varied except in writing signed by the parties.

12.5 Remedies Cumulative

The rights, powers and remedies provided in this agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this agreement.

12.6 Assignment

The rights and obligations of each party under this agreement cannot be assigned without the prior written consent of the other party.

12.7 Counterparts

This agreement may be executed in any number of counterparts and all counterparts taken together will be regarded as one instrument.

12.8 Further Assurances

Each party agrees, at its own expense, on the request of the other parties, to do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including, but not limited to, the execution of documents.



12.9 Approvals and Consents

A party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this agreement expressly provides otherwise.

12.10 Time

All dates and times referred to in this agreement are New Zealand dates and times.

12.11 Goods and services tax

If goods and services tax (**GST**) is payable in respect of any supply made or deemed to be made by a party under this agreement, then that party may recover from the recipient of the supply an amount equal to the GST payable, in addition to and at the same time as any payment or other consideration for the supply. The supplier must provide a tax invoice for the supply to which the GST relates. CIP acknowledges that any supplies by CIP to the Seller under this agreement are zero-rated for GST purposes.

12.12 Acknowledgement

The Seller acknowledges that CIP is not obliged to disclose to the Seller or utilise for the benefit of the Seller, any non-public information which CIP obtains in the normal course of its business where such disclosure or use would result in a breach of any obligation of confidentiality or any internal Chinese wall policies of CIP.

12.13 No fiduciary duty

The Seller acknowledges and agrees that:

- (a) CIP is engaged solely as an independent contractor;
- (b) CIP will be acting solely pursuant to a contractual relationship on an arm's length basis with respect to the transactions contemplated by this agreement; and
- (c) CIP will not act as a financial advisor or a fiduciary to the Seller or any other person.



EXECUTION

Craigs Investment Partners Limited

by:

Signature of Authorised Signatory

Justin Queale

Name of Authorised Signatory

Signature of Authorised Signatory

William Rattray

Name of Authorised Signatory



China Resources Enterprise, Limited

by:

Signature of Authorised Signatory

Chen Ying

Name of Authorised Signatory



SCHEDULE 1: TIMETABLE

Execute Agreement	5.00pm, 23 October 2024
Book opens	By 5.15pm, 23 October 2024
Book closes and Sale Price determined	On or around 7.00pm, 23 October 2024
Settlement Date (T+2)	25 October 2024

