

**THIS OFFER DOCUMENT IS IMPORTANT AND DEMANDS YOUR IMMEDIATE ATTENTION.**

If you are in any doubt or need any more explanations or clarifications about the Offers or the contents of the Offer Document or the action you should take, you should seek your own personal financial, legal and tax advice immediately from your stockbroker, investment banker, bank manager, solicitor, accountant, investment firm or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if outside the United Kingdom, seek your own personal financial advice from another appropriately authorised independent financial and investment adviser in the relevant jurisdiction.

You should read the whole of this document (including all information incorporated by reference into this document). In addition, this document, and any documents incorporated into it by reference, should be read in conjunction with any accompanying Form(s) of Acceptance (if you hold Securities in certificated form), which forms part of this document. If you hold your B Ordinary Shares as a CREST sponsored member, you should refer to your CREST sponsor before complying with the procedures set out in paragraph 14.1 of Part II of this document.

If you have sold or otherwise transferred all of your Securities (other than pursuant to the Offers), please forward this document and the accompanying documentation, but not (where relevant) any personalised Form(s) of Acceptance, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. **However, these documents (in whole or in part) must not be forwarded, distributed or transmitted in, into or from any Restricted Jurisdiction or in or into any jurisdiction where to do so would constitute a violation of the relevant laws in that jurisdiction.** If you have sold or otherwise transferred only part of your holding of any Securities, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Securities in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact the Receiving Agent, Equiniti Limited, on 0333 207 6381 (if calling within the UK) or +44 121 415 0953 (if calling from outside the UK) to obtain any relevant personalised Form(s) of Acceptance. Lines are open from Monday to Friday 8.30 a.m. to 5.30 p.m. (London time) excluding public holidays in England and Wales.

**The release, publication or distribution of this document and/or any accompanying documents (in whole or part) in, into or from, jurisdictions other than the United Kingdom, Cyprus, Russia or Israel and the availability of the Offers to Security Holders who are not resident in the United Kingdom, Cyprus, Russia, Israel or the United States may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws and/or regulations of any such jurisdiction. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer to sell or issue, or the solicitation of any offer to buy or subscribe for, any securities, in any jurisdictions where such an offer or solicitation is unlawful.**

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**Cash Offers (the “Offers”)**

by

**Flotonic Limited (“Flotonic” or the “Offeror”)**

to acquire the remaining issued and to be issued ordinary share capital of

**AFI Development Plc (“AFI Development” or the “Company”)**

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Capitalised words and phrases used in this document shall have the meaning given to them in Appendix IV.

Your attention is drawn to the letter from the Chairman of the Company which contains the recommendation of the Company Board (in paragraph 9) to seriously consider the Offers, which is set out on pages 9 to 12 of this document.

The procedures for acceptance of the Offers are set out on pages 6 and 7, paragraph 14 and paragraph 17 of Part II and Part C, Part D and Part E of Appendix I of this document and, in respect of Securities held in certificated form, in the accompanying Form(s) of Acceptance.

If you are a DI Holder, the procedure for accepting the B Share Offer is set out in paragraph 14.1 of Part II of this document. To accept the B Share Offer in respect of DIs (that is any B Ordinary Shares) held in uncertificated form you should make an Electronic Acceptance through CREST so that the TTE instruction settles as soon as possible and, in any event, no later than 1.00 p.m. (London time) on 19 December 2019. If you hold your DIs as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

If you are a Registered Holder, the procedure for accepting each Relevant Offer is set out in paragraph 14.2 of Part II of this document. To accept the Offers in respect of Shares held in certificated form, you must complete and return the accompanying Form(s) of Acceptance (along with your share certificate(s) and/or other documents of title) as soon as possible and, in any event, so as to be received by the Receiving Agent by no later than 1.00 p.m. (London time) on 19 December 2019.

If you are a GDR Holder, the procedure for accepting the A Share Offer is set out in paragraph 14.3 of Part II of this document. Please note that all Clearing Systems and brokers and other securities intermediaries that are participants in those systems will establish their own earlier cut-off times and dates for receipt of an instruction, to ensure that such instruction can be forwarded to the GDR Tender Agent in time to effect your participation in the A Share Offer. Please contact your broker or other securities intermediary in good time to enquire about the cut-off date and time that applies to you.

If you have any questions about this document or are in any doubt as to how to complete the Form(s) of Acceptance (if you hold Securities in certificated form), or if you want to request a hard copy of this document (and/or any information incorporated into it by reference to another source), please contact the Receiving Agent, Equiniti Limited, on 0333 207 6381 (from within the UK) or on +44 121 415 0953 (if calling from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offers nor give any financial, legal or tax advice.

VTB Capital plc (“**VTBC**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Offeror Group and no one else in connection with the Offers and other matters described in this document and will not be responsible to anyone other than the Offeror Group for providing the protections afforded to clients of VTBC nor for providing advice in connection with the Offers or any other matter described in this document.

BDO LLP (“**BDO**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority is acting exclusively for the Company and no one else in connection with the Offers and other matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of BDO nor for providing advice in connection with the Offers or any other matter described in this document.

**As Flotonic already has “control” of the Company, the Offers do not have “as their objective, the acquisition of control of the offeree company in accordance with national law”. In addition, the Company is registered in the Republic of Cyprus. As such the Offers are not subject to the Code. Accordingly, the Offers will not be subject to the jurisdiction of, and are not being regulated or reviewed by, the Panel and the Panel does not have any responsibility, in relation to the Company, for ensuring compliance with the Code and is not able to answer any Security Holder’s queries.**

Further, since the Company has its registered office in the Republic of Cyprus and the B Ordinary Shares and the GDRs are listed on a regulated market in the United Kingdom, the Cypriot Takeover Law applies only in respect of the matters referred to in section 4(4)(b)(ii) of the same law, namely matters relating to the information to be provided to the employees of the Company, the percentage of voting rights necessary for the acquisition of control and exceptions from the obligation to launch a bid as well as the conditions under which the board of the Company may undertake any action capable of cancelling the bid. As such, this document has not been approved by CySec.

## IMPORTANT NOTICE

### Overseas Security Holders

Unless otherwise determined by the Offeror, the Offers are not being, and will not be made, directly or indirectly, in or into, or by the use of mail or by any other means or instrumentally (including, without limitation, by any means of telephone, facsimile, telex, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Offeror, this document (and any documentation relating to the offers) is not being, and must not be, directly or indirectly, mailed or otherwise forwarded, transmitted, distributed, sent or accessed in or into or from (whether by issue of the mail or by any other means or instrumentally (including, without limitation, by any means of telephone, facsimile, telex, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and persons receiving such documents (including without limitation custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, transmit, distribute or send it in or into or from Canada, Australia or Japan or any other Restricted Jurisdiction as doing so may render invalid any purported acceptance of the Offers.

The availability of the Offers or the distribution of this document to Security Holders who are not resident in the Republic of Cyprus or the United Kingdom may be restricted by the laws of the relevant jurisdiction in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, all applicable legal and regulatory requirements of their jurisdictions. Any failure to comply with the requirements of such jurisdictions may constitute a violation of the securities laws of such jurisdictions. Further details in relation to Overseas Security Holders will be contained at paragraphs 13 and 14 of Part II.

The Offers, which are open to Overseas Security Holders, subject to the restrictions contained herein, will be subject (to the extent applicable) to the laws of England and the Republic of Cyprus. It is important for Overseas Security Holders to be aware that this document is subject (to the extent applicable) to disclosure regulations in the United Kingdom and disclosure and takeover law and regulations in the Republic of Cyprus that are different from those in the jurisdictions of the Overseas Security Holders. In addition, Overseas Security Holders should be aware that this document has been prepared in accordance with English and Cypriot format and style, which differs from the format and style that might have been used in their jurisdiction.

Overseas Security Holders should note that this document has been prepared for the purposes of complying with all applicable provisions of Cypriot Law and the information disclosed in this Offer Document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of jurisdictions outside the Republic of Cyprus.

### Notice to holders of Securities resident in the United States

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE OFFERS, PASSED UPON THE FAIRNESS OR MERITS OF THIS DOCUMENT OR DETERMINED WHETHER THIS DOCUMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The Offers, which are open to Security Holders in the United States, will be subject (to the extent applicable) to the laws of England and the Republic of Cyprus. It is important for Security Holders in the United States to be aware that this document is subject (to the extent applicable) to disclosure regulations in the United Kingdom and disclosure and takeover law and regulations in the Republic of Cyprus that are different from those in the United States. In addition, U.S. Securities Holders should be aware that this document has been prepared in accordance with English and Cypriot format and style, which differs from the U.S. format and style. In particular the financial information prepared by the Company has been prepared in accordance with international financial reporting standards, and this may not be comparable to financial information of U.S. companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

As applicable, the Offeror will comply with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended, subject to any exemption or partial exemption which it may determine is applicable prior to commencing the Offers. It may be difficult to enforce any rights and any claim arising under the U.S. federal securities laws since the Offeror and the Company are located in non-U.S. jurisdictions and some or all of their officers or directors may be residents of non-U.S. jurisdictions. Therefore, it may not be possible to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with, and to the extent permitted by Cypriot Law and normal UK market practice and pursuant to Rule 14e-5(b)(12) under the U.S. Securities Exchange Act of 1934, the Offeror or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, Securities, outside the United States, otherwise than pursuant to the Offers, before or during the period in which the Offers remain open for acceptance, such as in open market at prevailing prices or privately negotiated purchases at negotiated prices. Such purchases, or arrangements to purchase, will comply with all applicable UK and Cypriot rules, including the rules of the London Stock Exchange and the Financial Conduct Authority, to the extent applicable.

#### **Notice to persons resident or located in Russia**

THE INFORMATION CONTAINED IN THIS DOCUMENT IS ADDRESSED EXCLUSIVELY TO THE HOLDERS OF B ORDINARY SHARES OR THE A SECURITIES OF THE COMPANY. NEITHER THIS DOCUMENT NOR THE OFFERS DESCRIBED HEREIN NOR ANY INFORMATION CONTAINED HEREIN CONSTITUTE AN OFFER PURSUANT TO RUSSIAN LAW, OR AN ADVERTISEMENT, OR AN OFFER OF SECURITIES TO AN UNLIMITED NUMBER OF PERSONS WITHIN OR OUTSIDE THE TERRITORY OF THE RUSSIAN FEDERATION. NEITHER THIS DOCUMENT NOR THE OFFERS DESCRIBED HEREIN CONSTITUTE OR ARE INTENDED FOR PLACEMENT OR CIRCULATION OF SECURITIES OF FOREIGN ISSUERS IN THE RUSSIAN FEDERATION. NEITHER THE B ORDINARY SHARES OR THE A SECURITIES OF THE COMPANY, TO WHICH THE OFFERS RELATE, ARE REGISTERED IN THE RUSSIAN FEDERATION OR ADMITTED TO PLACEMENT, PUBLIC PLACEMENT OR PUBLIC CIRCULATION IN THE RUSSIAN FEDERATION IN ACCORDANCE WITH ARTICLE 51.1 OF RUSSIAN FEDERAL LAW DATED 22 APRIL, 1996 NO. 39 FZ "ON THE SECURITIES MARKET" (AS AMENDED)

#### **Notice to persons resident or located in Israel**

FOR THE AVOIDANCE OF DOUBT IT IS HEREBY CLARIFIED, THAT SINCE THE SECURITIES OF THE COMPANY ARE NOT LISTED ON A STOCK EXCHANGE IN ISRAEL, THE OFFERS SHALL NOT CONSTITUTE AN OFFER PURSUANT TO THE ISRAELI SECURITIES LAW AND CONSEQUENTLY THE PROVISIONS OF THE ISRAELI SECURITIES REGULATIONS (TENDER OFFER) 2000 OR OTHER PROVISIONS OF ISRAELI SECURITIES LAW, WILL NOT APPLY TO THE OFFERS.

#### **No Profit Forecast or Estimates**

Nothing in this document is intended to be, or is to be construed as, a profit forecast or to be interpreted to mean that earnings per B Ordinary Share, A Ordinary Share or GDR for the current or future financial years, will necessarily match or exceed the historical published earnings per B Ordinary Share, A Ordinary Share or GDR.

#### **Forward-looking Statements**

This document (including information incorporated by reference in this document) may contain 'forward-looking statements' concerning the Offeror and the Company. Generally, use of words such as 'anticipate', 'believe', 'assume', 'predict', 'shall', 'risk', 'positioned', 'continue', 'estimate', 'expect', 'forecast', 'intend', 'may', 'plan', 'project', 'should', 'will' or similar expressions is likely to identify forward-looking statements, which reflect current views about future events but are subject to risks, assumptions and uncertainties that could cause actual outcomes to differ materially from those expressed or implied in a forward-looking statement. Many such risks, assumptions and uncertainties

relate to factors which those making the forward-looking statement are unable to control or estimate precisely: for example, future market conditions, changes in general economic and business conditions, changes in currency exchange and interest rates, introduction of new or competing products or services, lack of acceptance of new products or services and the behaviour of other market participants. Neither the Offeror nor the Company, nor any of their respective associates, directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Accordingly, forward-looking statements should be regarded with caution, and undue reliance should not be placed upon them, as such statements speak only as at the date of this document. The directors of the Offeror and the Company do not intend and accept no obligation to update forward-looking statements except as may be required by specific applicable legal requirement.

### **Information relating to Security Holders**

Please be aware that addresses, electronic addresses and certain other information provided by the Security Holders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to the Offeror during the offer period, commencing on the date of this document.

### **Publication of this Offer Document and availability of hard copies**

A copy of this document (and all information incorporated into this document by reference) will be available for inspection, subject to certain restrictions relating to persons resident in any Restricted Jurisdictions, on the Company's website at <https://www.afi-development.com/en/> while the Offers remain open for acceptance. No other information contained in the Company's websites is incorporated by reference into this document.

You may request a hard copy of this document (and/or any information incorporated into it by reference from another source), by contacting the Receiving Agent, Equiniti Limited on 0333 207 6381 (from within the United Kingdom) or on +44 121 415 0953 (if calling from outside the United Kingdom). Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

### **Shares in issue**

The Company confirms that, as of today's date, the Company has in issue 523,847,027 A Ordinary Shares (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share) and 523,847,027 B Ordinary Shares (whether held directly or indirectly through a DI) (ISIN: CY0101380612). The GDRs are issued in the form of Regulation S GDRs (ISIN: US00106J2006) and Rule 144A GDRs (ISIN: US00106J1016).

### **Separate Advice**

If you are in any doubt about the Offers and/or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, investment banker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Date of publication**

The date of publication of this document is 19 November 2019.

## TO ACCEPT THE OFFERS

- 1 If you are a DI Holder (that is, you hold B Ordinary Shares in uncertificated form in CREST), to accept the B Share Offer you should follow the procedures for Electronic Acceptance set out in paragraph 14.1 of Part II of this document (see pages 21 and 22) so that the relevant TTE Instruction settles as **soon as possible and, in any event no later than 1.00 p.m. (London time) on 19 December 2019.**

If you hold your DIs as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to the relevant Clearing System.

- 2 If you are a Registered Holder (that is, you hold your Shares in certificated form and not in CREST), to accept the Relevant Offer, complete the applicable enclosed Form(s) of Acceptance in accordance with paragraph 14.2 of Part II of this document (see pages 23 and 24) and return the completed Form(s) of Acceptance (along with any share certificates and/or other appropriate documents of title) by post or by hand (during normal business hours only) to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, BN99 6DA as soon as possible and, in any event, **so as to be received no later than 1.00 p.m. (London time) on 19 December 2019.** A first class reply-paid envelope has been provided for your convenience or in the case of overseas Registered Holders an international business reply envelope enclosed.
- 3 If you are a GDR Holder (subject to the A Share Offer), you should instruct your broker or other securities intermediary through which you hold GDRs to instruct Clearstream or Euroclear, as applicable, to block your GDRs in your account for the purpose of tendering in the A Share Offer. Each Clearing System and their respective direct and indirect participants will set their own cut-off dates and times to receive instructions to tender, so you should contact your broker or other securities intermediary to find out the cut-off date and time that applies to you. Further details on the procedures for tendering into the A Share Offer if you hold GDRs are set out in paragraph 14.3 of Part II of this document (see pages 24 and 25).

**You are advised to read the whole of this document carefully.**

**THE FIRST CLOSING DATE OF THE OFFERS IS 1.00 P.M. (LONDON TIME) ON 19 DECEMBER 2019.**

### HELPLINE

**If you require assistance, please telephone the Receiving Agent on 0333 207 6381 from within the United Kingdom or on +44 121 415 0953 if calling from outside the United Kingdom. Calls will be charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30am and 5.30pm (London time) Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the Receiving Agent will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offers nor give any financial, legal or tax advice on the contents of this document.**

**This page should be read in conjunction with the rest of the document (and the information incorporated by reference herein) and, in the case of holders of Shares in certificated form, the Form(s) of Acceptance. You attention is drawn, in particular, to paragraph 14 of Part II of this document, which sets out the procedure for acceptance of the Offers, and to the Conditions and further terms of the Offers set out in Appendix I to this document and (in respect of Shares held in certificated form) in the Form(s) of Acceptance. Security Holders in any doubt about the Offers (or either one of them) or the action they should take are recommended to seek financial advice from their independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.**

## IMPORTANT DATES AND TIMES

The dates and times set out below in connection with the Offers may change in accordance with the terms and Conditions of the Offers, as described in this document.

<u>Event</u>	<u>Time and/or Date</u>
Announcement of the Intention to make the Offers .....	25 October 2019
Publication of this document .....	19 November 2019
First Closing Date .....	1.00 p.m. (London time) on 19 December 2019
Last date of revision of the Offers .....	30 December 2019
Last date of the Offers being unconditional as to acceptances .....	13 January 2020

*Each of Euroclear and Clearstream and their respective direct and indirect participants will set their own cut-off dates and times to receive tenders of GDRs. GDR Holders should contact their broker or other securities intermediary to determine the cut-off dates and times that apply to them.*

*Subject to the Offers becoming, or being declared, unconditional in all respects, settlement for those Security Holders who have validly accepted the Offers (and GDR Holders who have validly tendered their GDRs to the GDR Tender Agent to accept the A Share Offer) are expected to be effected within 14 calendar days of the Offers becoming, or being declared, unconditional in all respects or, in relation to valid acceptances received after this date, within 14 calendar days of receipt of that acceptance.*

*Future dates are indicative only and are subject to change, in which event details of the new times and dates will be announced via a Regulatory Information Service.*

*References to times and dates in this document are, unless specified otherwise, to London times and dates.*

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Russia

## Part I

### Letter from Mr Elias Ebrahimpour (Chairman of the Company)

#### *Directors:*

Mr Elias Ebrahimpour  
Mr Avraham Novogrocki  
Mr Panayiotis Demetriou

19 November 2019

*To: Security Holders (including, as the context requires, GDR Holders) and, for information only, to persons with information rights in the Securities*

Dear Security Holder/ Sir/ Madam

### **CASH OFFERS FOR AFI DEVELOPMENT PLC BY FLOTONIC LIMITED**

#### **1 Introduction**

On 25 October 2019, the Offeror Board and the Company Board announced the terms of two cash offers to be made by the Offeror for: (a) all of the A Ordinary Share capital of the Company not already owned by the Offeror (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share), and (b) all of the B Ordinary Share capital of the Company not already owned by the Offeror (together the “**Offers**”).

I am writing to you, on behalf of the Company Board, to explain the background to the Offers and to explain the reasons why the Company Board, who have been advised by BDO LLP as to the financial terms of the Offers, recommend that Security Holders seriously consider the Offers for the reasons outlined in paragraph 9 “Recommendation” below.

The Offers, in aggregate, value the fully diluted existing issued ordinary share capital of the Company at approximately US\$314 million at the Offer Price.

#### **2 The Offers**

The Offeror is offering to acquire, on the terms and subject to the Conditions and further terms set out below, in Appendix I to this document, in the Form(s) of Acceptance (where appropriate), and other documentation accompanying this document, all of the remaining issued and to be issued share capital not currently owned by the Offeror on the following basis:

##### *A Share Offer*

Under the terms of the A Share Offer, holders of A Ordinary Shares are entitled to receive US\$ 0.300 in cash for each A Ordinary Share (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share) (the “**A Share Offer Price**”) representing a premium of approximately:

- (i) 43 per cent. to the Closing Price of US\$ 0.210 per GDR on 23 September 2019, being the last Business Day prior to the day Flotonic has approached the Company Board;
- (ii) 46 per cent. to the twelve-month average price of US\$ 0.205 per GDR on 24 October 2019, being the last Business Day prior the date of the FITO Announcement;
- (iii) 44 per cent. to six-month average price of US\$ 0.208 per GDR on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement; and
- (iv) 11 per cent. to the Closing Price of US\$ 0.270 per GDR on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement.

#### *B Share Offer*

Under the terms of the B Share Offer, holders of B Ordinary Shares shall be entitled to receive US\$ 0.300 in cash for each B Ordinary Share (the “**B Share Offer Price**”) representing a premium of approximately:

- (i) 21 per cent. to the Closing Price of US\$0.248 per B Ordinary Share on 23 September 2019, being the last Business Day prior to the day Flotonic has approached the Company Board;
- (ii) 53 per cent. to the twelve-month average price of US\$ 0.195 per B Ordinary Share on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement;
- (iii) 42 per cent. to the six-month average price of US\$ 0.211 per B Ordinary Share on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement; and
- (iv) 6 per cent. to the Closing Price of US\$ 0.284 per B Ordinary Share on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement.

The Offers will become or be declared unconditional in all respects only if all Conditions to the Offers have been satisfied or, where applicable, waived.

The Offers extend to all Securities unconditionally allotted or issued and fully paid on the date of this document and any Securities which are unconditionally allotted or issued and fully paid before the date on which the Offers close to acceptances or such earlier date as the Offeror may in accordance with the Conditions and further terms of the Offers, decide, not being earlier than the date on which the Offers become unconditional as to acceptances.

Securities to be acquired under the Offers will be acquired fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching to them at the Announcement Date or thereafter including voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date.

If a dividend, distribution or other return of value is declared, made, paid or becomes payable by the Company in respect of the Securities on or after the date of the Announcement Date, the Relevant Offer Price shall be reduced by the amount of any such dividend, distribution or other return of value. In such circumstances, the Security Holders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

### **3 Background to the Offers and reasons for the recommendation**

The Company Board notes the reasons that the Offeror has provided for making the Offers as set out in paragraph 6 of Part II of this document and has considered these reasons in making its recommendation as set out in paragraph 9 “Recommendation” below.

### **4 Management, employees and locations**

Your attention is drawn to the statement of Flotonic’s intentions regarding the Company if the Offers become or are declared wholly unconditional, as set out in paragraph 11 of the letter from Flotonic in Part II of this document.

## 5 **Compulsory acquisition/Squeeze-out, delisting and conversion to a private company**

Your attention is drawn to paragraph 8 and 9 of the letter from the Offeror in Part II of this document in relation to the Offeror's intentions with regard to the compulsory acquisition, delisting and cancellation of trading in Securities and the amendment of its articles of association and the conversion of the Company as a private limited company following the Offers becoming or being declared unconditional in all respects.

## 6 **Action to be taken to accept the Offers**

Your attention is drawn to the letter from Offeror in Part II of this document and to the Appendices to this document and in particular, the procedure for acceptance of the Offers set out in paragraph 14 of the letter from Offeror in Part II of this document.

If you are a DI Holder, to enable the DI Depository to accept the B Share Offer you should ensure that you make (or, if you are a CREST sponsored member, procure that your CREST sponsor makes) an Electronic Acceptance in accordance with the procedure set out in paragraph 14.1 of the letter from the Offeror in this document as soon as possible and, in any event, **so that the TTE instruction settles, not later than 1.00 p.m. (London Time) on 19 December 2019.**

If you are a Registered Holder (that is, if your Shares are held in certificated form i.e not in CREST), to accept the Relevant Offers(s) you should ensure that you return the relevant accompanying Form(s) of Acceptance in accordance with paragraph 14.2 of the letter from the Offeror in the reply-paid envelope (for use in the United Kingdom only) or the international business reply envelope (for use by overseas Registered Holders) as soon as possible and in any event, **so as to be received by the Registrars by no later than 1.00 p.m. (London Time) on 19 December 2019**

If you are a GDR Holder, the procedure for participating in the A Share Offer is set out in paragraph 14.3 of Part II of this document. Each Clearing System and their respective direct and indirect participants will set their own times to receive instructions to tender GDRs, so you should contact your broker or other securities intermediary to find out the cut-off date and time that applies to you.

Your decision as to whether to accept the Offers (or either one of them) will depend upon your individual circumstances. **You should seek your own independent financial advice from a stockbroker, investment banker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.**

Alternatively, if you require assistance, please telephone the Receiving Agent on 0333 207 6381 from within the United Kingdom or on +44 121 415 0953 if calling from outside the United Kingdom. Calls charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30a.m. and 5.30p.m. (London time) Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the Receiving Agent will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offers nor give any financial, legal or tax advice on the contents of this document.

**TO BE VALID, ANY TTE INSTRUCTION OR FORM(S) OF ACCEPTANCE MUST BE RECEIVED BY THE RECEIVING AGENT NO LATER THAN 1.00PM (LONDON TIME) ON 19 DECEMBER 2019.**

## 7 **Confirmations by the Company Board**

The Company Directors confirm that:

- (a) no Company Directors hold any Securities in the Company; and
- (b) no Company Director has any conflict of interest with the Offeror in accordance with Cypriot law.

## 8 Further information

The terms of and Conditions to the Offers are set out in full in Appendix I to this document. Your attention is also drawn to the letter from the Offeror set out in Part II and the further financial information on the Company contained in Appendix II.

## 9 Recommendation

The Company Directors recommend that the Security Holders seriously consider the Offers for the reasons outlined below. The Company Directors consider that the Offers represent a material premium to the Closing Price on 23 September 2019, being the last Business Day prior to the day Flotonic approached the board of AFI Development and six months and twelve months average prices of the Company's shares and the GDRs respectively. The Company Directors, who have been advised by BDO as to the financial terms of the Offers, recognise that whilst the Offers represent a discount to the net asset value of the Company there is no likelihood of realising such value in the near- or medium-term future. In addition, there are a number of other reasons to accept the Offers that Security Holders should seriously consider:

- The Offers represent an opportunity for holders of Shares to realise their investment for cash at a premium to the recent share price prior to the FITO Announcement and without dealing costs;
- There is limited liquidity in both the A Securities and the B Ordinary Shares and no dividend income for Security Holders;
- AFI Development is already under the control of Flotonic and Flotonic can, subject to the terms of the relationship agreement between Flotonic and AFI Development, already effectively determine the choice of strategic options for AFI Development, including whether to approve the disposal of any of AFI Development's material assets; and
- AFI Development is exposed to volatile market conditions, especially in respect of residential property in Moscow, and the general vulnerability of the Russian economy to external and internal challenges.

In providing advice to the Company Directors, BDO has taken into account the commercial assessments of the Company Directors.

Accordingly, the Company Directors unanimously recommend the holders of the A Securities to seriously consider the A Share Offer and the holders of the B Ordinary Shares to seriously consider the B Share Offer.

Holders of the A Securities and the B Ordinary Shares should consider carefully the information set out above in making a decision as to whether to accept the Offers having regard to their own personal circumstances.

**Yours faithfully**

---

Mr. Elias Ebrahimpour

Chairman

## PART II

### Letter from Offeror

Flotonic Limited  
Stasandrou 10  
Flat/Office 304  
1060 Nicosia  
Cyprus

(Registered in Cyprus with registered number: HE358411)

*Director:*  
Ms Chrystalla Mylona

19 November 2019

*To: Security Holders (including, as the context requires, GDR Holders) and, for information only, to persons with information rights in the Securities*

**Dear Security Holder / Sir / Madam,**

### CASH OFFERS FOR AFI DEVELOPMENT PLC BY FLOTONIC LIMITED

#### 1 Introduction

On 25 October 2019, the Offeror Board and the Company Board announced the terms of two cash offers to be made by the Offeror for: (a) all of the A Ordinary Share capital of the Company not already owned by the Offeror (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share), and (b) all of the B Ordinary Share capital of the Company not already owned by the Offeror.

The Offers, in aggregate, value the fully diluted existing issued ordinary share capital of the Company at approximately US\$314 million at the Offer Price.

This document and, if you hold Shares in certificated form, the accompanying Form(s) of Acceptance contain the formal Offers (including its terms and conditions) and certain other information on the Offeror and the Company.

**Acceptances of the Offers should be received as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 19 December 2019.**

The attention of Security Holders who are citizens or residents of countries outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offers outside the United Kingdom is drawn to paragraph 13 of this **Part II** and paragraph 5 of Part B of Appendix I of this document and, if the Shares are held in certificated form, to the relevant provisions of the Forms of Acceptance, which they should read before taking any action.

Please read carefully paragraph 14 of this letter which sets out the procedures for acceptance of the Offers. Your attention is drawn, in particular, to the Conditions and further terms of the Offers set out in Appendix I to this document and, if you hold Shares in certificated form, in the Form(s) of Acceptance.

Your attention is also drawn to the financial and other information on the Company contained in Appendix II to this document.

#### 2 Recommendation

**Your attention is drawn to the letter from Mr Elias Ebrahimpour, the Chairman of the Company, set out in Part I of this document, which sets out the reasons why the Company Directors unanimously recommend the holders of the A Securities to seriously consider the A Share Offer and the holders of the B Ordinary Shares to seriously consider the B Share Offer.**

### 3 The Offers

The Offeror is offering to acquire, on the terms and subject to the Conditions and further terms set out below and in the Form(s) of Acceptance (where appropriate), Appendix I to this document and other documentation accompanying this document, all of the remaining issued and to be issued share capital not currently owned by the Offeror on the following basis:

#### *A Share Offer*

Under the terms of the A Share Offer, holders of A Ordinary Shares are entitled to receive US\$ 0.300 in cash for each A Ordinary Share (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share) (the “**A Share Offer Price**”) representing a premium of approximately:

- (i) 43 per cent. to the Closing Price of US\$ 0.210 per GDR on 23 September 2019, being the last Business Day prior to the day Flotonic has approached the Company Board;
- (ii) 46 per cent. to the twelve-month average price of US\$ 0.205 per GDR on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement;
- (iii) 44 per cent. to six-month average price of US\$ 0.208 per GDR on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement; and
- (iv) 11 per cent. to the Closing Price of US\$ 0.270 per GDR on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement.

#### *B Share Offer*

Under the terms of the B Share Offer, holders of B Ordinary Shares are entitled to receive US\$ 0.300 in cash for each B Ordinary Share (the “**B Share Offer Price**”) representing a premium of approximately:

- (i) 21 per cent. to the Closing Price of US\$0.248 per B Ordinary Share on 23 September 2019, being the last Business Day prior to the day Flotonic has approached the Company Board;
- (ii) 53 per cent. to the twelve-month average price of US\$ 0.195 per B Ordinary Share on 24 October 2019, being the last Business Day to the date of the FITO Announcement;
- (iii) 42 per cent. to the six-month average price of US\$ 0.211 per B Ordinary Share on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement; and
- (iv) 6 per cent. to the Closing Price of US\$ 0.284 per B Ordinary Share on 24 October 2019, being the last Business Day prior to the date of the FITO Announcement.

The Offers extend to all Securities unconditionally allotted or issued and fully paid on the date of the Offers and any Securities which are unconditionally allotted or issued and fully paid before the date on which the Offers close to acceptances or such earlier date as Offeror may in accordance with the Conditions and further terms of the Offers, decide, not being earlier than the date on which the Offers become unconditional as to acceptances.

Securities to be acquired under the Offers will be acquired fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching to them at the Announcement Date or thereafter including voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date.

If a dividend, distribution or other return of value is declared, made, paid or becomes payable by the Company in respect of the Securities on or after the date of the Announcement Date, the relevant Offer Price shall be reduced by the amount of any such dividend, distribution or other return of value. In such circumstances, the Security Holders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

#### **4 Regulation of the Offers**

As Flotonic already has “control” of the Company, the Offers do not have “*as their objective, the acquisition of control of the offeree company in accordance with national law*”. In addition, the Company is registered in the Republic of Cyprus, accordingly, the Offers are not subject to the Code. Accordingly, any offer by the Offeror will not be subject to the jurisdiction of, and is not being regulated or reviewed by, the Panel and the Panel does not have any responsibility, in relation to the Company, for ensuring compliance with the Code and is not able to answer any Security Holder’s queries.

Further, since the Company has its registered office in the Republic of Cyprus and the B Ordinary Shares and the GDRs are listed on a regulated market in the United Kingdom, the Cypriot Takeover Law applies only in respect of the matters referred to in section 4(4)(b)(ii) of the same law, namely matters relating to the information to be provided to the employees of the Company, the percentage of voting rights necessary for the acquisition of control and exceptions from the obligation to launch a bid as well as the conditions under which the board of the Company may undertake any action capable of cancelling the bid. As such, this document has not been approved by CySec.

Further terms and conditions of the Offers are set out in Appendix I to this document and, in respect of Securities held in certificated form, in the accompanying Form(s) of Acceptance.

The procedure for acceptance of the Offers is set out in paragraph 14 of this letter.

#### **5 Information relating to the Offeror and existing holdings**

The Offeror is a private company incorporated in Cyprus. Flotonic’s principal asset is its holding of securities in the Company. Flotonic is ultimately wholly beneficially owned by Mr. Leviev. It’s shares have never been admitted to trading on a regulated market or multilateral trading facility in the United Kingdom or elsewhere. No securities in the Offeror are held by the Company or on its account.

As at the date of this document, Flotonic owns or controls:

- 336,948,796 GDRs in the Company, representing 64.32 per cent. of the issued A Ordinary Shares, with each GDR representing one A Ordinary Share; and
- 342,799,658 B Ordinary Shares, representing 65.44 per cent. of the issued B Ordinary Shares.

As a result, in aggregate, Flotonic is interested in 679,748,454 Securities representing 64.88 per cent. of the issued share capital of the Company. Flotonic has not acquired or traded any Securities in the last twelve months.

The sole director of Flotonic does not hold any interest in any shares in the Company or in Flotonic.

As at the date of this document, VTBC, VTB Bank or any other entities controlled by the VTB Group had no direct or indirect interest in the Securities of the Company.

#### **6 Background to, and reasons for, the Offers**

Flotonic believes that the Offers provide the following key benefits.

##### *Attractive value*

Flotonic is offering a premium of approximately 46 per cent. and 53 per cent. respectively to twelve-month average process of the GDRs and the B Ordinary Shares respectively prior to the date of the FITO Announcement. The Offeror considers that the A Share Offer Price and the B Share Offer Price both represent an attractive premium when considered on a relative basis compared to the recent market price of the GDRs and the B Ordinary Shares prior to the FITO Announcement and in the context of relevant precedent real estate transactions and minority buy-out transactions.

##### *Certainty for investors*

The Offeror considers that the Offers provide Security Holders with an immediate and certain exit opportunity to crystallize the value of their holdings, for cash at an attractive premium. In particular against a backdrop of:

- *Market volatility* - the Offeror believes that the current complex geopolitical environment and the prevailing market volatility in Russia (including in the real estate and retail sectors)

raises and heightens certain risks facing the Company's business. These risks, if they materialise, could adversely impact the Company's core operations as well as its investments and affect its growth strategy in the medium term;

- *Russian residential real estate market associated risks* - adverse consequences of the recently introduced escrow scheme in Russian residential real estate for the mid-sized developers (whereby developers are no longer able to use monies paid by their customers to finance construction and development), additional taxation and the launch of the state-funded housing renovation programme in Moscow are expected to continue to place downward pressure on residential real estate sector revenues and drive up investment costs for all development projects;
- *Local Real estate sector* - changes in residential market conditions may result in limited opportunities for the Company to acquire and develop new land plots and projects, and realise lower than expected sale prices. The Offeror considers that, given the prevailing market conditions, the Company may face more uncertainty in the securing of financing on favourable terms for any such development;
- *Russian commercial real estate and retail market* - global retail e-commerce development has, and will continue to have, an increasing impact in Russia resulting in discounted pricing in the Russian retail real estate sector. Recent history also demonstrates that foreign investors in Russia have exited the real estate sector by disposing of their commercial portfolios at prices that were significantly below their initial investment values;
- *Macroeconomic conditions* - additional uncertainties around further deterioration of macroeconomic conditions, such as sanctions, trade wars and volatility in oil prices, may have an adverse impact on tenants' performance and on the retail market in Russia, which in turn could adversely affect the Company's investments, net asset value (NAV) and ultimately the value of the Company's Securities; and
- *Limited trading volumes* - the Company's Securities continue to experience very limited trading volumes (only 6 per cent. of GDRs and 10 per cent. of B Ordinary Shares have been traded from January 2017 to September 2019). These low trading volumes may result in limited appetite by new investors to acquire the Company's Securities.

#### *Simplification of the AFI Development Group structure*

In addition, the Offeror believes that the above factors also underpin the rationale that the Company's portfolio of assets would best be undertaken by a private company having the strategic flexibility to manage the more entrepreneurial development risks and capital expenditure of the business and to react to potential operational opportunities under the decision making of a single shareholder, rather than in a highly regulated listed environment with limited institutional interest and as a result low liquidity, which hinders investors' ability to monetise their shareholdings.

## **7 Conditions**

### **7.1 The A Share Offer**

#### *Participation in the A Share Offer*

The A Share Offer is being made subject to the Conditions in paragraph 2 of Part A of Appendix I to this document and the further terms set out in Part B of Appendix I to this document.

#### *Conditions*

The A Share Offer will be conditional upon, amongst other things, acceptances being received such that the Offeror shall hold or have acquired or agreed to acquire (pursuant to the A Share Offer or otherwise) directly or indirectly A Ordinary Shares which carry in aggregate not less than 90 per cent. of the voting rights then normally exercisable in respect of the A Ordinary Shares at a general meeting of the Company (or such lower percentage as the Offeror may decide).



A further Condition to the A Share Offer is the B Share Offer becoming or being declared unconditional in all respects (the “**Joint Offer Condition**”). However, the Joint Offer Condition, like the other Conditions, can be waived by the Offeror in its sole discretion so that it is possible for:

- (i) the A Share Offer to proceed, but for the B Share Offer not to proceed, if the Conditions to the B Share Offer are not satisfied or waived; or
- (ii) the B Share Offer to proceed, but for the A Share Offer not to proceed, if the Conditions to the A Share Offer are not satisfied or waived.

#### *GDR Holders*

Eligible GDR Holders are able to participate in the A Share Offer with respect of the A Ordinary Shares underlying their GDRs. Further details in relation as to how eligible GDR Holders can participate in the A Share Offer are set out in paragraph 14.3 below.

Following the A Share Offer becoming or being declared unconditional in all respects, the GDR Tender Agent will arrange for each GDR that has been validly tendered to be transferred to the Offeror. In due course, after the A Share Offer has been declared unconditional in all respects, the Offeror intends to procure, so far as it is reasonably able, that the Company will instruct the GDR Depository to cancel the number of GDRs held by it and deliver the underlying A Ordinary Shares to the Offeror.

## **7.2 The B Share Offer**

### *Participation in the B Share Offer*

The B Share Offer is being made subject to the Conditions in paragraph 1 of Part A of Appendix I to this document and the further terms set out in Part B of Appendix I to this document.

### *Conditions*

The B Share Offer will be conditional upon, amongst other things, acceptances being received such that the Offeror shall hold or have acquired or agreed to acquire (pursuant to the B Share Offer or otherwise) directly or indirectly B Ordinary Shares which carry in aggregate not less than 90 per cent. of the voting rights then normally exercisable in respect of the B Ordinary Shares at a general meeting of the Company (or such lower percentage as the Offeror may decide).

The B Share Offer is not conditional upon the A Share Offer becoming or being declared unconditional in all respects.

## **8 Cancellation of listing and trading**

If the A Share Offer becomes, or is declared, unconditional in all respects and subject to satisfying any applicable requirements of the FCA, the terms of the GDR deposit agreement and any requirements under Listing Rule 5.2.4, the Offeror intends to procure in so far as it is reasonably able that the Company will make an application for the cancellation of the listing of the GDRs on the Official List and cancellation of trading of the GDRs on the Main Market of the London Stock Exchange (the “**GDR Cancellation**”). It is anticipated that such cancellation will take effect no earlier than the date 3 months after notice of amendment of the GDR deposit agreement has been sent to GDR Holders, subject to compliance with applicable requirements of the Listing Rules and GDR deposit agreement.

The GDR Cancellation is likely to reduce significantly the liquidity and marketability of any A Securities in respect of which the A Share Offer has not been accepted at such time. It is also intended that, following implementation of the A Share Offer, the Offeror will seek to terminate the GDR programme.

If the B Share Offer becomes or is declared unconditional in all respects, and if the Offeror:

- (i) by virtue of its existing holdings of B Ordinary Shares, acceptances of the B Share Offer or otherwise, owns or controls or has acquired or agreed to acquire Securities in aggregate carrying at least 75 per cent. of the voting rights attaching to the B Ordinary Shares; and

- (ii) has obtained valid acceptances from, or acquired or agreed to acquire B Ordinary Shares from, Independent B Shareholders of the Company representing a majority of the voting rights attached to B Ordinary Shares held by Independent B Shareholders of the Company on 25 October 2019, being the date on which the Offeror's firm intention to make the B Share Offer was announced (the "**Delisting Threshold**"),

the Offeror intends to procure that, subject to satisfying any applicable requirements of the FCA and any requirements under Listing Rule 5.2.11A, the Company will make an application for the cancellation of the listing of the B Ordinary Shares on the Official List and for the cancellation of trading of the B Ordinary Shares on the Main Market of the London Stock Exchange.

It is anticipated that such cancellation will take effect no earlier than 20 Business Days after the B Share Offer becomes or is declared unconditional in all respects, subject to compliance with applicable requirements of the Listing Rules.

Cancellation of admission to trading is likely to reduce significantly the liquidity and marketability of any B Ordinary Shares in respect of which the B Share Offer has not been accepted at such time.

As at the date of this document, the Offeror owns or controls 342,799,658 B Ordinary Shares, representing approximately 65.44 per cent. of the issued B Ordinary Shares. Based on the current interests of the Offeror, it is expected that the Delisting Threshold will be met if and when the Offeror is interested in or has received valid acceptances in respect of the B Share Offer relating to, in aggregate, approximately 82.72 per cent. of the issued B Ordinary Shares.

GDR Holders will be able to participate in the A Share Offer with respect to the A Ordinary Shares underlying their GDRs, as more particularly described in paragraph 14.3 below. An Offer in respect of the A Ordinary Shares, to which the GDRs relate, shall only constitute one offer for the relevant A Securities and may only be accepted once by either the holder of the relevant A Ordinary Share or the relevant GDR Holder giving an instruction to accept the Offer by tendering its GDRs. Any such acceptance shall be deemed to have been made on behalf of the holder of the relevant A Ordinary Share and the relevant GDR Holder.

## **9 Compulsory acquisition/squeeze-out and conversion to a private company**

If the A Share Offer becomes, or is declared, unconditional in all respects and/or the B Share Offer becomes, or is declared, unconditional in all respects and the Offeror holds or has, by way of acceptances of the A Share Offer and/or the B Share Offer, acquired (or contracted to acquire), directly or indirectly, Securities carrying in aggregate, together with any Securities that the Offeror is interested in, not less than 90 per cent. of the voting rights then normally exercisable at a general meeting of the Company, the Offeror intends to exercise its rights pursuant to the provisions of Cyprus law to acquire compulsorily the remaining Securities in respect of which the A Share Offer or the B Share Offer has not been accepted, on the same terms as the A Share Offer or the B Share Offer respectively. In the event that the Offers become, or are declared, unconditional but the Offeror does not exercise its right to compulsorily acquire the remaining Securities, each Security Holder shall be entitled to sell their Securities to the Offeror at a fair price, which shall be no less than the relevant Offer Price.

Following the implementation of the A Share Offer and the B Share Offer (and assuming the GDR Cancellation and/or the cancellation of the listing of the B Ordinary Shares on the Official List) and regardless of any compulsory acquisition, the Offeror has indicated its intention to procure, so far as it is reasonably able, the termination of the GDR programme and amendment of the Company's articles of association to, among other things, replace the existing two classes of shares into a single class of ordinary shares and convert the Company to a private limited company, not more than 50 members.

Delisting and the conversion of the Company to a private company would significantly reduce the liquidity and marketability of any shares in respect of which the Offers have not been accepted at that time.

## **10 Financing the Offers**

The consideration payable under the Offers is being financed in full under a term facility entered into between VTB Bank and the Offeror (the "**Facility**"). The Facility may be drawn in US\$ for the purpose of financing the Offers and for funding any payments to be made in respect of a compulsory acquisition of Securities. The Facility has a term of 24 months.

Conditions to utilisation of the Facility include that the Offers must have been declared unconditional, all necessary regulatory approvals have been obtained, there is no continuing major default, all material representations are correct in all material respects and relevant security documentation, including certain pledges required by VTB Bank, are in place. The Offeror confirms that these security documents and pledges are in place at the date of this document, save for the pledge over the Company Shares to be owned or controlled by the Offeror which the parties are obliged to enter into in due course. The Facility permits, in certain circumstances, utilisations to be made for the payment of ancillary services provided in connection with the Offers and any payments to be made in respect of a compulsory acquisition.

The Offeror confirms that there are sufficient cash resources available to the Offeror to enable it to satisfy, in full, the cash consideration payable to the Independent A Security Holders and the Independent B Shareholders under the terms of the Offers. It is estimated that full acceptance of the Offers would require the payment by the Offeror of approximately US\$110.4 million excluding any financing costs and transaction fees and expenses.

## **11 Management, employees and locations**

The Offeror recognises the skills and experience of the existing management and employees of the Company Group. The Offeror intends to work closely with them to build on the strengths of the business and expects them to play an important role in the ongoing development of the business. The Offeror does not currently seek to change the business of the Company Group and to the extent feasible in the current economic environment intends to grow the business using the existing experience and industry knowledge of the employees of the Company.

The Company does not have a specific research and development function and the Offeror has confirmed that it does not intend to establish one.

The Offeror has confirmed to the Board of AFI Development that its current plans do not include any material changes to the Company Group's management or workforce, that all employment rights will be safeguarded in accordance with applicable law and that there are currently no planned changes to the conditions of employment of the management or employees of AFI Development.

The Offeror confirms that it has no current plans to change the Company's current strategic direction and consequently there is no intention to make an impact on either employment or on the locations of the Company's places of businesses.

The Offeror confirms that it currently has no intention to repurpose any of the fixed assets of the Company.

## **12 Taxation**

The acceptance of the Offers and/or the receipt of cash by Security Holders may be a taxable transaction under applicable national, state, local and/or other tax laws. Accordingly, the Security Holders should consult their independent professional advisers regarding the tax consequences (if any) of accepting the Offers.

## **13 Overseas Security Holders**

**The attention of Overseas Security Holders (and any person, including, without limitation, any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Offers outside the United Kingdom, Cyprus, Russia and Israel) is drawn to paragraph 5 of Part B of Appendix I to this document, to Part C and Part D of Appendix I (for holders of certificated Securities) and to Part E of Appendix I to this document (for holders of Securities in uncertificated form).**

The availability of the Offers to persons not resident in the United Kingdom, Cyprus, Russia or Israel may be affected by laws of the relevant jurisdiction. Persons who are not subject to the laws of any jurisdiction other than the United Kingdom, Cyprus, Russia and Israel should inform themselves about the laws of any such relevant jurisdictions and observe any applicable requirements.

Unless otherwise determined by the Offeror, the Offers are not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails or any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction, and will not be capable of acceptance by any such use, means, instrumentality or facility or from any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Offeror, copies of this document, the Form(s) of Acceptance (where applicable) and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from (whether by use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange) any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) should observe those restrictions and must not mail, or otherwise forward, distribute or send any such documents in or into or from any Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offers.

Any person (including custodians, nominees and trustees) who would or otherwise intends to, or may have a contractual or legal obligation to, forward this document and the accompanying documents to any jurisdiction outside the United Kingdom, Cyprus, Russia or Israel should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction and read paragraph 5 of Part B of Appendix I to this document and seek appropriate advice before taking any action.

Accordingly:

- (a) accepting DI Holders who are unable to give the representations and warranties set out in paragraph 1(b) of Part E of Appendix I to this document will be unable to accept the Offers validly;
- (b) accepting Registered Holders who are unable to give the representations and warranties set out in paragraph 1(b) of Part C and/or Part D of Appendix I (as applicable) to this document and who put "NO" in Box 5 of the applicable Form(s) of Acceptance will be deemed not to have validly accepted the Offers; and
- (c) accepting GDR Holders who are unable to give the representations and warranties in paragraph 6 of Part B of Appendix I to this document will be deemed not to have validly accepted the A Share Offer.

#### **14 Procedure for acceptance of the Offers**

This section should be read in conjunction with Appendix I to this document and, where applicable and in respect of Shares held in certificated form, the notes on the accompanying Form(s) of Acceptance which are deemed to form part of the terms of the Offers in respect of such Securities.

**DI Holders:** Holders of B Ordinary Shares in uncertificated form (that is, DIs in CREST) may only accept the B Share Offer in respect of such shares by making a TTE instruction to the Receiving Agent in accordance with the procedure set out in paragraph 14.1 below. If DIs are held under different member account IDs, a separate TTE instruction should be sent for each member account ID.

**Registered Holders:** Holders of Shares in certificated form (that is, not in CREST and not GDRs) may only accept the Offers in respect of such Shares by completing and returning the accompanying applicable Form(s) of Acceptance in accordance with the procedure set out in paragraph 14.2 below. Holders of Shares held in certificated form, but under different designations, should complete a separate Form(s) of Acceptance for each designation.

**GDR Holders:** Holders of GDRs may only accept the A Share Offer in accordance with paragraph 14.3 below.

If you hold a combination of Securities in both certificated form and uncertificated form, you should follow the procedures set out in the paragraphs below for each type of holding separately.

**If you require assistance, please telephone the Receiving Agent on 0333 207 6381 from within the United Kingdom or on +44 121 415 0953 if calling from outside the United**

**Kingdom. Calls will be charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the Receiving Agent will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offers nor give any financial, legal or tax advice on the contents of this document.**

If your Securities are in the course of being converted from uncertificated to certificated form, or from certificated to uncertificated form, please refer to paragraph 14.4.

**THE OFFERS SHALL CLOSE AT 1.00 P.M. (LONDON TIME) ON 19 DECEMBER 2019. ANY TTE INSTRUCTIONS OR FORM(S) OF ACCEPTANCE RECEIVED AFTER THIS TIME MAY NOT BE ACCEPTED.**

#### 14.1 **DI Holders – B Ordinary Shares held in uncertificated form**

##### (a) *General*

DI Holders, that is holders of B Ordinary Shares, in uncertificated form in CREST, may only accept the B Share Offer in respect of such DIs by TTE instruction in accordance with this paragraph 14.1(a) and, if those DIs are held under different member account IDs, such holders should send a separate TTE instruction for each member account ID.

If you hold DIs, to accept the B Share Offer you must take (or procure the taking of) the action set out below to transfer the DIs representing the B Ordinary Shares in respect of which you wish to accept the B Share Offer to the appropriate escrow balance(s) (that is, send a TTE instruction), specifying the Receiving Agent (in its capacity as a CREST participant under its relevant participant ID referred to below) as the Escrow Agent, as soon as possible and **in any event so that the TTE instruction settles not later than 1.00 p.m. (London time) on 19 December 2019. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) – and you should therefore ensure that you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph 14.1(a) will (subject to satisfying the requirements set out in Part B and Part E of Appendix I) constitute an acceptance of the B Share Offer in respect of the number of DIs so transferred to escrow.

**If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.** Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your DIs are held. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your DIs.

By submitting a TTE instruction, the DI Holder for whom the acceptance is made represents that he has read and understood Part B and Part E of Appendix I to this document and agrees to be bound by the terms therein. After settlement of a TTE instruction, you will not be able to access the DIs concerned in CREST nor the Security to which the DIs relate for any transaction or charging purposes. If the B Share Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the DIs concerned to itself in accordance with paragraph 1(e) of Part E of Appendix I to this document.

**You are recommended to refer to the CREST manual for further information on the CREST procedures outlined below.**

**You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your DIs to settle prior to 1.00 p.m. (London time) on 19 December 2019.** In this regard you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(b) *To accept the B Share Offer – uncertificated form*

As mentioned above, to accept the B Share Offer in respect of B Ordinary Shares held in uncertificated form, you must send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such uncertificated B Ordinary Shares.

A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to any other information that is required for a TTE instruction to settle in CREST, the following details:

- (i) the ISIN for the B Ordinary Shares (this is CY0101380612);
- (ii) the number of B Ordinary Shares in respect of which you wish accept the B Share Offer (i.e. the number of B Ordinary Shares to be transferred to escrow);
- (iii) your member account ID;
- (iv) your participant ID;
- (v) the member account of the Escrow Agent for the B Share Offer (this is FLOAFI01);
- (vi) the participant ID of the Escrow Agent (this is 6RA24);
- (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 19 December 2019;
- (viii) the corporate action number of the B Share Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (ix) input with a standard delivery instruction priority of 80; and
- (x) a contact name and telephone number inserted in the shared note field.

If you hold B Ordinary Shares in uncertificated form through one or more intermediaries, such as a stockbroker, custodian bank or clearing system, you should confirm the instruction deadline that such intermediaries have established to accept the B Share Offer on your behalf. The custodian bank or stockbroker may set an earlier deadline for receiving instructions from you in order to permit the custodian bank or stockbroker to communicate acceptances to the Receiving Agent in a timely manner. In order for acceptances to be counted towards the Acceptance Conditions, you may need to take action well in advance of the announced deadline for acceptance.

(c) *Validity of acceptances*

**A Form(s) of Acceptance which is received in respect of DIs will not constitute a valid acceptance and will be disregarded.** Holders of DIs who wish to accept the B Share Offer should note that a TTE instruction will only be a valid acceptance of the B Share Offer as at the relevant closing date if it has settled on or before 1.00 p.m. (London time) on that date.

Without prejudice to Part B and Part E of Appendix I to this document, the Offeror reserves the right to treat as valid in whole or in part any acceptance of the B Share Offer which is not entirely in order or which is not accompanied by the relevant TTE instruction, the relevant share certificate and/or other documents of title. In that event, no payment of cash under the B Share Offer will be made until after the TTE instruction or indemnities satisfactory to the Offeror have been received.

(d) *Overseas Security Holders*

The attention of DI Holders who are citizens or residents of jurisdictions outside the United Kingdom, Cyprus, Russia or Israel or who are nominees of custodians or trustees for any such person is drawn to paragraph 5 of Part B and paragraph 1(b) of Part E of Appendix I.

## 14.2 Registered Holders – Shares held in certificated form

### (a) *Completion of the Form(s) of Acceptance*

To accept the Offers in respect of Shares held in certificated form (that is, not in CREST and not GDRs), you must complete the applicable Form(s) of Acceptance in accordance with the instructions set out below and on the enclosed applicable Form(s) of Acceptance. The instructions printed on the Form(s) of Acceptance are deemed to form part of the terms of the Relevant Offers. You should complete a separate Form(s) of Acceptance for Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available by calling the Receiving Agent on the helpline telephone numbers set out above. The instructions for completing a Form(s) of Acceptance in the paragraph below apply, where relevant, to each separate Form(s) of Acceptance to be completed by you.

- (i) *To accept the Offers in respect of all of your Shares held in certificated form* - you must complete Box 3 on the applicable Form of Acceptance. If appropriate, you should also complete Boxes 5 and 6 on the applicable Form of Acceptance. In all cases, you must sign Box 4A or execute Box 4B (as applicable) of the Form(s) of Acceptance in accordance with the instructions printed on it. If you are an individual you must sign Box 4A in the presence of a witness, who should also sign in accordance with the instructions printed on the applicable Form(s) of Acceptance. Any Registered Holder, which is a company, should execute the applicable Form(s) of Acceptance in accordance with the instructions printed on it.
- (ii) *To accept the Offers in respect of less than all your Shares held in certificated form* - you must insert in Box 3 of the applicable Form(s) of Acceptance such lesser number of Shares in respect of which you wish to accept the Relevant Offer. If you do not insert a number in Box 3 or insert a number greater than your entire registered certificated holding, and you have signed Box 4A or 4B (as applicable), your acceptance will be deemed to be in respect of all Shares of that designation in certificated form held by you. In addition, you must be able to make the representations and warranties set out in paragraph 1(b) in Part C and/or paragraph 1(b) in Part D of Appendix I (as applicable) to this document.

The Offers may only be accepted by Registered Holders who are not Restricted Overseas Persons.

The Forms of Acceptance is/are issued only to the addressee(s) and is specific to the unique designated account printed on it. Each Form(s) of Acceptance is a personalised form and is not transferable between accounts or uniquely designated accounts.

Neither the Offeror nor the Receiving Agent accepts any liability for any instructions which do not comply with the conditions set out in this document, the Forms of Acceptance and accompanying materials.

### (b) *Return of Form(s) of Acceptance*

To accept the Offers in respect of Shares held in certificated form, the completed, signed and witnessed Forms of Acceptance must be returned, together with any share certificate(s) and/or other document(s) of title for your Shares (in each case if relevant), by post or by hand (during normal business hours only) to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, BN99 6DA, **as soon as possible and, in any event so as to be received by no later than 1.00 p.m. (London time) on 19 December 2019.** A first class reply-paid envelope is enclosed for your convenience and may be used by the Registered Holder for returning a Form(s) of Acceptance, share certificates and/or other documents of title from within the United Kingdom and an international business reply envelope for those Registered Holders who reside overseas. No acknowledgement of receipt of documents will be given.

Any Forms of Acceptance received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to the Offeror or any of its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Relevant Offer. For further information relating to Overseas Security Holders, see paragraph 13 of this letter.

(c) *Share certificates not readily available or lost*

As set out in paragraph 14.2(b) above, if your Shares are held in certificated form, the completed, signed and witnessed Forms of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If, for any reason, your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Forms of Acceptance should still be completed, signed and returned as stated above so as **to arrive not later than 1.00 p.m. (London time) on 19 December 2019**. You should send any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then forward the relevant share certificate(s) and/or other document(s) of title as soon as possible. No acknowledgement of receipt of document(s) will be given.

In the case of loss, (i) in respect of B Ordinary Shares you should write as soon as possible to the Registrar, Equiniti (Jersey) Limited at 26 New Street, St Helier, Jersey, JE2 3RA; and (ii) in respect of A Ordinary Shares you should write to Realaw A.P.M Partners Limited at 6 Spyrou Kyprianov Av, 3070 Limassol, Cyprus, requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Receiving Agent.

(d) *Validity of acceptances*

Without prejudice to Part B, Part C and Part D of Appendix I to this document, the Offeror reserves the right to treat as valid in whole or in part any acceptance of the Offers which are not entirely in order or which are not accompanied by the relevant share certificate(s) and/or other document(s) of title (in each case if relevant). In that event, no payment of consideration under the Offers will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Offeror have been received.

(e) *Overseas Security Holders*

The attention of Registered Holders who are citizens or residents of jurisdictions outside the United Kingdom, Cyprus, Russia or Israel, and of nominees or custodians or trustees for such persons, is drawn to paragraph 5 of Part B and paragraph 1(b) of Part C and/or Part D of Appendix I to this document.

### 14.3 GDR Holders

(a) *General*

If you hold your GDRs through a bank, broker or other securities intermediary, you must refer to such securities intermediary before taking any action. In such cases, only the securities intermediary will be able to make arrangements to accept the A Share Offer in relation to A Ordinary Shares represented by the GDRs in which you have a beneficial interest. Banks, brokers and other securities intermediaries that hold GDRs for customers will establish their own cut-off dates and times to receive instructions to tender GDRs into the A Share Offer that will necessarily be earlier than the times set out below. You should contact your bank, broker or other securities intermediary to determine the cut-off time and date that applies to you.

For the purposes of this paragraph 14.3, taking or causing to be taken the actions set out in paragraph 14.3(b) shall be referred to as an "instruction".

(b) *Procedures*

GDR Holders that would like for the A Share Offer to be accepted with respect to A Ordinary Shares underlying their GDRs should instruct their broker or other securities intermediary through which they hold GDRs to tender their GDRs to the GDR Tender Agent by instructing Clearstream or Euroclear, as applicable, to block the GDRs in the applicable account for the purpose of accepting the A Share Offer. Following payment of the consideration to the GDR Tender Agent and the holders of the GDRs, the Offeror shall direct the GDR Tender Agent to transfer the tendered GDRs to the Offeror, only upon the A Share Offer becoming unconditional.



(c) *Deemed Instructions*

Each GDR Holder that causes GDRs to be blocked for the purpose of accepting the A Share Offer will be deemed to appoint The Bank of New York Mellon, as GDR Tender Agent, its attorney-in-fact and agent with authority to:

- (i) instruct The Bank of New York Mellon, as GDR Depository with respect to the GDRs, to cause the A Share Offer to be accepted with respect to the number of A Ordinary Shares represented by those GDRs;
- (ii) if the A Ordinary Shares are purchased in the A Share Offer, surrender the GDRs representing those A Ordinary Shares to the GDR Depository for transfer to the Offeror and subsequent cancellation and deliver those A Ordinary Shares to, or to the order of, the Offeror upon subsequent instruction; and
- (iii) receive payment of the A Share Offer Price with respect to those A Ordinary Shares on behalf of the GDR Holder and pay any applicable fees, expenses and taxes out of that A Share Offer Price.

(d) *Overseas GDR Holders*

The attention of GDR Holders who are resident or located in, or citizens or residents of, jurisdictions other than the United Kingdom, Cyprus, Russia or Israel, is drawn to paragraphs 5 and 6 of Part B of Appendix I.

#### 14.4 **General**

The Offeror will make an appropriate announcement if any details contained in this paragraph 14 change for any reason that is material for Security Holders.

Normal CREST procedures (including timings) apply in relation to any B Ordinary Shares that are, or are to be, converted from uncertificated to certificated form (for example in respect of the DIs), or from certificated to uncertificated form, during the course of the B Share Offer (whether any such conversion arises as a result of a transfer of B Ordinary Shares or otherwise). Holders of B Ordinary Shares who are proposing so to convert any such holdings are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares or depository interests (as applicable) as a result of the conversion to take all necessary steps in connection with an Electronic Instruction or completion of the Form(s) of Acceptance to accept the B Share Offer (in particular, as regards delivery of share certificate(s) or other documents of title) or to transfer to an escrow balance as described above) prior to 1.00 p.m. (London time) on 19 December 2019.

If a valid acceptance of the B Share Offer has been made in respect of a DI, unless the relevant DI Holder has become the registered holder of the related B Ordinary Share represented by the relevant DI, no separate acceptance of the B Share Offer may be made by the relevant holder of the DI, or the DI Depository, in respect of the B Ordinary Share which such DI represents and no person other than the Offeror shall have any rights whatsoever under the B Share Offer in respect of the B Ordinary Share which such DI represents.

Where the B Share Offer is validly accepted in respect of a DI in the manner described above, the Offeror intends, following the Offers being declared unconditional in all respects (or, if later, following the date of receipt of such acceptance), to direct the DI Depository to cancel that DI held in escrow and withdraw the B Ordinary Share represented by it, in order to be registered as the direct holder of that B Ordinary Share in the shareholder register of the Company. In such circumstances, the Offeror will be directly acquiring the relevant B Ordinary Share and not the relevant DI. Alternatively, the Offeror may, at its sole discretion, elect to be registered as the holder of the relevant DI in the register of DIs. In either case, each B Ordinary Share and/or DI will be acquired by the Offeror pursuant to the B Share Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching to them after 25 October 2019 including without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid after 25 October 2019.

If you require assistance, please telephone the Receiving Agent on 0333 207 6381 from within the United Kingdom or on +44 121 415 0953 if calling from outside the United Kingdom. Calls will be charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the Receiving Agent will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offers nor give any financial, legal or tax advice on the contents of this document.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

## 15 Settlement

Subject to the Relevant Offer becoming or being declared unconditional in all respects (except in the case of certain Overseas Security Holders as provided in paragraph 5 of Part B of Appendix I to this document) and provided that the TTE instruction or the Forms of Acceptance, share certificate(s) and/or other document(s) of title (as applicable) are in order, settlement of the consideration to which any Security Holder is entitled under the Relevant Offer will be effected: (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Relevant Offer becomes or is declared unconditional in all respects, within 14 days of such date; or (ii) in the case of acceptances of the Relevant Offer received, valid and complete in all respects, after the date on which the Relevant Offer becomes or is declared unconditional in all respects but while it remains open for acceptance, within 14 days of such receipt, in either case in the following manner:

(a) *DI Holders: B Ordinary Shares in uncertificated form*

Where a valid acceptance relates to DIs, settlement of any cash consideration to which the accepting DI Holder (or the first-named DI Holder in the case of joint holders) is entitled will be paid by means of a CREST payment in favour of the accepting DI Holder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. The Offeror reserves the right to settle all or any part of the consideration referred to in this paragraph 15(a) for all or any accepting DI Holder in the manner referred to in paragraph 15(b), if, for any reason, it wishes to do so.

(b) *Registered Holders: Shares in certificated form*

Where a valid acceptance relates to Shares held in certificated form, settlement of any cash consideration to which the accepting Registered Holder is entitled will be despatched by first class post at the risk of the Shareholder in question to the accepting Registered Holder or their appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in US dollars by cheque drawn on a branch of a UK clearing bank.

In the case of joint holders of Shares, those cheques will be despatched to the joint holder who is the first-named holder in the Company's register of members at his registered address (outside a Restricted Jurisdiction).

(c) *GDR Holders*

Following receipt of payment of the A Share Offer Price by the GDR Tender Agent in respect of A Ordinary Shares underlying GDRs that were validly tendered into the A Share Offer and purchased, the GDR Tender Agent will pay the net amount, as promptly as practicable, to Euroclear or Clearstream, as applicable, for allocation by that system to the accounts of participants in that system that validly tendered GDRs with respect to which A Ordinary Shares were purchased in the A Share Offer. GDR Holders that validly tendered those GDRs will receive credits of the net purchase price in their accounts with their brokers or other securities intermediaries through which they held the GDRs.

(d) *Lapsing of the Offers*

If the Relevant Offer does not become or is not declared unconditional in all respects or the Relevant Offer lapses:

- (i) in the case of B Ordinary Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Relevant Offer (or within such longer period, not exceeding 14 days of the lapsing of the Relevant Offer, give TFE instructions to Euroclear to transfer all DIs held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Relevant Offer to the original available balances of the DI Holders concerned;
- (ii) in the case of Shares held in certificated form, the applicable Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post within 14 days of the Relevant Offer lapsing to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box 1 or, if appropriate, Box 6 of the applicable Form of Acceptance or, if none is set out, to the first-named holder or sole holder at his or her registered address (provided that no such documents will be sent to an address in any Restricted Jurisdiction); and
- (iii) in the case of GDRs the tenders of corresponding GDRs will be unblocked in the relevant Clearing System account in which they were held prior to delivery to the Tender Offer Account, as soon as practicable after the A Share Offer lapses.

All communications, notices, remittances, certificates and documents of title sent by, to or from the Security Holders or their appointed agents will be sent at the risk of the person or persons entitled thereto.

Settlement of the consideration to which any Security Holder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Security Holder.

## 16 Further information

The Offers will remain open for acceptance until 1.00 p.m. (London time) on 19 December 2019 or such later time(s) and/or date(s) as the Offeror may decide in accordance with the provisions contained in 1 of Part B of Appendix I of this document.

The terms and conditions of the Offers are set out in full in Appendix I to this document. Your attention is drawn to the further information contained in the Appendices, which form part of this document and, if your Shares are held in certificated form, to the accompanying Form(s) of Acceptance which should be read in conjunction with this document.

## 17 Action to be taken

### To accept the Offers:

- (a) **IF YOU ARE A DI HOLDER**, in respect of B Ordinary Shares held in uncertificated form, you must not return the Form(s) of Acceptance but ensure that a valid acceptance is made by you or on your behalf by way of an Electronic Acceptance so that the TTE instruction settles not later than 1.00 p.m. (London time) on 19 December 2019.
- (b) **IF YOU ARE A REGISTERED HOLDER**, in respect of Shares held in certificated form (that is, not in CREST and not GDRs), you must complete the applicable Forms of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) and/or other documents of title to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, BN99 6DA as soon as possible, but in any event so as to arrive by no later than 1.00 p.m. (London time) on 19 December 2019.
- (c) **IF YOU ARE A GDR HOLDER**, and wish to have the A Share Offer accepted on your behalf, you should instruct your broker or other securities intermediary through which you hold GDRs to instruct Clearstream or Euroclear, as applicable, to block your GDRs in your account for the purpose of tendering in the A Share Offer. Each

**Clearing System and their respective direct and indirect participants will set their own cut-off dates and times to receive instructions to tender, so you should contact your broker or other securities intermediary to find out the cut-off date and time that applies to you.**

**Please refer to paragraph 14 of this letter and the applicable Form(s) of Acceptance (in the case of Shares held in certificated form) for further details of the acceptance procedure.**

**If you require assistance, please telephone the Receiving Agent on 0333 207 6381 from within the United Kingdom or on +44 121 415 0953 if calling from outside the United Kingdom. Calls will be charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30a.m. and 5.30p.m. (London time) Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the Receiving Agent will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offers nor give any financial, legal or tax advice on the contents of this document.**

I, the undersigned, being the sole director of the Offeror, having exercised due care so as to form a responsible opinion, confirm that the information contained in this document is true and correct and there are no omissions in the document likely to alter its content or mislead the recipients thereof.

Yours faithfully

For and on behalf of

**Flotonic Limited**  
Chrystalla Mylona

Director

## APPENDIX I

### Conditions and further terms of the Offers

#### Part A

#### Conditions of the Offers

#### 1 Conditions of the B Share Offer

The B Share Offer is subject to the following Conditions:

##### *Acceptance Condition*

- (a) Valid acceptances of the B Share Offer being received by no later than 1.00 p.m. (London time) on the 19 December 2019 (or such later time(s) and/or date(s) as the Offeror may decide) such that the Offeror shall hold or have acquired or agreed to acquire (whether pursuant to the B Share Offer or otherwise), directly or indirectly, B Ordinary Shares carrying in aggregate more than 90 per cent. (or such lesser percentage as the Offeror may decide) of the voting rights then normally exercisable in respect of B Ordinary Shares at the general meeting of the Company, including for this purpose any such voting rights attaching to B Ordinary Shares that are unconditionally allotted or issued before the B Share Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise;

##### *Other Third Party clearances*

- (b) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
- (i) make the Offers, their implementation or the acquisition or proposed acquisition of any shares or other securities in any member of the Wider AFI Development Group by any member of the Wider Flotonic Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, the A Share Offer or the B Share Offer or the acquisition of any shares or other securities in any member of the Wider AFI Development Group by any member of the Wider Flotonic Group or require amendment of the A Share Offer or the B Share Offer;
  - (ii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Flotonic Group or by any member of the Wider AFI Development Group of all or any material part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their material assets or properties (or any part thereof);
  - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Flotonic Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in the Company (or any member of the Wider AFI Development Group) or on the ability of any member of the Wider AFI Development Group or any member of the Wider Flotonic Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in any member of the Wider AFI Development Group;
  - (iv) other than pursuant to the implementation of the Offers, require any member of the Wider Flotonic Group or the Wider AFI Development Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider AFI Development Group owned by any third party;

- (v) require, prevent or delay a divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Flotonic Group of any shares or other securities (or the equivalent) in any member of the Wider AFI Development Group;
- (vi) result in any member of the Wider AFI Development Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) impose any material limitation on the ability of any member of the Wider Flotonic Group or any member of the Wider AFI Development Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Flotonic Group and/or the Wider AFI Development Group in a manner which is materially adverse to the Wider Flotonic Group and/or the Wider AFI Development Group, in either case, taken as a whole or in the context of the Offers; or
- (viii) otherwise materially adversely affect any or all of the business, assets, value profits, prospects, operational performance, financial or trading position of any member of the Wider AFI Development Group or any member of the Wider Flotonic Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the A Share Offer or the B Share Offer or the proposed acquisition of any A Ordinary Shares or B Ordinary Shares or otherwise intervene having expired, lapsed, or been terminated;

- (c) no undertakings or assurances being sought from the Offeror, any member of the Wider Flotonic Group or any member of the Wider AFI Development Group by any applicable governmental body or authority or any other third party, except on terms satisfactory to the Offeror;
- (d) all notifications, filings or applications which are deemed by the Offeror (acting reasonably) to be necessary or appropriate having been made in connection with the Offers and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by the Offeror to be necessary or appropriate in any jurisdiction for or in respect of the Offers or the proposed acquisition of any shares or other securities in, the Company by any member of the Wider Flotonic Group having been obtained in terms and in a form satisfactory to the Offeror from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider AFI Development Group or the Wider Flotonic Group has entered into contractual arrangements and all such Authorisations which are deemed by the Offeror to be necessary or appropriate to carry on the business of any member of the Wider AFI Development Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation would be unlawful in any relevant jurisdiction or have a materially adverse effect on the Wider AFI Development Group, any member of the Flotonic Group or the ability of the Offeror to implement the Offers and all such Authorisations remaining in full force and effect at the time at which the A Share Offer and the B Share Offer becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (e) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the A Share Offer or the B Share Offer or any acquisition or proposed acquisition of any shares or other securities in, any member of the Wider AFI Development Group by any member of the Wider Flotonic Group, or the implementation of either of them, void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the A Share Offer or the B Share Offer or any matter arising from the proposed acquisition of any

shares or other securities in, any member of the Wider AFI Development Group by any member of the Wider Flotonic Group;

*Confirmation of absence of adverse circumstances*

- (f) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider AFI Development Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the A Share Offer or the B Share Offer or the proposed acquisition by any member of the Wider Flotonic Group of any shares or other securities in the Company or because of a change in the management of any member of the Wider AFI Development Group or otherwise, would or might reasonably be expected to result in:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider AFI Development Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider AFI Development Group or any member of the Wider Flotonic Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider AFI Development Group or any member of the Wider Flotonic Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider AFI Development Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider AFI Development Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider AFI Development Group otherwise than in the ordinary course of business;
  - (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider AFI Development Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
  - (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider AFI Development Group being prejudiced or adversely affected;
  - (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider AFI Development Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
  - (viii) any liability of any member of the Wider AFI Development Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

*No material transactions, claims or changes in the conduct of the business of the AFI Development Group*

- (g) except as Disclosed no member of the Wider AFI Development Group having since 31 December 2018:
- (i) save for the issue or transfer out of treasury of B Ordinary Shares or A Ordinary Shares on the exercise of options or vesting of awards granted before the date of the firm announcement in the ordinary course, issued or agreed to issue or authorised or

- proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of B Ordinary Shares or A Ordinary Shares out of treasury;
- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than to the Company or one of its wholly owned subsidiaries;
  - (iii) save as between the Company and its wholly owned subsidiaries or between such wholly owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired anybody corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
  - (iv) made, authorised, proposed or announced an intention to propose any change in its loan capital;
  - (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save as between the Company and its wholly owned subsidiaries or between such wholly owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability;
  - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature which is, in any such case, material in the context of the AFI Development Group or in the context of the Offers, or which is or is likely to be materially restrictive on the business of any member of the Wider AFI Development Group or which is or is likely to be materially restrictive on the business of any member of the Wider Flotonic Group;
  - (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider AFI Development Group which are material in the context of the Wider AFI Development Group and outside the normal course of business;
  - (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or, except for salary increases, bonuses or variations of terms in the ordinary course, senior executive of the Wider AFI Development Group;
  - (ix) proposed, agreed to provide or modified the terms of any share plan, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider AFI Development Group which is material in the context of the Wider AFI Development Group taken as a whole;
  - (x) procured the trustees of the relevant pension scheme, or any such trustees having taken any action since 31 December 2018, to (I) propose, make or agree to any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider AFI Development Group or their dependants (a **“Relevant Pension Plan”**); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the manner in which the assets of any Relevant Pension Plan are invested; (e) the basis or rate of employer contribution to a Relevant Pension Plan; or



- (II) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or might create a material debt owed by an employer to any Relevant Pension Plan; or (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
  - (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Offers) otherwise than in the ordinary course of business;
  - (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in subparagraph (i) above, made any other change to any part of its share capital;
  - (xiv) waived, compromised or settled any claim which is material in the context of the Wider AFI Development Group taken as a whole otherwise than in the ordinary course of business;
  - (xv) made any material alteration to its articles of association or other constitutional documents;
  - (xvi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
  - (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
  - (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
  - (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider AFI Development Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the AFI Development Group taken as a whole;
  - (xx) having taken (or agreed or proposed to take) any action which may result in the A Share Offer or the B Share Offer being frustrated or in Security Holders being denied the opportunity to participate in the A Share Offer or the B Share Offer;
  - (xxi) taken (or agreed or proposed to take) any action to:
    - (A) issue any shares; or
    - (B) transfer or sell, or agree to transfer or sell, any shares out of treasury or effect any redemption or purchase of its own shares;
    - (C) issue or grant options in respect of any unissued shares;
    - (D) create or issue, or permit the creation or issue of, any securities carrying rights of conversion into or subscription for shares;

- (E) sell, dispose of or acquire, or agree to sell, dispose of or acquire, assets of a material amount; or
- (F) enter into contracts otherwise than in the ordinary course of business;

*No material adverse change*

- (h) except as Disclosed since 31 December 2018:
  - (i) there having been no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits or operational performance of any member of the Wider AFI Development Group to an extent which is material to the AFI Development Group taken as a whole or in the context of the Offers or in the obligations of any member of the Flotonic Group in connection with the Offers;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider AFI Development Group or to which any member of the Wider AFI Development Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider AFI Development Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider AFI Development Group in each case to an extent which is material to the AFI Development Group taken as a whole or in the context of the Offers;
  - (iii) no contingent or other liability having arisen, increased or become apparent which might be likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider AFI Development Group to an extent which is material to the AFI Development Group taken as a whole or in the context of the Offers; and
  - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider AFI Development Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to have an adverse effect on the AFI Development Group taken as a whole or in the context of the Offers;
- (i) except as Disclosed, since 31 December 2018 the Offeror not having discovered:
  - (i) that any financial, business or other information concerning the Wider AFI Development Group publicly announced or disclosed to any member of the Wider Flotonic Group at any time by or on behalf of any member of the Wider AFI Development Group or to any of their advisers is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;
  - (ii) that any member of the Wider AFI Development Group is subject to any actual or contingent liability which is material in the context of the Wider Flotonic Group taken as a whole; or
  - (iii) any information which materially affects the import of any information disclosed to the Offeror at any time by or on behalf of any member of the Wider AFI Development Group;

*Environmental liabilities*

- (j) in relation to any release, emission, accumulation, discharge, disposal or other fact or circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco systems, no past or present member of the Wider AFI Development Group, in a manner or to an extent which is material in the context of the AFI Development Group, (i) having

committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (ii) having incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any liability (whether actual or contingent), or being required, to make good, remediate, repair, re-instate or clean up the environment (including any property); and

*Anti-corruption, sanctions and criminal property*

- (k) except as Disclosed, since 31 December 2018 the Offeror not having discovered:
- (i) any:
    - (A) past or present member, director, officer or employee of the Wider AFI Development Group; or
    - (B) person that performs or has performed services on behalf of the Wider AFI Development Group,has at any time engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation;
  - (ii) any asset of any member of the Wider AFI Development Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
  - (iii) any past or present member, director, officer or employee of the Wider AFI Development Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, or made any payments or assets available to or received any funds or asset from:
    - (A) any government, entity, or individual with which US or European Union persons (or persons operating in those territories) are prohibited from engaging in activities, doing business or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or
    - (B) any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or
  - (iv) a member of the Wider AFI Development Group has engaged in any behaviour which would cause the Flotonic Group to be in breach of any law or regulation on completion of the A Share Offer or the B Share Offer, including the economic sanctions administered by the United States Office of Foreign Assets Control, HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;
  - (v) any past or present member of the Wider AFI Development Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, or any other applicable anti-corruption legislation; or
  - (vi) any past or present member of the Wider AFI Development Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction.

For the purpose of these Conditions:

- (A) “**Authorisations**” means authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals;

- (B) **“Disclosed”** means the information which has been fairly disclosed:
  - (I) by the Company in its published annual report and accounts for the period ended 31 December 2018;
  - (II) in this document; or
  - (III) in any public announcement made by, or on behalf of, the Company prior to 24 October 2019;
- (C) **“Third Party”** means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body in any relevant jurisdiction, including, for the avoidance of doubt, the Panel; and
- (D) a Third Party shall be regarded as having **“intervened”** if it has given notice to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and “intervene” shall be construed accordingly.

## 2 Conditions of the A Share Offer

The A Share Offer is subject to the following Conditions:

### *Acceptance Condition*

- (a) valid acceptances of the A Share Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the 19 December 2019 (or such later time(s) and/or date(s) as the Offeror may decide) such that the Offeror shall hold or have acquired or agreed to acquire (whether pursuant to the A Share Offer or otherwise), directly or indirectly, A Ordinary Shares carrying in aggregate more than 90 per cent. (or such lesser percentage as the Offeror may decide) of the voting rights then normally exercisable in respect of A Ordinary Shares at the general meeting of the Company, including for this purpose any such voting rights attaching to A Ordinary Shares that are unconditionally allotted or issued before the A Share Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise; and

### *B Share Offer*

- (b) the B Share Offer becoming or being declared unconditional in all respects.  
(Paragraphs 1(a), 2(a) and (b) being the **“Acceptance Conditions”**).

## Part B

### Further terms of the Offers

The following further terms will apply to each of the A Share Offer and the B Share Offer, in the case of:

- (i) the A Share Offer, as if references to the Relevant Offer are references to the A Share Offer; and
- (ii) the B Share Offer, as if references to the Relevant Offer are references to the B Share Offer.

Unless the context otherwise requires, any reference in Part B, Part C, Part D or Part E of this Appendix I and in the Form(s) of Acceptance to:

- (A) the “**Relevant Offer being unconditional as to acceptances**” means the acceptance condition becoming or being declared satisfied, whether or not any other condition of the Relevant Offer remains to be fulfilled and references to the Relevant Offer having become or not become unconditional as to acceptances shall be construed accordingly;
- (B) the “**Relevant Offer becoming unconditional in all respects**” means the Relevant Offer being or becoming or being declared unconditional in all respects;
- (C) the “**acceptance condition**” means:
  - (a) in the case of the A Share Offer, the condition as to acceptances set out in paragraph 2(a) of Part A of this Appendix I; and
  - (b) in the case of the B Share Offer, the condition as to acceptances set out in paragraph 1(a) of Part A of this Appendix I;
- (D) the “**Relevant Offer**” will mean the A Share Offer or the B Share Offer as appropriate, including any revision, variation or renewal thereof or extension thereto and an extension of the A Share Offer or the B Share Offer as appropriate shall include an extension of the date by which the acceptance condition has to be fulfilled;
- (E) the “**Offer Document**” means this document and any other document containing the Relevant Offer;
- (F) “**acceptances of the Relevant Offer**” includes deemed acceptances of the Relevant Offer; and
- (G) “**Offer Period**” means, in relation to the Relevant Offer, the period commencing on 19 November 2019 until the latest of:
  - (a) 1.00 p.m. (London time) on 19 December 2019 (as extended in accordance with the provisions of this Offer Document);
  - (b) the time and date when the Relevant Offer lapses; and
  - (c) the time and date when the Relevant Offer becomes or is declared unconditional in all respects.

#### 1 Acceptance period

- 1.1 The Relevant Offer will initially be open for acceptance until 1.00 p.m. (London time) on 19 December 2019. The Offeror reserves the rights (but will not be obliged) at any time and from time to time to extend the Relevant Offer after such time and, in such event, it will make an announcement of such extension in the manner described in paragraph 2 and give oral or written notice of such extension to the Receiving Agent and GDR Tender Agent.
- 1.2 Where the Relevant Offer is revised it will remain open for acceptance for a period of at least 14 days (or such shorter period as may be agreed with the Company) from the date on which the revision is announced in accordance with this Part B of Appendix I.
- 1.3 The Relevant Offer shall not except:
  - (a) with the consent of the Company; or
  - (b) if the Relevant Offer is revised;
  - (c) if a competitive situation arises and is continuing on 13 January 2020; or

(d) as provided below,

be capable of becoming unconditional as to acceptances after midnight (London time) on 13 January 2020 (or any earlier time and/or date beyond which the Offeror has stated that the Relevant Offer will not be extended unless the Offeror has withdrawn that statement or extended the Relevant Offer beyond the stated earlier date), nor of being kept open for acceptance after midnight (London time) on 13 January 2020 unless it has previously become unconditional as to acceptances, however, the Offeror reserves the right to extend the time for the Relevant Offer to become unconditional as to acceptances to a later time(s) and/or date(s).

- 1.4 If the Relevant Offer becomes or is declared unconditional as to acceptances, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Relevant Offer has become unconditional as to acceptances and it is stated by or on behalf of the Offeror that the Relevant Offer will remain open until further notice, then not less than 14 days' notice will be given prior to the closing of the Relevant Offer to those Security Holders who have not accepted the Relevant Offer.
- 1.5 If a "no extension" and/or a "no increase" statement is made by the Offeror (or its directors, officials or advisers) in relation to the Relevant Offer, the Offeror may set aside such statement and be free to extend or revise the Relevant Offer (as appropriate) if at the time the statement is made it specifically reserves the right to do so in certain circumstances and those circumstances subsequently arise, or the Company otherwise consents.
- 1.6 If the circumstances specified in a reservation to a "no extension" and/or a "no increase" statement relate to a competitive situation arising and in the opinion of the Offeror such a situation arises, the Offeror may set aside such statement and be free to extend or revise the Relevant Offer (as appropriate) provided that it announces, as soon as reasonably possible, that it is setting aside such statement and that it is free to extend or revise the Relevant Offer (as appropriate) and, in any event, within four Business Days after the firm announcement of a competing offer or other competitive situation.
- 1.7 The Offeror may, if the Company announces any material new information, set aside a "no increase" or a "no extension" statement and revise or extend the Relevant Offer, provided that the Offeror makes an announcement to this effect as soon as possible (and in any event within four Business Days of the date of the announcement by the Company).
- 1.8 For the purpose of determining at any particular time whether the acceptance condition has been satisfied, the Offeror shall be entitled to take account only of those Securities carrying voting rights which have been unconditionally allotted or issued before that time and written notice of the allotment or issue of which, containing all the relevant details, has been received by the Receiving Agent from the Company or its agents. Notification by telex, e-mail or facsimile transmission will not constitute written notice for this purpose.
- 1.9 The Offeror reserves the right to treat as valid in whole or in part any acceptance of the Relevant Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE instruction.

## 2 Announcements

- 2.1 The Offeror will, by 8.00 a.m. (London time) on the Business Day (the "**relevant day**") following the day on which the Relevant Offer is due to expire or becomes or is declared unconditional as to acceptances or is revised or extended, as the case may be (or such later time(s) and/or date(s) as the Company may agree), make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by Company):
  - (a) the number of Securities for which acceptances of the Relevant Offer have been received (specifying the extent, if any, to which acceptances have been received in respect of Securities which were subject to an irrevocable commitment or a letter of intent procured by the Offeror);
  - (b) details of any relevant securities of the Company in which the Offeror has an interest or in respect of which the Offeror has a right to subscribe, in each case specifying the nature of the interests or rights concerned;

(c) details of any relevant securities of the Company in respect of which the Offeror has an outstanding irrevocable commitment or a letter of intent,

and will in each case specify the percentages of each class of relevant securities of the Company represented by these figures. Any such announcement will include a prominent statement of the total number of Securities which the Offeror may count towards satisfaction of the acceptance condition and the percentage of Securities represented by this figure.

- 2.2 Any decision to extend the date and/or time by which the acceptance condition has to be fulfilled may be made by the Offeror at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (as defined in paragraph 2.1 of this Part B of Appendix I) (or such later time and/or date as the Company may agree). The announcement will state the next expiry date (unless the Relevant Offer is unconditional as to acceptances in which case a statement may instead be made that the Relevant Offer will remain open until further notice).
- 2.3 In computing the number of Securities represented by acceptances and/or purchases, there may be included or excluded for announcement purposes at the discretion of the Offeror, acceptances and purchases which are not complete in all respects or not accompanied by the relevant share certificates and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification.
- 2.4 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of the Offeror include the release of an announcement to the press or public relations consultants or by VTBC in each case on behalf of the Offeror, and the delivery by hand, telephone, telex or facsimile or other electronic transmission of an announcement to a Regulatory Information Service.
- 2.5 A copy of any announcement made by the Offeror in accordance with this paragraph 2 will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the Company's website at <https://www.afi-development.com/en> as soon as possible after the making of such announcement and in any event by no later than 12 noon (London time) on the following Business Day and will remain on such website while the Relevant Offer remains open for acceptances.
- 2.6 Without limiting the manner in which the Offeror may choose to make any public announcement and, subject to the obligations of the Offeror under applicable law and paragraph 2.4 above, the Offeror will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

### 3 Revised offer

- 3.1 Where the Relevant Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents, on the date on which it is announced (on such basis as the Offeror may consider appropriate) an improvement (or no diminution) in the value of the Relevant Offer as so revised compared with the consideration or terms previously offered or in the overall value received and/or retained by a Security Holder (under the Relevant Offer or otherwise), the benefit of the revised Relevant Offer will, subject to paragraphs 3.3, 3.4 and 5 of this Part B of Appendix I, be made available to any Security Holder who has accepted the Relevant Offer in its original or previously revised form(s) (a "**Previous Acceptor**"). The acceptance by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 3.3, 3.4 and 5 of this Part B of Appendix I, be treated as an acceptance of the Relevant Offer as so revised and shall also constitute the separate and irrevocable appointment of each of the Offeror and any of its directors as his attorney and/or agent with authority:
- (a) to accept any such revised Relevant Offer on behalf of such Previous Acceptor;
- (b) if such revised Relevant Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept such alternative forms of consideration in such proportions (as nearly as practicable) as such attorney and/or agent in his absolute discretion thinks fit; and
- (c) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, the attorney and/or agent shall take into account the nature of any previous elections and/or acceptances made by or on behalf of the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.

- 3.2 Subject to paragraphs 3.3 and 3.4 of this Part B of Appendix I, the powers of attorney and authorities conferred by this paragraph 3 and any acceptance of a revised Relevant Offer and/or any election pursuant thereto shall be irrevocable.
- 3.3 The deemed acceptance referred to in paragraph 3.1 of this Part B of Appendix I shall not apply, and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:
- (a) in respect of Shares held in certificated form, lodges with the Receiving Agent within 14 days of the announcement of revised Relevant Offer (or such later date as the Offeror may determine), a Form(s) of Acceptance (or other form validly issued by or on behalf of the Offeror) in which he/she validly elects to receive the consideration receivable by him/her under such revised Relevant Offer in some other manner than that set out in his original acceptance; or
  - (b) in respect of B Ordinary Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:
    - (i) the number of B Ordinary Shares in respect of which the changed election is made, together with their ISIN number (this is CY0101380612);
    - (ii) the member account ID and participant ID of the Previous Acceptor;
    - (iii) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (this is FLOAFI01 in respect of the Relevant Offer);
    - (iv) the participant ID of the Escrow Agent (this is 6RA24);
    - (v) the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed, to be inserted at the beginning of the shared note field;
    - (vi) the intended settlement date for the changed election;
    - (vii) the corporate action number for the Relevant Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;  
and, in order that the desired change of election can be effected, must include;
    - (viii) the member account ID of the Escrow Agent relevant to the new election; and
    - (ix) input with standard delivery instruction priority of 80.

Any such change of election in respect of B Ordinary Shares held in uncertificated form will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of the Offeror reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message as appropriate.

- 3.4 The Offeror and the Receiving Agent reserve the right to treat an executed Form(s) of Acceptance or TTE instruction in respect of the Relevant Offer (in its original or any previously revised form(s)) which is received (or dated) on or after the announcement or issue of any revised Relevant Offer as a valid acceptance of the revised Relevant Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration (if any) made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 3.1 of this Part B of Appendix I, *mutatis mutandis*, on behalf of the relevant Security Holder.

#### **4 General**

- 4.1 The Offeror reserves the right to waive all or any of Conditions in whole or in part, at its absolute discretion. The Conditions are inserted for the benefit of the Offeror and no Security Holder shall be entitled to waive any of the Conditions without the prior consent of the Offeror.



- 4.2 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition. The Relevant Offers are, in the case of Certificated Shares, subject to the applicable Forms of Acceptance in addition to the Conditions and the further terms set out herein.
- 4.3 The Offeror shall be under no obligation to waive or treat as fulfilled any of the Conditions, by a date earlier than the latest date specified below for the fulfilment of them notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 4.4 The Relevant Offer will lapse unless all the Conditions to the Relevant Offer have been fulfilled or waived or, where appropriate, have been determined by the Offeror to be or remain satisfied, by midnight (London time) on the date which is 21 days (or such other date that may otherwise be agreed by the Offeror and the Company) after the later of 19 December 2019 and the date on which the Relevant Offer becomes or is declared unconditional as to acceptances (or such later date (if any) as the Offeror and the Company may agree).
- 4.5 If the Relevant Offer lapses for any reason, the Relevant Offer shall cease to be capable of further acceptance and the Offeror and accepting Security Holders shall thereupon cease to be bound by acceptances received on or before the date on which the Relevant Offer lapses.
- 4.6 Settlement of the consideration to which any Security Holder is entitled under the Relevant Offer will be implemented in full in accordance with the terms of the Relevant Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled as against any Security Holder and will be effected in the manner described in this document. No consideration will be sent to an address in any Restricted Jurisdiction.
- 4.7 The Relevant Offer is made on 19 November 2019 and is capable of acceptance thereafter. The Relevant Offer is being made by means of this document. Copies of this document, the Form(s) of Acceptance and any related documents are available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the Company's website at <https://www.afi-development.com/en> and from the Receiving Agent from 19 November 2019. The Relevant Offer may be extended or revised by means of an announcement made in accordance with this Part B of Appendix 1.
- 4.8 The Relevant Offer will extend to all Securities unconditionally allotted or issued and fully paid on 19 November 2019 and, any further Securities unconditionally allotted or issued and fully paid, before the date on which the Relevant Offer closes to acceptances or such earlier date as the Offeror may decide, not being earlier than the date on which the Offer becomes unconditional as to acceptances.
- 4.9 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form(s) of Acceptance will, in respect of Shares held in certificated form, also constitute part of the terms of the Relevant Offer. Words and expressions defined in this document have the same meanings when used in the Form(s) of Acceptance, unless the context otherwise requires. The provisions of this Appendix I shall be deemed to be incorporated in and form part of each Form(s) of Acceptance.
- 4.10 The Relevant Offer and all acceptances of it and elections under or pursuant to it, this document and the applicable Form(s) of Acceptance or Electronic Acceptance and all contracts made pursuant to the Relevant Offer and action taken or made or deemed to be taken or made under any of the foregoing and the relationship between a Security Holder and the Offeror or the Receiving Agent shall be governed by and construed in accordance with Cypriot law. Execution of a Form(s) of Acceptance by or on behalf of a Registered Holder or the making of an Electronic Acceptance by or on behalf of a Security Holder will constitute his agreement that:
- (a) the courts of Cyprus are (subject to paragraph 4.10(b) of this Part B of Appendix I) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Relevant Offer and the Form(s) of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Relevant Offer and the Form(s) of Acceptance or the Electronic Acceptance, and for such purposes that he irrevocably submits to the jurisdiction of the Cypriot courts; and

- (b) paragraph 4.10(a) of this Part B of Appendix I is included for the benefit of the Offeror and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in paragraph 4.10(a) of this Part B of Appendix I, the Offeror and the Receiving Agent shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that he irrevocably submits to the jurisdiction of the courts of any such country.
- 4.11 Any reference in this document and in the Form(s) of Acceptance to 19 December 2019 shall, except in paragraph 1.1 of this Part B of Appendix I and where the context otherwise requires, be deemed, if the expiry date of the Relevant Offer is extended, to refer to the expiry date of the Relevant Offer as so extended.
- 4.12 Any omission or failure to despatch this document, the Form(s) of Acceptance (where relevant), any other document relating to the Relevant Offer or any notice required to be despatched under the terms of the Relevant Offer to, or any failure to receive the same by, any person to whom the Relevant Offer is made, or should be made, shall not invalidate the Relevant Offer in any way or create any implication that the Relevant Offer has not been made to any such person. Subject to paragraph 5 of this Part B of Appendix I, the Relevant Offer extends to all the Security Holders to whom this document, (where relevant) the Form(s) of Acceptance and any related documents may not be despatched, or who may not receive such documents, and such persons may collect copies of those documents from the Receiving Agent or inspect this document, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on the Company's website at <https://www.afi-development.com/en> while the Relevant Offer remains open for acceptances.
- 4.13 If the Relevant Offer does not become unconditional in all respects and lapses or is withdrawn:
- (a) in respect of Shares held in certificated form, the Forms of Acceptance and any share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Offeror) within 14 days of the Relevant Offer lapsing, at the risk of the persons entitled thereto, to the person or agent whose name and address outside the Restricted Jurisdictions is set out in the relevant box of the Form(s) of Acceptance or, if no address is set out, to the first-named holder at his registered address. No such documents will be sent to an address in any Restricted Jurisdiction; and
- (b) in respect of DIs, the Receiving Agent will, immediately after the lapsing of the Relevant Offer (and in any event within 14 days after the lapsing of the Relevant Offer), give TFE instructions to Euroclear to transfer all DIs held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Relevant Offer, to the original available balances of the DI Holders concerned.
- 4.14 All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or (where relevant) in the Form(s) of Acceptance are given by way of security for the performance of the obligations of the Security Holder concerned and are irrevocable.
- 4.15 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Security Holders or persons with information rights (or their designated agents(s)) will be delivered by or sent to or from such Security Holders or persons with information rights (or their designated agent(s)) at their risk. No acknowledgement of receipt of any Form(s) of Acceptance, Electronic Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of the Offeror.
- 4.16 Securities will be acquired pursuant to the Relevant Offer fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching to them at the Announcement Date or thereafter including, without limitation, voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date. If any dividend, distribution or return of value is announced, declared, paid or payable by the Company in respect of the Securities after the Announcement Date the Offeror will be entitled to reduce the consideration payable under the Relevant Offer by an amount equivalent to such dividend, distribution or return of value. To the extent that the Offeror exercises its right to reduce the consideration by all or part of the amount of any such dividend, distribution or return of value, Security Holders will be entitled to receive and retain such amount of the dividend, distribution or return of value.

- 4.17 Without prejudice to any other provision in this Part B of Appendix I, the Offeror and the Receiving Agent reserve the right to treat acceptances of the Relevant Offer as valid in whole or in part if not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant documents of title (as applicable) or not accompanied by the relevant TTE instruction or if received by or on behalf of either of them at any place or places or in any manner determined by either of them otherwise than as set out in this document or, in respect of Shares held in certificated form, in the Form(s) of Acceptance.
- 4.18 The Offeror reserves the right to notify any matter (including the making of the Relevant Offer) to all or any Security Holder(s) or person(s) with information rights by announcement or by paid advertisement in any daily newspaper published and circulated in the United Kingdom, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Security Holders or persons with information rights to receive or see such notice, and all references in this document to notice or the provision of information in writing shall be construed accordingly.
- 4.19 Following the Offers becoming or being declared unconditional in all respects, if sufficient acceptances under the Offers are received and/or sufficient Securities are otherwise acquired and if all other relevant requirements are satisfied, the Offeror intends to exercise its rights under Cypriot law to acquire compulsorily any outstanding Securities to which the Offers relate on the same terms as the Offers. If insufficient acceptances under the Offers are received and/or insufficient Securities are otherwise acquired and the relevant requirements for acquiring compulsorily the remaining Securities to which the Offers relate are not satisfied, the Offeror reserves its right to take any other action available to it under Cypriot law in order to become the sole shareholder of the Company and amend the articles of association relating to Security Holders' rights.
- 4.20 It is also intended that, following the B Share Offer becoming or being declared unconditional in all respects, if the Offeror:
- (a) by virtue of its shareholdings and acceptances of the B Share Offer, or otherwise, owns or controls or has acquired or agreed to acquire Securities in aggregate carrying at least 75 per cent. of the voting rights attaching to the B Ordinary Shares; and
  - (b) has obtained valid acceptances from, or acquired or agreed to acquire B Ordinary Shares from, Independent B Shareholders of the Company representing a majority of the voting rights attached to B Ordinary Shares held by Independent B Shareholders of the Company on the Announcement Date, being the date on which the Offeror's firm intention to make the B Share Offer was announced (the "**Delisting Threshold**"),
- the Offeror will procure that the Company will make an application for the cancellation of the listing of the B Ordinary Shares on the Official List and for the cancellation of trading of the B Ordinary Shares on the London Stock Exchange's market for listed securities. It is anticipated that the cancellation of listing on the Official List and cancellation of trading on the London Stock Exchange will take effect no earlier than 20 Business Days after the date on which the B Share Offer becomes or is declared unconditional in all respects provided that the Offeror has attained the Delisting Threshold.
- 4.21 In relation to any acceptance of the Relevant Offer in respect of Securities which are held in uncertificated form, the Offeror reserves the right to make such alterations, additions, or modifications to the terms of the Relevant Offer as may be necessary or desirable to give effect to any purported acceptance of the Relevant Offer, whether in order to comply with the facilities or requirements of CREST or otherwise.
- 4.22 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- 4.23 All references in this Appendix I to any statute or statutory provisions shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- 4.24 In certain circumstances, the Offeror may extend the relevant Offer Period and take such further action as required by applicable laws and regulations.

- 4.25 The Offers are subject to any prohibition or condition imposed by law, and persons who are not resident in the United Kingdom should accordingly inform themselves about and observe any requirements applicable to them.

## 5 Overseas Security Holders

- 5.1 The making and availability of the Relevant Offer outside, or to Security Holders who are citizens, residents or nationals of other jurisdictions outside, the United Kingdom, Cyprus, Israel or Russia (“**Overseas Security Holders**”) or to nominees, custodians or trustees for such persons, may be prohibited or affected by the laws of the relevant jurisdictions. No person receiving a copy of this document and/or a Form(s) of Acceptance in any jurisdiction other than the United Kingdom, Cyprus Israel or Russia may treat the same as constituting a Relevant Offer or invitation to him, nor should he in any event tender securities or use such Form(s) of Acceptance unless, in the relevant jurisdiction, such a Relevant Offer or invitation could lawfully be made to him and such Form(s) of Acceptance could lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or such Form(s) of Acceptance are deemed to be sent for information purposes only. Overseas Security Holders (or nominees, custodians or trustees for Overseas Security Holders) should fully inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Security Holders wishing to accept the Relevant Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or requisite payments due in such jurisdiction. Any such Overseas Security Holders will be responsible for payment of any issue, transfer or other taxes or other requisite payments by whomsoever payable and the Offeror (and any person acting on its behalf) shall be fully indemnified and held harmless by such Overseas Security Holders for any such issue, transfer or other taxes or other requisite payments as the Offeror (or any person acting on its behalf) may be required to pay.

**Overseas Security Holders should inform themselves about and observe applicable legal or regulatory requirements. If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.**

- 5.2 This document does not constitute an offer to Restricted Overseas Persons and the Relevant Offer is not being, and will not be, made, directly or indirectly, in or into any Restricted Jurisdiction, and is not capable of acceptance from within a Restricted Jurisdiction. Neither this document, nor the accompanying Form(s) of Acceptance nor any related document are being mailed, nor may be mailed, transmitted or otherwise forwarded, distributed or sent in whole or in part in, into or from a Restricted Jurisdiction (including to Security Holders or persons with information rights with registered addresses in any Restricted Jurisdiction or to persons whom the Offeror or its agent knows to be custodians, nominees or trustees holding Securities for such persons) and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any of them in, into or from any Restricted Jurisdiction. Doing so may invalidate any purported acceptance of the Relevant Offer.
- 5.3 Envelopes containing Forms of Acceptance should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Relevant Offer or for the return of Form(s) of Acceptance and (in relation to Shares held in certificated form) share certificate(s) for Securities and/or other document(s) of title.
- 5.4 If, in connection with the making of the Relevant Offer, notwithstanding the restrictions described in paragraph 5.2 above, any person (including, without limitation, any custodian, nominee and/or trustee), whether pursuant to a contractual or legal obligation or otherwise, sends, forwards or otherwise distributes this document, the Form(s) of Acceptance, or any related documents, in, into or from a Restricted Jurisdiction in connection therewith, such person should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and (iii) draw the attention of the recipient to this paragraph 5 of Part B of Appendix I.

The Offeror reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the deemed representations and warranties set out in paragraph 1(b) of Part C of this Appendix I or paragraph 1(b) of Part D of this Appendix I (as the case may be) were given truthfully by the relevant Registered Holder and are correct and, if such investigation is undertaken and, as a result, the Offeror cannot satisfy itself that such representations and warranties are true and correct, such acceptance and any election thereunder may be rejected as invalid.

- 5.5 Any acceptance of the Relevant Offer by Registered Holders who are unable to give the representations and warranties set out in paragraph 1(b) of Part D of this Appendix I and/or paragraph 1(b) of Part C of this Appendix I (as applicable) or holders of Shares holding Shares in uncertificated form who are unable to give the representations and warranties set out in paragraph 1(b) of Part E of Appendix I is liable to be disregarded.
- 5.6 The Offeror reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- 5.7 If a holder of B Ordinary Shares holding such Shares in uncertificated form is unable to give the representations and warranties set out in paragraph 1(b) of Part E of Appendix I, but nevertheless can provide evidence satisfactory to the Offeror that he is able to accept the Relevant Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Relevant Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
- (a) a TTE instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
  - (b) one or more valid ESA instructions (a “**Restricted ESA instruction**”) which specify the form of consideration which he wishes to receive (consistent with the alternatives offered under the Relevant Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and the Offeror decides, in its absolute discretion, to exercise its right described in paragraph 5.8 of this Part B of Appendix I to waive, vary or modify the terms of the Relevant Offer relating to Overseas Security Holders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1.1 of this Part B of Appendix I. If the Offeror accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of the Offeror accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of the Offeror reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- (a) the ISIN number for the Securities (being, in respect of the B Ordinary Shares, ISIN: CY0101380612);
- (b) the number of Securities in respect of which the Relevant Offer is to be accepted;
- (c) the member account ID and participant ID of the Security Holder;
- (d) the participant ID of the Escrow Agent (this is 6RA24 and its member account ID specific to a Restricted Escrow Transfer (this is FLOAFI01);
- (e) the intended settlement date;
- (f) the corporate action number for the Relevant Offer allocated by Euroclear, which can be found by viewing the relevant corporate action details in CREST;
- (g) input with a standard delivery instruction priority of 80; and
- (h) a contact name and telephone number inserted in the shared note field.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- (i) the ISIN number for the B Ordinary Shares (this is ISIN:CY0101380612);
- (j) the number of Securities relevant to that Restricted ESA instruction;

- (k) the member account ID and participant ID of the accepting shareholder;
  - (l) the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
  - (m) the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in this document);
  - (n) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
  - (o) the intended settlement date;
  - (p) the corporate action number for the Relevant Offer allocated by Euroclear, which can be found by viewing the relevant corporate action details in CREST; and
  - (q) input with a standard delivery instruction priority of 80.
- 5.8 The provisions of this paragraph 5 of Part B of Appendix I and/or any other terms of the Relevant Offer relating to Overseas Security Holders may be waived, varied or modified as regards specific Security Holder(s) or on a general basis by the Offeror in its absolute discretion but only if the Offeror is satisfied that such waiver, variance or modification will not constitute a breach of applicable securities or other laws. Subject to this, the provisions of this paragraph 5 of Part B of Appendix I supersede any terms of the Relevant Offer which are inconsistent with them. References in this paragraph 5 of Part B of Appendix I to Registered Holder shall (as appropriate) include the person or persons executing a Form(s) of Acceptance or making an Electronic Acceptance and, in the event of more than one person executing a Form(s) of Acceptance or making an Electronic Acceptance, the provisions of this paragraph 5 of Part B of Appendix I shall apply to them jointly and severally.
- 5.9 Neither the Offeror nor the Receiving Agent nor any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Relevant Offer on any of the bases set out above or otherwise in connection therewith.

## 6 Holders of GDRs

The provisions of paragraphs 1 to 5 above of this Part B of Appendix I (save for those provisions which relate to CREST which will apply only to the B Ordinary Shares) will apply in respect of all A Ordinary Shares, including Shares represented by GDRs. The following terms and conditions will apply specifically to GDR Holders, unless the context otherwise requires, in respect of the A Share Offer.

### *Notices and documents*

- (a) Where the A Share Offer is revised as set out in paragraph 3 above, the Offeror will notify and make available to the GDR Tender Agent, a summary of the revised terms to be provided to the relevant Clearing Systems. The revised terms will also be made available on the Company's website at <https://www.afi-development.com/en>
- (b) If the A Share Offer becomes unconditional as to acceptances, the Offeror will give written notice to the GDR Tender Agent which will, in turn, provide such notice to the relevant Clearing Systems.
- (c) If the Offeror makes an announcement as described in paragraph 1.7 of this Part B of Appendix I, the Offeror will give written notice to the GDR Tender Agent which will, in turn provide such notice to the relevant Clearing Systems.

### *Revised offer*

- (a) In circumstances in which the deemed acceptance and/or election referred to in paragraph 3.1 above of this Part B of Appendix I applies, a GDR Holder who has given instructions to the GDR Tender Agent to procure acceptance of the A Share Offer in relation to the A Ordinary Shares represented by his GDRs (through the settlement system of Euroclear or Clearstream), shall be known as a "**previous instructor**". The terms set out above in paragraph 3.1 of Part B of this Appendix 1 shall apply, mutatis mutandis, to any instruction given by a previous instructor to the GDR Tender Agent to procure acceptance of the A Share Offer in relation to the A Ordinary Shares represented by his GDRs.

- (b) Subject to paragraphs 3.4 and 5 above of this Part B of Appendix I, the Offeror reserves the right to treat an instruction from a GDR Holder to the GDR Tender Agent which is received (or dated) after the announcement or issue of any revised offer as a valid instruction to the GDR Tender Agent to procure acceptance of the revised offer in relation to the A Ordinary Shares represented by his GDRs (and, where applicable, a valid tender for the revised terms of the A Share Offer). Such instruction will constitute an authority in the terms of paragraph 3.1 above of this Part B of Appendix I, *mutatis mutandis*, on behalf of the relevant GDR Holders.

#### *General*

- (a) If the A Share Offer does not become unconditional in all respects, or lapses:
- (i) the Offeror and GDR Holders who have given instructions to the GDR Tender Agent to procure acceptance of the A Share Offer in relation to the A Ordinary Shares represented by their GDRs will cease to be bound by instructions submitted before the time the A Share Offer lapses; and
  - (ii) the GDR Tender Agent will unblock the tenders of corresponding GDRs in the relevant Clearing System's account in which they are held prior to the delivery to the Tender Offer Account so that such GDRs are capable of being traded as soon as practicable after the A Share Offer lapses.
- (b) Words and expressions defined in this document have the same meanings when used in the instructions to the GDR Tender Agent unless the context requires otherwise.
- (c) If the expiry date of the A Share Offer is extended, a reference in an instruction to the GDR Tender Agent and/or notice to GDR Holders to the "**Closing Date**" will (except where the context requires otherwise) be deemed to refer to the expiry date of the A Share Offer as so extended.
- (d) No acknowledgement of receipt of instruction to the GDR Tender Agent, communication or notice will be given by or on behalf of the Offeror.
- (e) Notwithstanding any other provision of this Part B of Appendix I, the Offeror reserves the right to treat as valid, in whole or in part, any instruction by a GDR Holder to the GDR Tender Agent to procure acceptance of the A Share Offer in relation to the A Ordinary Shares represented by his GDRs which is not entirely in order or in correct form.
- (f) The instructions to the GDR Tender Agent and all action taken or made or deemed to be taken or made by a GDR Holder pursuant to any of the provisions of this document are governed by, and will be construed in accordance with, Cypriot law. Submission by a GDR Holder of an instruction to the GDR Tender Agent constitutes his agreement that the Courts of Cyprus shall have exclusive jurisdiction to settle any dispute arising in connection with the creation, validity, effect, interpretation or performance of, or the legal relations established by his tender and under the provisions of this document, or otherwise arising in connection with his tender.
- (g) Submission by a GDR Holder of an instruction to the GDR Tender Agent constitutes an agreement between such GDR Holder and the GDR Tender Agent (on the terms and subject to the Conditions set out in this Appendix I and in the instruction itself) pursuant to which the GDR Tender Agent or its custodian or its nominee is authorised, empowered and instructed, among other things, to execute or cause to be executed, in accordance with the terms set out in this document or an instruction in relation to such number of A Ordinary Shares as are represented by the GDRs that have been blocked for the purpose of tendering in the A Share Offer.
- (h) Each GDR Holder who gives a tender instruction irrevocably undertakes, represents, warrants and agrees to and with the GDR Tender Agent and the Offeror (so as to bind him, his personal or legal representatives, heirs, successors and assigns) that the provisions of this Appendix I shall apply, *mutatis mutandis*, to the instruction and in respect of its GDRs which are the subject of the instruction. Without limitation, each such GDR Holder irrevocably represents and warrants to the GDR Tender Agent and the Offeror that such GDR Holder:
- (i) has not received or sent, in whole or in part, copies or originals of this document or any related offer documents in, into or from any Restricted Jurisdiction;

- (ii) has not otherwise utilised in connection with the A Share Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, e-mail, facsimile, telex or telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of any Restricted Jurisdiction;
  - (iii) is accepting the A Share Offer from outside any Restricted Jurisdiction and was not in a Restricted Jurisdiction when the instruction to the GDR Tender Agent to procure acceptance of the A Share Offer in relation to the A Ordinary Shares represented by his/her GDRs was sent, is not an agent or fiduciary acting on a non-discretionary basis for a principal unless such principal has given all instructions with respect to the A Share Offer from outside any Restricted Jurisdiction, and is not accepting the A Share Offer for a Restricted Overseas Person for whom such GDR Holder is acting on a non-discretionary basis; and
  - (iv) is an Overseas Shareholder, has observed the laws and regulatory requirements of all relevant jurisdictions, obtained any requisite governmental or other consents, complied with all requisite formalities, paid any issue, transfer or other taxes or duties due from him/her in each case in connection with such acceptance in any such jurisdiction and has not taken or omitted to take any action which will or may result in the Offeror or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the A Share Offer or his/her acceptance of the A Share Offer.
- (i) Each GDR Holder who gives an instruction to the GDR Tender Agent represents and warrants to the GDR Tender Agent and the Offeror (so as to bind him, his personal or legal representatives, heirs, successors and assigns) that he has full power and authority to tender, sell and deliver, and has not entered into any other agreement to tender, sell or deliver, the GDRs comprised or deemed to be comprised in such instruction and that such GDRs (and, so far as the relevant GDR Holder is aware, the A Ordinary Shares represented by such GDRs) will be delivered with full legal and beneficial title and are free and clear of any encumbrances and all other third party rights and restrictions of any kind.
  - (j) The Offeror reserves the right to introduce a new form of acceptance, including such changes as it considers reasonable, for the purpose of enabling the GDR Tender Agent to procure the acceptance of the A Share Offer following instructions from GDR Holders.



## Part C

### Form(s) of Acceptance for A Ordinary Shares in certificated form

#### **This Part C only applies to A Ordinary Shares in certificated form.**

1 Each Registered Holder by whom, or on whose behalf, a Form(s) of Acceptance is executed and received by the Receiving Agent or by or on behalf of the Offeror irrevocably undertakes, represents, warrants and agrees to and with the Offeror and the Receiving Agent (so as to bind the Registered Holder, his personal representatives, executors, heirs, successors and assignees) to the following effect:

- (a) that the execution of the Form(s) of Acceptance, whether or not any other Boxes are completed, and its delivery to the Receiving Agent shall constitute:
- (i) an acceptance, or deemed acceptance, subject to the provisions of Part B of this Appendix I of the A Share Offer in respect of the number of A Ordinary Shares held in certificated form inserted or deemed to be inserted in Box 3 of the applicable Form of Acceptance; and
  - (ii) an undertaking and authority to the Offeror or its agents to execute any further documents, take any further action and/or give any further assurances which may be required in connection with any of the foregoing to enable the Offeror to obtain the full benefit of this Part C of Appendix I and/or to perfect any of the authorities expressed to be given in this Part C or otherwise in connection with such Registered Holder's acceptance of the A Share Offer,

in each case, on and subject to the terms and Conditions set out or referred to in this document and the Form(s) of Acceptance and that, each such acceptance shall be irrevocable provided that:

- (iii) if Box 3 of the Form(s) of Acceptance are left blank or a number greater than such Registered Holder's registered holdings appears in Box 1A, the execution of the Form(s) of Acceptance shall be deemed to be an acceptance by such Registered Holder of the A Share Offer in respect of the total number of A Ordinary Shares registered in his name immediately prior to the latest time for receipt of the Form(s) of Acceptance which can be taken into account for determining whether the A Share Offer is unconditional as to acceptances;
  - (iv) if a number greater than the number of A Ordinary Shares inserted, or deemed to be inserted, in Box 1A of the applicable Form(s) of Acceptance is inserted in Box 3 of the Form(s) of Acceptance, the number inserted in Box 3 shall be deemed to be equal to the number inserted, or deemed to be inserted, in Box 1A;
- (b) unless "NO" is inserted, or deemed to be inserted, in Box 5 of the Form(s) of Acceptance, that such Registered Holder:
- (i) has not, directly or indirectly, received or sent in whole or in part copies or originals of this document, the Form(s) of Acceptance or any related documents in, into or from any Restricted Jurisdiction, or any other jurisdiction where such actions may constitute or result in the A Share Offer constituting a breach of any legal or regulatory requirements;
  - (ii) if an Overseas, Security Holder, has observed the laws and regulatory requirements of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes, duties, or other requisite payments due from him in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in the Offeror or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the A Share Offer or his acceptance of the A Share Offer;
  - (iii) has not utilised in connection with the A Share Offer, directly or indirectly, the mail or any means or instrumentality (including) without limitation, e-mail, facsimile, telex or telephone) of interstate or foreign commerce, or any facilities of a natural securities exchange, of any Restricted Jurisdiction;

- (iv) is accepting the A Share Offer from outside a Restricted Jurisdiction and was not in a Restricted Jurisdiction when the applicable Form of Acceptance was sent; and
  - (v) in respect of the A Ordinary Shares held in certificated form to which the Form(s) of Acceptance relate at the time of accepting the A Share Offer, is not and is not accepting the A Share Offer through an agent or a fiduciary acting on a non-discretionary basis for a principal, unless such principal is a corporation or partnership and such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the A Share Offer from outside a Restricted Jurisdiction and is not accepting the A Share Offer for any Restricted Overseas Person for whom such Registered Holder is acting on non-discretionary basis;
- (c) that the A Ordinary Shares held in certificated form in respect of which the A Share Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them at the Announcement Date or thereafter including, without limitation, voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date;
- (d) that in relation to the A Ordinary Shares, the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes, subject to the A Share Offer becoming, or being declared, unconditional in all respects in accordance with its terms, the irrevocable and separate appointment of each of the Offeror and any director of, or person authorised by the Offeror, as such Registered Holder's attorney and/or agent (the "**attorney**"), and an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the A Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I in favour of the Offeror or such other person or persons as the Offeror or its agents may direct in connection with acceptance of the A Share Offer;
  - (ii) to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney together with the share certificate(s) and/or other document(s) of title relating to such A Ordinary Shares for registration within six months of the A Share Offer becoming unconditional in all respects; and
  - (iii) to execute all such other documents and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the A Share Offer pursuant to the Form(s) of Acceptance and to vest in the Offeror or its nominee(s) the A Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I;
- (e) that, in relation to A Ordinary Shares held in certificated form, the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes, subject to the A Share Offer becoming, or being declared, unconditional in all respects and to the accepting Registered Holder not having validly withdrawn his acceptance, separate irrevocable authorities and requests (subject to paragraph 5 of Part B of this Appendix I):
- (i) to the Company or its agents to procure the registration of the transfer of the those A Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I pursuant to the A Share Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the A Ordinary Shares, or satisfactory indemnities, to the Offeror or as it may direct; and
  - (ii) to the Offeror, its agents or the attorney (as defined in paragraph d above) to procure the despatch by post of the cheque for the cash consideration to which an accepting Registered Holder may become entitled pursuant to his acceptance of the A Share Offer, or at the risk of such Registered Holder, to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 6 of the Form(s) of Acceptance or, if none is set out, to the first-named holder or sole holder at his registered address (outside a Restricted Jurisdiction);

- (f) that the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes the irrevocable appointment of the Offeror and/or its directors and agents as the Registered Holder's attorney and/or agent within the terms of paragraph 1(d) of Part C of this Appendix I in respect of the A Ordinary Shares held in certificated form referred to in paragraph 1(a)(i) of this Part C of Appendix I;
- (g) that, subject to the A Share Offer becoming or being declared unconditional in all respects (or if the A Share Offer would become unconditional in all respects or in such other circumstances as the Offeror may request) and pending registration:
  - (i) the Offeror or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of the Company) attaching to any A Ordinary Shares held in certificated form in respect of which the A Share Offer has been accepted and or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn; and
  - (ii) the execution of the Form(s) of Acceptance in respect of the A Ordinary Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn constitutes:
    - (A) a separate authority to the Company and/or its agents from such Registered Holder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of the Company in respect of such A Ordinary Shares (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such A Ordinary Shares into certificated form) to the Offeror at its registered office;
    - (B) the irrevocable appointment of the Offeror or any of its directors or agents to sign on such Registered Holder's behalf, such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such A Ordinary Shares (including, without limitation, an authority to sign any consent to short notice of a general meeting of the Company or of any class of its shareholders as his attorney and/or agent and on his behalf and/or to attend and/or execute a form of proxy in respect of such A Ordinary Shares appointing any person nominated by the Offeror to attend general meetings of the Company and of any class of its shareholders (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to such A Ordinary Shares on such Registered Holder's behalf), such votes to be cast so far as possible to satisfy any outstanding Conditions of the A Share Offer; and
    - (C) the agreement of such Registered Holder not to exercise any such rights without the consent of the Offeror and the irrevocable undertaking of such Registered Holder not to appoint a proxy or representative for or to attend any such general meeting of the Company or any class of its shareholders (or any adjournment thereof);
- (h) that he will deliver, or procure the delivery of, to the Receiving Agent, Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA his/her share certificate(s) and/or other document(s) of title in respect of all the A Ordinary Shares in certificated form held by him in respect of which the A Share Offer has been accepted or is deemed to have been accepted or an indemnity acceptable to the Offeror in lieu thereof, as soon as possible and in any event within three months of the A Share Offer becoming, or being declared, unconditional in all respects in accordance with its terms;
- (i) that he will do all such acts and things as shall be necessary or expedient to vest in the Offeror or its nominee(s) or such other person as the Offeror may decide the A Ordinary Shares in certificated form held by him in respect of which the A Share Offer has been accepted or is deemed to have been accepted and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the A Share Offer;
- (j) that he agrees to ratify each and every act or thing which may be done or effected by the Offeror and/or the Receiving Agent or any of their respective directors or agents or the

Company or its agents, as the case may be, in the proper exercise of any of its or his powers and/or authorities under this document and to indemnify each such person against any losses arising therefrom, other than losses arising as a result of the negligence or wilful default of such person;

- (k) that the terms and conditions of the A Share Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form(s) of Acceptance which shall be read and construed accordingly;
  - (l) that on execution and delivery, the Form of Acceptance shall take effect as a deed;
  - (m) that if any provisions of Part B of this Appendix I or this Part C of Appendix I shall be unenforceable or invalid or shall not operate so as to afford the Offeror or the Receiving Agent and/or any of their respective directors or agents the full benefit of the powers of attorney and authorities expressed to be given therein, he shall, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable those persons to secure the full benefits of Part B of this Appendix I and this Part C of Appendix I;
  - (n) that he is the sole legal and beneficial owner of the A Ordinary Shares held in certificated form in respect of which the A Share Offer is accepted or deemed to be accepted and he has the necessary capacity and authority to execute the applicable Form(s) of Acceptance;
  - (o) that, if he accepts the A Share Offer, he will do all such acts and things as shall in the opinion of the Offeror or the Receiving Agent be necessary or expedient to vest the A Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I in the Offeror or its nominee(s) or such other person as the Offeror may decide;
  - (p) that, in consideration of the Offeror making any revised A Share Offer available to him as referred to in paragraph 3 of Part B of this Appendix I, the deemed acceptances, elections and authorities referred to in such paragraph 3 shall, be irrevocable; and
  - (q) that the execution of the applicable Form(s) of Acceptance constitutes his agreement to the terms of paragraph 1(d) of Part C of this Appendix I.
- 2** References in this Part C of Appendix I to a Registered Holder shall include references to the person or persons executing the Form(s) of Acceptance and, in the event of more than one person executing a Form(s) of Acceptance, the provisions of this Part C of Appendix I shall apply to them jointly and severally.
- 3** In certain circumstances, the Offeror may extend the A Share Offer Period and take such further action as required by any applicable laws or regulations.

## Part D

### Form(s) of Acceptance for B Ordinary Shares in certificated form

**This Part D only applies to B Ordinary Shares in certificated form. If you hold all your B Ordinary Shares in uncertificated form, you should ignore this Part D and instead read Part E below.**

1 Each Registered Holder by whom, or on whose behalf, a Form(s) of Acceptance is executed and received by the Receiving Agent (or by or on behalf of the Offeror) irrevocably undertakes, represents, warrants and agrees to and with the Offeror and the Receiving Agent (so as to bind the Registered Holder, his personal representatives, executors, heirs, successors and assignees) to the following effect:

- (a) that the execution of the Form(s) of Acceptance, whether or not any other Boxes are completed, and its delivery to the Receiving Agent shall constitute:
- (i) an acceptance, or deemed acceptance, subject to the provisions of Part B of this Appendix I of the B Share Offer in respect of the number of B Ordinary Shares held in certificated form inserted or deemed to be inserted in Box 3 of the applicable Form of Acceptance; and
  - (ii) an undertaking and authority to the Offeror or its agents to execute any further documents, take any further action and/or give any further assurances which may be required in connection with any of the foregoing to enable the Offeror to obtain the full benefit of this Part C of Appendix I and/or to perfect any of the authorities expressed to be given in this Part C or otherwise in connection with such Registered Holder's acceptance of the B Share Offer,

in each case, on and subject to the terms and Conditions set out or referred to in this document and the Form(s) of Acceptance and that, each such acceptance shall be irrevocable provided that:

- (iii) if Box 3 of the Form(s) of Acceptance are left blank or a number greater than such Registered Holder's registered holdings appears in Box 1A, the execution of the Form(s) of Acceptance shall be deemed to be an acceptance by such Registered Holder of the B Share Offer in respect of the total number of B Ordinary Shares registered in his name immediately prior to the latest time for receipt of the Form(s) of Acceptance which can be taken into account for determining whether the B Share Offer is unconditional as to acceptance;
  - (iv) if a number greater than the number of B Ordinary Shares inserted, or deemed to be inserted, in Box 1A of the applicable Form(s) of Acceptance is inserted in Box 3 of the Form(s) of Acceptance, the number inserted in Box 3 shall be deemed to be equal to the number inserted, or deemed to be inserted, in Box 1A;
- (b) unless "NO" is inserted, or deemed to be inserted, in Box 5 of the Form(s) of Acceptance, that such Registered Holder:
- (i) has not, directly or indirectly, received or sent in whole or in part copies or originals of this document, the Form(s) of Acceptance or any related documents in, into or from any Restricted Jurisdiction, or any other jurisdiction where such actions may constitute or result in the B Share Offer constituting a breach of any legal or regulatory requirements;
  - (ii) if an Overseas, Security Holder, has observed the laws and regulatory requirements of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes, duties, or other requisite payments due from him in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in the Offeror or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the B Share Offer or his acceptance of the B Share Offer;
  - (iii) has not utilised in connection with the B Share Offer, directly or indirectly, the mail or any means or instrumentality (including) without limitation, e-mail, facsimile, telex or telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of any Restricted Jurisdiction;

- (iv) is accepting the B Share Offer from outside a Restricted Jurisdiction and was not in a Restricted Jurisdiction when the applicable Form of Acceptance was sent; and
  - (v) in respect of the B Ordinary Shares held in certificated form to which the Form(s) of Acceptance relate at the time of accepting the B Share Offer, is not and is not accepting the B Share Offer through an agent or a fiduciary acting on a non-discretionary basis for a principal, unless such principal is a corporation or partnership and such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the B Share Offer from outside a Restricted Jurisdiction and is not accepting the B Share Offer for any Restricted Overseas Person for whom such Registered Holder is acting on non-discretionary basis;
- (c) that the B Ordinary Shares held in certificated form in respect of which the B Share Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them at the Announcement Date or thereafter including, without limitation, voting rights and entitlement to all dividends and other distributions announced, being declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date.
- (d) that in relation to the B Ordinary Shares, the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes, subject to the B Share Offer becoming, or declared, unconditional in all respects in accordance with its terms, the irrevocable and separate appointment of each of the Offeror and any director of, or person authorised by the Offeror, as such Registered Holder's attorney and/or agent (the "**attorney**"), and an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the B Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I in favour of the Offeror or such other person or persons as the Offeror or its agents may direct in connection with acceptance of the B Share Offer;
  - (ii) to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney together with the share certificate(s) and/or other document(s) of title relating to such B Ordinary Shares for registration within six months of the B Share Offer becoming unconditional in all respects; and
  - (iii) to execute all such other documents and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the B Share Offer pursuant to the Form(s) of Acceptance and to vest in the Offeror or its nominee(s) the B Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I;
- (e) that, in relation to B Ordinary Shares held in certificated form, the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes, subject to the B Share Offer becoming, or being declared, unconditional in all respects, separate irrevocable authorities and requests (subject to paragraph 5 of Part B of this Appendix I):
- (i) to the Company or its agents to procure the registration of the transfer of the those B Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I pursuant to the B Share Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the B Ordinary Shares, or satisfactory indemnities, to the Offeror or as it may direct; and
  - (ii) to the Offeror, its agents or the attorney (as defined in paragraph d above) to procure the despatch by post of the cheque for the cash consideration to which an accepting Registered Holder may become entitled pursuant to his acceptance of the B Share Offer, or at the risk of such Registered Holder, to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 6 of the Form(s) of Acceptance or, if none is set out, to the first-named holder or sole holder at his registered address (outside a Restricted Jurisdiction);
- (f) that the execution of the Form(s) of Acceptance and its delivery to the Receiving Agent constitutes the irrevocable appointment of the Offeror and/or its directors and agents as the

Registered Holder's attorney and/or agent within the terms of paragraph 1(d) of Part C of this Appendix I in respect of the B Ordinary Shares held in certificated form referred to in paragraph 1(a)(i) of this Part C of Appendix I;

- (g) that, subject to the B Share Offer becoming or being declared unconditional in all respects (or if the B Share Offer would become unconditional in all respects or in such other circumstances as the Offeror may request) and pending registration:
- (i) the Offeror or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of the Company) attaching to any B Ordinary Shares held in certificated form in respect of which the A Share Offer has been accepted and or is deemed to have been accepted; and
  - (ii) the execution of the Form(s) of Acceptance in respect of the B Ordinary Shares comprised in such acceptance:
    - (A) a separate authority to the Company and/or its agents from such Registered Holder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of the Company in respect of such B Ordinary Shares (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such B Ordinary Shares into certificated form) to the Offeror at its registered office;
    - (B) the irrevocable appointment of the Offeror or any of its directors or agents to sign on such Registered Holder's behalf, such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such B Ordinary Shares (including, without limitation, an authority to sign any consent to short notice of a general meeting of the Company or of any class of its shareholders as his attorney and/or agent and on his behalf and/or to attend and/or execute a form of proxy in respect of such B Ordinary Shares appointing any person nominated by the Offeror to attend general meetings of the Company and of any class of its shareholders (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to such B Ordinary Shares on such Registered Holder's behalf), such votes to be cast so far as possible to satisfy any outstanding Conditions of the B Share Offer; and
    - (C) the agreement of such Registered Holder not to exercise any such rights without the consent of the Offeror and the irrevocable undertaking of such Registered Holder not to appoint a proxy or representative for or to attend any such general meeting of the Company or any class of its shareholders (or any adjournment thereof);
- (h) that he will deliver, or procure the delivery of, to the Receiving Agent, Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA his/her share certificate(s) and/or other document(s) of title in respect of all the B Ordinary Shares in certificated form held by him in respect of which the B Share Offer has been accepted or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn, or an indemnity acceptable to the Offeror in lieu thereof, as soon as possible and in any event within three months of the B Share Offer becoming, or being declared, unconditional in all respects in accordance with its terms;
- (i) that he will do all such acts and things as shall be necessary or expedient to vest in the Offeror or its nominee(s) or such other person as the Offeror may decide the B Ordinary Shares in certificated form held by him in respect of which the B Share Offer has been accepted or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the B Share Offer;
  - (j) that he agrees to ratify each and every act or thing which may be done or effected by the Offeror and/or the Receiving Agent or any of their respective directors or agents or the Company or its agents, as the case may be, in the proper exercise of any of its or his powers and/or authorities under this document and to indemnify each such person against any

losses arising therefrom, other than losses arising as a result of the negligence or wilful default of such person;

- (k) that the terms and conditions of the B Share Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form(s) of Acceptance which shall be read and construed accordingly;
  - (l) that on execution and delivery, the Form of Acceptance shall take effect as a deed;
  - (m) that if any provisions of Part B of this Appendix I or this Part C of Appendix I shall be unenforceable or invalid or shall not operate so as to afford the Offeror or the Receiving Agent and/or any of their respective directors or agents the full benefit of the powers of attorney and authorities expressed to be given therein, he shall, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable those persons to secure the full benefits of Part B of this Appendix I and this Part C of Appendix I;
  - (n) that he is the sole legal and beneficial owner of the B Ordinary Shares held in certificated form in respect of which the B Share Offer is accepted or deemed to be accepted and he has the necessary capacity and authority to execute the applicable Form(s) of Acceptance;
  - (o) that, if he accepts the B Share Offer, he will do all such acts and things as shall in the opinion of the Offeror or the Receiving Agent be necessary or expedient to vest the B Ordinary Shares referred to in paragraph 1(a)(i) of this Part C of Appendix I in the Offeror or its nominee(s) or such other person as the Offeror may decide;
  - (p) that, in consideration of the Offeror making any revised B Share Offer available to him as referred to in paragraph 3 of Part B of this Appendix I, the deemed acceptances, elections and authorities referred to in such paragraph 3 shall, be irrevocable; and
  - (q) that the execution of the applicable Form(s) of Acceptance constitutes his agreement to the terms of paragraph 1(d) of Part C of this Appendix I.
- 2** References in this Part C of Appendix I to a Registered Holder shall include references to the person or persons executing the Form(s) of Acceptance and, in the event of more than one person executing a Form(s) of Acceptance, the provisions of this Part C of Appendix I shall apply to them jointly and severally.
- 3** In certain circumstances, the Offeror may extend the B Share Offer Period and take such further action as required by any applicable laws or regulations.



## Part E

### Electronic Acceptances

**This Part E only applies to DI Holders holding B Ordinary Shares in uncertificated form. If you hold all your B Ordinary Shares in certificated form, you should ignore this Part E and instead read Part D above.**

For the purpose of this Part E, the phrase “comprised in the acceptance” means, in respect of any B Ordinary Shares held in uncertificated form, the number of B Ordinary Shares that are transferred by the relevant DI Holder to an escrow account of the Receiving Agent by means of an Electronic Acceptance.

- 1 Each DI Holder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with the Offeror and the Receiving Agent (so as to bind the DI Holder, his personal representatives, heirs, successors and assigns) to the following effect:
  - (a) that the Electronic Acceptance shall constitute an acceptance of the B Share Offer in respect of the number of B Ordinary Shares represented by DIs held in uncertificated form comprised in the acceptance to which a TTE instruction relates in each case on and subject to the terms and Conditions set out or referred to in this document and that each such acceptance shall be irrevocable;
  - (b) that such DI Holder:
    - (i) has not, directly or indirectly, received or sent in whole or in part, copies or originals of this document, the applicable Form(s) of Acceptance or any related documents, in, into or from a Restricted Jurisdiction, or any other jurisdiction where such actions may constitute or result in the B Share Offer constituting a breach of any legal or regulatory requirements;
    - (ii) if he is an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer, duties, or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in the Offeror or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the B Share Offer or his acceptance of the B Share Offer;
    - (iii) was outside the Restricted Jurisdictions at the time of the input and settlement of the relevant TTE instruction(s); and
    - (iv) in respect of the B Ordinary Shares represented by DIs held in uncertificated form to which the Electronic Acceptance relates, is not, and is not accepting the B Share Offer through, an agent or a fiduciary acting on a non-discretionary basis for a principal, unless such principal is a corporation or partnership and such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the B Share Offer from outside a Restricted Jurisdiction and no TTE Instruction(s) has been sent in, or from any Restricted Jurisdiction or signed in any Restricted Jurisdiction, and is not accepting the B Share Offer for a Restricted Overseas Person for whom such DI Holder is acting on a non-discretionary basis;
  - (c) the B Ordinary Shares represented by DIs held in uncertificated form in respect of which the B Share Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them at the Announcement Date or thereafter including, without limitation, voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after the Announcement Date.
  - (d) that in relation to the DIs, the Electronic Acceptance constitutes, subject to the B Share Offer becoming, or being declared, unconditional in all respects in accordance with its terms the

- irrevocable and separate appointment of each of the Offeror and any of its directors, or any person authorised by any of them, as such DI Holder's attorney and/or agent (the "**attorney**"), and an irrevocable instruction and authorisation to do all such acts and things as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the B Share Offer and to vest in the Offeror or its nominee(s) the B Ordinary Shares referred to in paragraph 1(a) of this Part E;
- (e) that Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as the Escrow Agent and an irrevocable instruction and authorisation to the Escrow Agent:
- (i) subject to the B Share Offer becoming, or being declared, unconditional in all respects in accordance with its terms to transfer to itself (or to such other person or persons as the Offeror or its agents may direct) by means of CREST all or any of the DIs representing B Ordinary Shares held in uncertificated form to which such Electronic Acceptance relates (but not exceeding the number of B Ordinary Shares held in uncertificated form in respect of which the B Share Offer is accepted or deemed to be accepted); and
  - (ii) if the B Share Offer does not become unconditional in all respects, to give instructions to the relevant Clearing System, immediately after the lapsing of the Offer to transfer all such DIs representing B Ordinary Shares to the original available balance of the accepting DI Holder;
- (f) that the Electronic Acceptance constitutes, subject to the B Share Offer becoming, or being declared, unconditional in all respects separate irrevocable authorities and requests (subject to paragraph 5 of Part B of this Appendix I) to the Offeror or its agents to procure the making of a CREST payment obligation in favour of the DI Holder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled, provided that:
- (i) the Offeror may (if, for any reason, it wishes to do so) determine that all or any part of any such cash consideration shall be paid by cheque despatched by first class post;
  - (ii) if the DI Holder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such shareholder is entitled shall be paid by cheque despatched by post; and
  - (iii) in either such case, at the risk of such DI Holder, such cheque shall be despatched to the first-named holder or sole holder at an address outside a Restricted Jurisdiction or as otherwise determined by the Offeror;
- (g) that the Electronic Acceptance constitutes the irrevocable appointment of the Offeror and its directors and agents as the relevant DI Holder's attorney and/or agent within the terms of paragraph 1(d) of Part E of this Appendix I in respect of the DIs referred to in paragraph 1(a) of this Part E of Appendix I;
- (h) that, subject to the B Share Offer becoming, or being declared, unconditional in all respects (or if the B Share Offer would become unconditional in all respects or in such other circumstances as the Offeror may request) and pending registration:
- (i) the Offeror or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to any B Ordinary Shares represented by DIs held in uncertificated form in respect of which the B Share Offer has been accepted or is deemed to have been accepted; and
  - (ii) an Electronic Acceptance constitutes in respect of the DIs comprised in such acceptance:
    - (A) an authority to the Offeror and/or its agents from such DI Holder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of the Company in respect of such B Ordinary Shares (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such DI's into certificated form) to the Offeror at its registered office;
    - (B) an irrevocable appointment of the Offeror or any of its directors or agents to sign on such DI Holder's behalf, such documents and to do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise

of any votes or other rights or privileges attaching to such B Ordinary Shares (including, without limitation, an authority to sign any consent to short notice of a general meeting of the Company or of any class of its shareholders as his attorney and/or agent on his behalf and/or to attend, and/or to execute a form of proxy in respect of such B Ordinary Shares appointing any person nominated by the Offeror to attend general meetings of the Company and of any class of its shareholders (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to such B Ordinary Shares on such DI Holder's behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding conditions of the B Share Offer; and

- (C) the agreement of such DI Holder not to exercise any such rights without the consent of the Offeror and the irrevocable undertaking of such DI Holder not to appoint a proxy or representative for or to attend any such general meeting of the Company or any class of its shareholders (or any adjournment thereof);
- (i) that if, for any reason, any DIs representing B Ordinary Shares in respect of which a TTE instruction has been effected in accordance with paragraph 14 of Part II of this document are converted to certificated form, he will (without prejudice to paragraph (h)(ii)(A) of this Part E of Appendix I) immediately deliver or procure the immediate delivery of the share certificate(s) and/or other document(s) of title in respect of all such B Ordinary Shares so converted to the Receiving Agent at the address referred to in paragraph 1(h) of Part D of this Appendix I or to the Offeror at its registered office or as the Offeror or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C and/or Part D (as applicable) of this Appendix I in relation to such B Ordinary Shares without prejudice to the application of this Part E so far as the Offeror deems appropriate;
- (j) that he will do all such acts and things as shall in the opinion of the Offeror or the Receiving Agent be necessary or expedient to vest in the Offeror or its nominee(s) (or such other persons as the Offeror may decide) the B Ordinary Shares referred to in paragraph 1(a) of this Part E of Appendix I and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions as the Escrow Agent for the purposes of the B Share Offer;
- (k) that the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph 1(f) of this Part E of Appendix I shall, to the extent of the obligations so created, discharge in full any obligation of Offeror to pay to him the cash consideration to which he is entitled pursuant to the B Share Offer;
- (l) that he agrees to ratify each and every act or thing which may be done or effected by the Offeror and/or the Receiving Agent or any of their respective directors or agents or the Company or its agents, as the case may be, in the proper exercise of any of its or his powers and/or authorities under this document and to indemnify each person against any losses arising therefrom, other than losses arising as a result of the negligence or wilful default of such person;
- (m) that by virtue of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant DI Holder in the terms of all the powers and authorities expressed to be given by Part B of this Appendix I, this Part E of Appendix I, and (where applicable by virtue of paragraph 1(i) of this Part E of Appendix I) Part C and/or Part D of this Appendix I (as applicable) to the Offeror and the Receiving Agent and any of their respective agents;
- (n) that if any provision of Part B of this Appendix I or this Part E of Appendix I shall be unenforceable or invalid or shall not operate so as to afford the Offeror or the Receiving Agent or any of their respective directors or agents the full benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part B of this Appendix I and this Part E of Appendix I;
- (o) that he is the sole beneficial owner of the B Ordinary Shares represented by DIs held in uncertificated form in respect of which the B Share Offer is accepted or deemed to be accepted and he is the legal owner of such DIs and he has the necessary capacity and authority to effect an Electronic Acceptance;

- (p) that in consideration of the Offeror making a revised B Share Offer available to him as referred to in paragraph 3 of Part B of this Appendix I, the deemed acceptances, elections and authorities referred to in such paragraph 3 shall, be irrevocable; and
  - (q) that the making of an Electronic Acceptance constitutes his agreement to the terms of paragraph 6.9 of Part B of this Appendix I.
- 2** References in this Part E of Appendix I to a DI Holder shall include references to the person or persons making an Electronic Acceptance and, in the event of more than one person executing an Electronic Acceptance, the provisions of this Part D of Appendix I shall apply to them jointly and to each of them.
  - 3** In certain circumstances, the Offeror may extend the Offer Period and take such further action as required by any applicable laws or regulations.

## APPENDIX II

### **Financial Information on the Company**

For the six months ended 30 June 2019, the Company reported revenue and net profit of US\$182.0 million and US\$37.6 million, respectively. The total value of the Company's assets based on independent valuation as of 30 June 2019 and book values of residential development projects was US\$1.24 billion. Net asset value of the Company at 30 June 2019 was US\$0.84 billion.

#### **2019 Financial Information**

Financial information for the six months ended 30 June 2019 can be accessed at:

<https://www.afi-development.com/en/investor-relations/reports-presentations> and clicking on 2019 on the left hand side and AFI Development H1 2019 Results

#### **2018 Financial Information**

Financial information for the 12 months ended 31 December 2018 can be accessed at:

<https://www.afi-development.com/en/investor-relations/reports-presentations> and clicking on 2018 on the left hand side and 2018 Annual Report

#### **2017 Financial Information**

Financial information for the six months ended 31 December 2017 can be accessed at:

<https://www.afi-development.com/en/investor-relations/reports-presentations> and clicking on 2017 on the left hand side and 2017 Annual Report

## APPENDIX III

### Additional Information

#### 1 Responsibility

- 1.1 The Director of the Offeror, accepts responsibility for all the information contained in this document (including any expressions of opinion) including statements concerning the Offeror's expectations and estimates as to the position of the Company or the Company Group, other than the information relating to the Company Group, the Company Directors and their immediate families, related trusts and persons connected with the Company Directors, the views and opinions set out in the letter from the Chairman of the Company in Part I of this document and any statements concerning the Company's expectations and estimates as to the position of the Company or the Company Group. To the best of the knowledge and belief of the Director of the Offeror (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which she accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.
- 1.2 The Company Directors accept responsibility for the information contained in this document (including any expressions of opinion) to the extent relating to the Company Group (other than the statements concerning the Offeror's expectations and estimates as to the position of the Company or the Company Group, and any information set out in the letter from the Offeror, set out in Part II of this document), the Company Directors and their immediate families, related trusts and persons connected with the Directors of the Company. To the best of the knowledge and belief of the Company Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.

#### 2 Sources of Financial Information and bases of Calculation

- 2.1 Unless otherwise stated in this document:
- (i) Reference to the value of the fully diluted existing issued ordinary share capital of the Company of US\$314 million has been calculated as follows:
    - (A) A Share Offer Price and B Share Offer Price each being US\$0.300; multiplied by
    - (B) The total number of the A Ordinary Shares and the B Ordinary Shares issued being 523,847,027 and 523,847,027, respectively.
  - (ii) The information on the issued share capital of the Company has been sourced from the consolidated interim financial statements for the 6 months ended 30 June 2019 published by the Company. See note 19 on page 32 of the Company's 1H 2019 Financial Report.
  - (iii) The Company's financials, including reported revenue and net profit, for the six months ended 30 June 2019 have been sourced from the Company's 1H 2019 Financial Report. See page 1 and page 12 of the 1H 2019 Financial Report.
  - (iv) The total value of the Company's assets is based on the independent valuation as 30 June 2019 as described in the Company's 1H 2019 IR presentation. See page 20 of such presentation.
  - (v) Unless otherwise stated, (a) closing prices, (b) average prices and (c) trading volumes for the Company's shares are sourced from Bloomberg.
  - (vi) Data for Flotonic ownership of the Company's shares has been extracted from the Company's 2018 annual report. See note 12 on page 175 of the Company's 2018 annual report.
  - (vii) The reference to the required acceptances to meet the Delisting Threshold for the B Ordinary Shares was calculated as follows:
    - (A) Maximum of (i) majority of 75% of the total voting rights attaching to the B Ordinary Shares (523,847,027 shares multiplied by 75%) and (ii) majority of the remaining minority votes (simple majority calculated as 181,047,369 shares owned by the minority shareholders divided by 2 (two) plus 1 (one) share)
    - (B) Divided by the total number of B Ordinary Shares (523,847,027).

(vii) Reference in paragraph 10 of the letter from the Offeror in Part II to the required payment by the Offeror of approximately US\$ 110.4 million has been calculated as follows:

(A) A Share Offer Price and B Share Offer Price, each being US\$0.300: multiplied by

(B) The total number of the A Ordinary Shares and the B Ordinary Shares not currently owned by the Offeror being 186,898,231 and 181,047,369, respectively.

### **3 Consents**

3.1 VTBC has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it is included.

3.2 BDO has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it is included.

## APPENDIX IV

### Definitions

The following definitions apply throughout this document unless otherwise stated or the context otherwise requires:

<b>Acceptance Conditions</b>	the Conditions as to acceptances set out in Part A of Appendix I of this document
<b>Announcement Date</b>	25 October 2019, being the date of the FITO Announcement
<b>A Ordinary Shares</b>	the existing allotted or issued and fully paid A ordinary shares of US\$0.001 each in the capital of the Company, carrying one voting right each, and any such shares so allotted or issued before the date on which the A Share Offer closes
<b>A Securities</b>	the A Ordinary Shares and the GDRs
<b>A Share Offer</b>	the cash offer made by the Offeror to acquire the A Ordinary Shares (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share) not already owned by the Offeror, subject to the terms and conditions described in this document and, in the case of certificated A Ordinary Shares, the Form(s) of Acceptance and, where the context so requires, any revision, variation, extension or renewal of such offer
<b>A Share Offer Price</b>	US\$0.300 per A Ordinary Share in cash (including A Ordinary Shares represented by GDRs, each GDR representing one A Ordinary Share)
<b>Australia</b>	the Commonwealth of Australia, its territories and possessions
<b>Authorisation</b>	authorisations, orders, grants, recognitions, confirmations, determinations, consents, clearances, certificates, licences, permissions or approvals
<b>BDO</b>	BDO LLP
<b>Board</b>	as the context requires, the board of directors of the Company or the board of directors of the Offeror and the terms “Company Board” and “Offeror Board” shall be construed accordingly
<b>B Ordinary Shares</b>	the existing allotted or issued and fully paid B ordinary shares of US\$0.001 each in the capital of the Company, carrying one voting right each, and any such shares so allotted or issued before the date on which the B Share Offer closes (and where the context requires, any DI’s representing the B Ordinary Shares)
<b>B Share Offer</b>	the cash offer made by the Offeror to acquire the B Ordinary Shares not already owned by the Offeror, subject to the terms and conditions described in this document and, in the case of certificated B Ordinary Shares, the Form(s) of Acceptance and, where the context so requires, any revision, variation, extension or renewal of such offer
<b>B Share Offer Price</b>	US\$0.300 per B Ordinary Share
<b>Business Day</b>	any day (other than a public holiday, a Saturday or a Sunday) when banks generally are open for general banking business in London and the Republic of Cyprus
<b>Canada</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>certificated or in certificated form</b>	a share or other security title which is recorded in the relevant register as being held in certificated form (that is, not in CREST)



<b>Clearing System</b>	Clearsteam or Euroclear (as the case may be)
<b>Clearstream</b>	Clearsteam Banking, Société Anonyme
<b>Closing Price</b>	the closing middle market quotation of a Share derived from Bloomberg
<b>Code</b>	The City Code on Takeovers and Mergers
<b>Company</b>	AFI Development plc, with registered office at 165 Spyrou Araouzou Street, Lordos Waterfront Building, 5th Floor, Flat/Office 505, 3035 Limassol, Cyprus
<b>Company Directors</b>	the directors of the Company at the date of this document named at the top of Part I of this document, being Mr Elias Ebrahimpour, Mr Avraham Novogrocki and Mr Panayiotis Demetriou
<b>Company Group</b>	collectively, the Company and its subsidiary undertakings from time to time and “member of the Company Group” shall be construed accordingly
<b>Conditions</b>	the conditions to the B Share Offer as set out in paragraph 1 of Part A of Appendix I of this document and the conditions to the A Share Offer as set out in paragraph 2 of Part A of Appendix I of this document, and “ <b>Condition</b> ” means any one of them
<b>CREST</b>	the system for the paperless settlement of trades in securities operated by Euroclear in accordance with the CREST Regulations
<b>CREST member</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 95/3775)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>Cypriot Takeover Law</b>	the Cyprus Takeover Law, Law No. 41(I)/2007, as amended from time to time
<b>CySec</b>	the Cyprus Securities and Exchange Commission
<b>Delisting Threshold</b>	as threshold set out in paragraph 8 of Part II of this document
<b>Depository</b>	a DI Depository or GDR Depository as the case may be
<b>DIs</b>	a dematerialised depository interest which represents an entitlement to a B Ordinary Share that can be settled electronically through and held in CREST, as issued by the DI Depository which holds the underlying securities on trust, further details to be set out in this document
<b>DI Depository</b>	Equiniti Financial Services Limited, in its role as depository in respect of the DIs
<b>DI Holder</b>	a holder of DIs
<b>Electronic Acceptance</b>	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offers on the terms set out in this document
<b>Electronic Instruction</b>	an instruction to accept an offer in whole or in part in respect of GDRs held through a Clearing System (as the case may be) in the form specified by the relevant Clearing System
<b>ESA instruction</b>	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear as amended from time to time)

<b>Escrow Agent</b>	the Receiving Agent in its capacity as escrow agent as described in the CREST manual issued by Euroclear as amended from time to time
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST, or in the context of GDRs, Euroclear S.A/N.V.
<b>Facility</b>	has the meaning given in paragraph 10 of Part II
<b>Financial Conduct Authority or FCA</b>	the UK Financial Conduct Authority or its successor from time to time
<b>FITO Announcement</b>	the press announcement made jointly by the Offeror Board and the Company Board on 25 October 2019 stating, inter alia, the Offeror's firm intention to make the Offers
<b>Forms(s) of Acceptance</b>	the forms of acceptance and authority relating to the Offers accompanying this document, which may only be completed by Registered Holders
<b>GDRs</b>	global depositary receipts representing the A Ordinary Shares
<b>GDR Cancellation</b>	the cancellation of the Listings of the GDRs on the Official List and cancellation of trading of the GDRs on the Main Market of the London Stock Exchange
<b>GDR Depositary</b>	The Bank of New York Mellon in its role as depositary in respect of the GDRs
<b>GDR Holder(s)</b>	holders of the GDRs
<b>GDR Tender Agent</b>	The Bank of New York Mellon, in its capacity as GDR Tender Agent for the GDRs
<b>Group</b>	in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company
<b>hard copy form</b>	a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read
<b>Independent A Security Holders</b>	holders of A Securities other than Flotonic
<b>Independent B Shareholders</b>	holders of B Ordinary Shares other than Flotonic
<b>ISIN</b>	International Securities Identification Number
<b>Japan</b>	Japan, its cities, prefectures, territories and possessions
<b>Joint Offer Condition Listing Rules</b>	the Condition set out in paragraph 7.1 of Part II the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the Financial Conduct Authority's publication of the same name
<b>London Stock Exchange member account ID</b>	London Stock Exchange plc the identification code or number attached to any member account in CREST
<b>Offer Document</b>	means this document
<b>Offer Period</b>	the offer period relating to the Company, which commences on 19 November 2019 and is referred to in Part B of Appendix I to this document
<b>Offer Price</b>	the A Share Offer price and the B Share Offer price
<b>Offeror</b>	Flotonic Limited

<b>Offeror Group</b>	collectively, the Offeror and its subsidiary undertakings from time to time and “member of the Offeror Group” shall be construed accordingly
<b>Offers</b>	the A Share Offer and the B Share Offer
<b>Official List</b>	the official list maintained by the FCA
<b>Overseas Security Holders</b>	has the meaning give in paragraphy 5.1 of Part B of Appendix I
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>Receiving Agent</b>	Equiniti Limited of Corporate Actions, Aspect House, Spencer Road, Lancing, BN99 6DA, in its capacity as receiving agent for the purposes of the Offers
<b>Regulatory Information Service</b>	any of the services set out in Appendix III to the Listing Rules
<b>Registered Holder</b>	a holder of Shares in certificated form
<b>Regulation S</b>	Regulation S under the Securities Act
<b>Registrar</b>	Equiniti (Jersey) Limited whose registered office is 26 New Street, St Helier, Jersey, JE2 3RA
<b>Relevant Offer</b>	the A Share Offer and/or the B Share Offer, as appropriate
<b>Restricted ESA Instruction</b>	has the meaning given in paragraph 5.7 of Part B of Appendix I
<b>Restricted Escrow Transfer</b>	has the meaning given in paragraph 5.7 of Part B of Appendix I
<b>Restricted Jurisdiction</b>	Australia, Japan, Canada or any jurisdiction where the local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offers is sent or made available to Security Holders in that jurisdiction
<b>Restricted Overseas Person</b>	a person (including an individual, partnership, unincorporated syndicate, unincorporated organisation, trust, trustee, custodian, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction
<b>Rule 144A</b>	Rule 144A under the Securities Act
<b>Security Holders</b>	holders of the B Ordinary Shares and/or the A Ordinary Shares (which, for the avoidance of doubt and in respect of the A Ordinary Shares, includes the GDRs)
<b>Securities</b>	the B Ordinary Shares and the A Securities
<b>Securities Act Shares</b>	the United States Securities Act of 1973, as amended the B Ordinary Shares and the A Ordinary Shares
<b>Tender Offer Account</b>	the separate account established by the GDR Tender Agent in the name of the GDR Tender Agent with respect to the GDRs and designated for the purposes of the A Share Offer.
<b>TFE instruction</b>	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time)

<b>Third Parties</b>	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other person or body whatsoever in any relevant jurisdiction
<b>TTE instruction</b>	a transfer to Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time) in relation to Securities held in uncertificated form meeting the requirements set out in paragraph 14.1(b) of Part II of this document
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated or uncertificated form</b>	a Security or other security which is for the time being recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United States or US</b>	the United States of America, its possessions and territories, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
<b>US dollar or US\$</b>	the lawful currency of the United States
<b>US Exchange Act</b>	the United States Securities and Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder
<b>VTB Bank</b>	VTB Bank (PJSC), whose registered office is at Building 29, Bolshaya Morskaya Str., 190000, St. Petersburg, Russia
<b>VTBC</b>	VTB Capital plc
<b>Wider AFI Development Group</b>	AFI Development and associated undertakings and any other body corporate, partnership, joint venture or person in which AFI Development and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting equity capital or the equivalent
<b>Wider Flotonic Group</b>	Flotonic and associated undertakings and any other body corporate, partnership, joint venture or person in which AFI Development and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting equity capital or the equivalent
<b>£ or pounds sterling or pence</b>	the lawful currency of the United Kingdom

Certain other capitalised terms not otherwise defined above are defined and used elsewhere in this document.

In this document, “this document” means and includes the letter from the Chairman of the Company, the letter from the Offeror, the Appendices hereto, and the accompanying Form(s) of Acceptance.

All references to legislation in this document are to English legislation unless the contrary is indicated. References to legislation shall include any amendment, modification, re-enactment or extension to such legislation and to any regulation, instrument or order or other subordinate legislation made under such legislation.

All references to time in this document are to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

For the purposes of this document, subsidiary, subsidiary undertaking, undertaking and associated undertaking have the meanings given by the Cyprus Companies Law, Cap. 113.

Terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.



