

Circular of the Executive Committee of Guangdong-Macao In-Depth Cooperation Zone in Hengqin on Issuing “Special Support Measures for Enterprises in Guangdong-Macao In-Depth Cooperation Zone in Hengqin to Issue Corporate Bonds in Macao (Temporary)”

All bureaus under the Executive Committee:

The Special Support Measures for Enterprises in Guangdong-Macao In-Depth Cooperation Zone in Hengqin to Issue Corporate Bonds in Macao (Temporary) has been considered and approved by the Executive Committee of Guangdong-Macao In-Depth Cooperation Zone in Hengqin and is hereby issued to you. Please implement it carefully. For problems encountered in the implementation, please report them to the Financial Development Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

Executive Committee of Guangdong-Macao
In-Depth Cooperation Zone in Hengqin
December 30, 2021

Special Support Measures for Enterprises in Guangdong-Macao In-Depth Cooperation Zone in Hengqin to Issue Corporate Bonds in Macao (Temporary)

Chapter 1 General Provisions

Article 1 The Measures are formulated on the basis of the realities of the Cooperation Zone, in order to carry out the spirit of the *General Plan for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin* jointly released by the Central Committee of the Communist Party of China and the State Council, support the development of the bond market in Macao, encourage enterprises in Guangdong-Macao In-Depth Cooperation Zone in Hengqin (hereinafter the “Cooperation Zone”) to effectively use Macao’s bond market for direct financing and reduce the costs of those enterprises issuing corporate bonds in Macao..

Article 2 The Cooperation Zone will set up the special support funds for supporting enterprises’ issuance of corporate bonds in Macao, which are intended to support enterprises in the Cooperation Zone to obtain direct financing from Macao’s bond market. The objects of support include enterprises that are lawfully registered, pay taxes according to law, operate substantively within the Cooperation Zone and issue corporate bonds successfully in Macao, as well as intermediary institutions that are lawfully registered, pay taxes according to law, operate substantively within the Cooperation Zone and provide services for domestic enterprises to issue corporate bonds successfully in Macao (restricted to law firms, accounting firms, credit rating agencies, and third-party accrediting agencies of green bonds).

Article 3 The Cooperation Zone’s Leading Group for Supporting Enterprises’ Issuance of Corporate Bonds in Macao (hereinafter the “Leading Group”) is set up, and the Leading Group is led by the deputy director of the Executive Committee of the Cooperation Zone in charge of

financial work. The members of the Leading Group include the Legal Affairs Bureau, Economic Development Bureau, Commercial Services Bureau and Financial Bureau of the Cooperation Zone, and the Leading Group will be responsible for unified direction of the matters relating to support funds. The office of the Leading Group is co-located with the Financial Development Bureau of the Cooperation Zone and is responsible for declaration management, review and release of support funds for enterprises issuing corporate bonds in Macao.

Chapter 2 Support Measures and Eligibility Requirements

Article 4 Enterprises in Cooperation Zone that have successfully issued qualifying bonds in Macao will be granted financial support equivalent to general issuance costs of such bonds. If the foregoing bonds are green bonds, financial support equivalent to external review fees will be granted in addition to financial support of general issuance cost.

4.1 A qualifying bond shall meet all of the following conditions simultaneously:

- (1) The first corporate bond issued by the same enterprise in Macao within one (1) year of the date of implementation of the Measures;
- (2) The bond meets the requirements of the rules of the Monetary Authority of Macao on bond issuance;
- (3) The issue amount of the bond is at least MOP 500 million (or equivalent in a foreign currency);
- (4) Macao Central Securities Depository is responsible for the registration, custody and settlement of all bonds.

4.2 General issuance costs of bonds cover underwriting fee, fees payable to law firm, fees payable to accounting firm, fees payable to credit rating agencies, custody and settlement fees payable to Macao Central Securities Depository, and issuing service fees and listing fees payable to Macao trading agency. External review fees mean fees payable to third-party review institutions related to issuance of green bonds.

4.3 Cooperation Zone enterprises issuing corporate bonds in Macao shall meet all of the following conditions simultaneously:

- (1) They are registered, pay taxes according to law and operate substantively within the Cooperation Zone;
- (2) They are neither included in a list of defaulters nor included in a list of enterprises with abnormal operations released by relevant departments within the period between the time of declaration and completion of review;
- (3) Enterprises issuing one-year or longer-term bonds in Macao shall obtain in advance a certificate of foreign debt registration issued by the National Development and Reform Commission.

4.4 Intermediary institutions in the Cooperation Zone shall meet all of the following conditions simultaneously:

- (1) They are registered, pay taxes according to law and operate substantively within the

Cooperation Zone;

(2) They are neither included in a list of defaulters nor included in a list of enterprises with abnormal operations released by relevant departments within the period between the time of declaration and completion of review.

Chapter 3 Support Criteria

Article 5 The objects of support mentioned in Article 2 of the Measures will be granted financial support according to the following standard:

(1) Enterprises will be granted financial support of general issuance cost in a one-off manner according to 0.8% of the actual amount of funds raised by them, which shall not exceed RMB5 million. Where bonds issued are recognized as green bonds, financial support of external review fees equal to RMB 500,000 will be granted in addition to the foregoing financial support.

(2) Intermediary institutions each will be granted financial support according to the rate of RMB100,000/case.

Chapter 4 Other Matters

Article 6 The detailed declaration guide will be developed by the Financial Development Bureau of the Cooperation Zone based on the realities of the Cooperation Zone. The Measures are subject to interpretation by the Financial Development Bureau of the Cooperation Zone.

Article 7 The objects of support mentioned in Article 2 of the Measures will voluntarily apply for support funds, and they shall promise in writing that their place of incorporation, place of tax payment and actual place of business will not be relocated to any place outside the Cooperation Zone within five (5) years after receipt of support funds. Where any object of support breaks its promise, the Cooperation Zone will take back the support funds corresponding to the remaining years through straight-line amortization over the five-year period, with interest accrual based on the Loan Prime Rate (LPR) corresponding to the current period.

Article 8 Support funds released pursuant to the Measures are subject to audit, supervision by competent authorities and to social supervision. For enterprises and intermediary institutions gaining support funds fraudulently, support funds shall be taken back upon awareness of such fraud; if the circumstances are serious, their legal liabilities shall be investigated.

Article 9 Unless otherwise specified, the currency mentioned in the Measures shall be renminbi (RMB). In case of currency conversion, the RMB central parity published by the China Foreign Exchange Trade System upon authorization of the People's Bank of China shall apply.

Article 10 Once the objects of support receive the support funds under the Measures, they shall no longer be entitled to the Cooperation Zone's any other support policies of the same type. Support policies outside the Cooperation Zone are not governed by the Measures.

Article 11 The Measures shall come into force on March 1, 2022 and remain effective for one (1)

year.