AGREEMENT BETWEEN

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

AND

THE GOVERNMENT OF THE KINGDOM OF BAHRAIN

FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Hong Kong Special Administrative Region of the People's Republic of China, having been duly authorised to conclude this Agreement by the Central People's Government of the People's Republic of China, and the Government of the Kingdom of Bahrain (hereinafter referred to as "the Contracting Parties"),

Desiring to create favourable conditions for greater investment by investors of one Contracting Party in the area of the other;

Recognising that the encouragement and reciprocal protection under agreement of such investments will be conducive to the stimulation of individual business initiative and will increase prosperity in both areas; and

Acknowledging that investor protection objectives shall not override the Contracting Parties' rights to take measures directed to pursue legitimate public interest objectives such as the protection of security, public health, environment, safety, consumers, public morals and foster sustainable development, provided that such measures comply with the customary international law minimum standard of treatment,

Have agreed as follows:

ARTICLE 1

Definitions

For the purposes of this Agreement,

(a) "area":

(i) in respect of the Hong Kong Special Administrative Region includes Hong Kong Island, Kowloon and the New Territories; and

(ii) in respect of the Kingdom of Bahrain means the territory of the Kingdom of Bahrain as well as the maritime areas, sea-bed and sub-soil over which Bahrain exercises, in accordance with international law, sovereign rights and jurisdiction;

(b) "enterprise" means any entity constituted or organised under applicable laws and regulations, whether or not for profit, and whether privately or governmentally owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association or similar organisation; or a branch of an enterprise;

(c) "forces" means:

(i) in respect of the Hong Kong Special Administrative Region, the armed forces of the People's Republic of China; and

(ii) in respect of the Kingdom of Bahrain, the armed forces of the Kingdom of Bahrain;

(d) "freely convertible" means free of all currency exchange controls and transferable abroad in any currency;

(e) "investment" means every kind of asset, in accordance with the legislation of the Contracting Party in whose area the investment is made, that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, such as the commitment of capital or other resources, the expectation of gain or profit, and the assumption of risk. Forms that an investment may take include but are not limited to:

(i) movable and immovable property and any other property rights such as mortgages, liens or pledges;

(ii) shares in and stock and debentures of an enterprise and any other form of participation in an enterprise;

(iii) claims to money or to any performance under contract having a financial value;

(iv) intellectual property rights and goodwill; and

(v) business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources;

For greater certainty, "investment" shall not include:

(i) public debt;

(ii) claims to money that arise solely from commercial contracts for the sale of goods or services by a natural person or enterprise in the area of a Contracting Party to a natural person or enterprise in the area of the other Contracting Party;

(iii) the extension of credit, including bank loans, in connection with a commercial transaction, such as trade financing; and

(iv) an order or judgment entered in a judicial or administrative action;

A change in the form in which assets are invested does not affect their character as investments and the term "investment" includes all investments, whether made before or after the date of entry into force of this Agreement;

(f) "investors" means:

(i) in respect of the Hong Kong Special Administrative Region,

- natural persons who are permanent residents of the Hong Kong Special Administrative Region; or

- enterprises constituted or organised under the laws and regulations of the Hong Kong Special Administrative Region, or a branch of any such entities located in the area of the Hong Kong Special Administrative Region,

having made an investment in the area of the Kingdom of Bahrain; and

(ii) in respect of the Kingdom of Bahrain,

- natural persons who are nationals of the Kingdom of Bahrain; or

- enterprises constituted or organised under the laws and regulations of the Kingdom of Bahrain, or a branch of any such entities located in the area of the Kingdom of Bahrain,

having made an investment in the area of the Hong Kong Special Administrative Region;

A natural person who is both a permanent resident of the Hong Kong Special Administrative Region and a national of the Kingdom of Bahrain shall be deemed to be exclusively a natural person of the Contracting Party with which he or she has a predominant link, taking into account factors including, but not limited to, the natural person's permanent home, centre of vital interests (i.e. where the natural person's personal and economic relations are closer), and habitual abode;

(g) "measure" includes a law, regulation, rule, procedure, decision, administrative action, requirement or practice; and

(h) "returns" means the amounts yielded by an investment and in particular, though not exclusively, includes profit, income from debt-claims, capital gains, dividends, royalties and fees. For this purpose "income from debt-claims" means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as income for the above purpose.

ARTICLE 2

Scope of Application

(1) This Agreement shall apply to investments made prior to or after its entry into force by investors of one Contracting Party in the area of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party.

(2) This Agreement shall apply to measures adopted or maintained by a Contracting Party, after the entry into force of this Agreement, relating to investors of the other Contracting Party or their investments.

(3) This Agreement shall not apply to disputes arising out of events that have occurred before the entry into force of this Agreement.

ARTICLE 3

Promotion and Protection of Investments and Returns

(1) Each Contracting Party shall, to the extent permitted by its laws and policies, encourage and create favourable conditions for investors of the other Contracting Party to make investments in its area, and, subject to its right to exercise powers conferred by its laws, shall admit such investments.

(2) Investments and returns of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the area of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its area of investors of the other Contracting Party.

(3) The obligation in paragraph (2) of this Article to provide:

(a) "fair and equitable treatment" requires each Contracting Party not to deny justice in criminal, civil or administrative adjudicatory proceedings in accordance with the principle of due process; and

(b) "full protection and security" requires each Contracting Party to take such measures as may be reasonably necessary to ensure the physical protection and security of the investment of an investor of the other Contracting Party.

(4) For greater certainty, the concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens, and do not create additional substantive rights.

(5) A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of paragraph (2) of this Article.

ARTICLE 4

Treatment of Investments

(1) Neither Contracting Party shall in its area subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords, in like circumstances, to investments or returns of its own investors or to investments or returns of investors of any third party as regards their management, maintenance, use, enjoyment or disposal.

(2) Neither Contracting Party shall in its area subject investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords, in like circumstances, to its own investors or to investors of any third party.

ARTICLE 5

Compensation for Losses

(1) Investors of one Contracting Party whose investments in the area of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the area of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third party. Resulting payments shall be freely convertible.

(2) Without prejudice to paragraph (1) of this Article, investors of one Contracting Party who in any of the situations referred to in that paragraph suffer losses in the area of the other Contracting Party resulting from:

(a) requisitioning of their property by its forces or authorities; or

(b) destruction of their property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

shall be accorded, without delay, restitution or reasonable compensation. Resulting payments shall be freely convertible.

ARTICLE 6

Expropriation

(1) Investments and returns of the investors of either Contracting Party shall not be expropriated, directly or indirectly, nor be subjected to any measures having effect equivalent to such expropriation, including measures whereby such investments become under the sole ownership of the government of the other Contracting Party (hereinafter referred to as "expropriation"), in the area of the other Contracting Party except lawfully, for a public purpose related to the internal needs of that Contracting Party, and against compensation. Such compensation shall amount to the real value of the investment immediately before the deprivation or before the impending deprivation became public knowledge whichever is the earlier, shall include a daily rate of compensation at a normal commercial rate from the date of deprivation until the date of payment, shall be made without undue delay, be effectively realisable and be freely convertible. The investor affected shall have a right, under the law of the Contracting Party making the deprivation, to prompt review by a judicial or other independent authority of that Contracting Party, of the investor's case and of the valuation of the investment in accordance with the principles set out in this paragraph.

(2) Where a Contracting Party expropriates the assets of an enterprise which is incorporated or constituted under the law in force in any part of its area, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee compensation referred to in that paragraph in respect of their investment to such investors of the other Contracting Party who are owners of those shares.

ARTICLE 7

Transfer of Investments and Returns

(1) Each Contracting Party shall guarantee to investors of the other Contracting Party the unrestricted right to transfer their investments and returns into and out of its area.

(2) Transfers of currency shall be effected without delay in any freely convertible currency. Unless otherwise agreed by the investor transfers shall be made at the rate of exchange applicable on the date of transfer.

(3) Notwithstanding paragraphs (1) and (2) of this Article, a Contracting Party may delay or prevent a transfer through the equitable, non-discriminatory and good-faith application of its laws and regulations relating to:

(a) bankruptcy, insolvency or the protection of the rights of creditors;

(b) issuing, trading or dealing in securities, futures, options or derivatives;

(c) criminal or penal offences;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or

(e) ensuring compliance with orders or judgments in judicial or administrative proceedings.

ARTICLE 8

General Exceptions

(1) The provisions of this Agreement relating to treatment not less favourable than that accorded to the investors of either Contracting Party or of any third party shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) any existing or future customs union, free trade area or regional co-operation or economic organisation or similar international agreement to which either of the Contracting Parties is or may become a party; or

(b) any existing or future bilateral or multilateral agreement or arrangement relating wholly or mainly to taxation to which either of the Contracting Parties is or may become a party, or any domestic legislation relating wholly or mainly to taxation. In the event of any inconsistency between this Agreement and any tax-related bilateral or multilateral agreement or arrangement between the Contracting Parties, such agreement or arrangement shall prevail to the extent of such inconsistency.

(2) For greater certainty, the obligation in Article 4 of this Agreement does not encompass a requirement to extend to investors of the other

Contracting Party dispute resolution procedures other than those set out in this Agreement.

(3) Subject to the requirement that such measures are not applied in an arbitrary or unjustifiable manner, and do not constitute a disguised restriction on international trade or investment, nothing in this Agreement shall be construed to prevent a Contracting Party from adopting, maintaining or enforcing measures necessary:

(a) to protect the environment, human, animal or plant life or health;

(b) to protect public morals or to maintain public order, provided that the public order exception may only be invoked where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society;

(c) for the protection of national treasures of artistic, historic or archaeological value;

(d) for the conservation of living or non-living exhaustible natural resources, provided that such measures are made effective in conjunction with restrictions on domestic production or consumption; or

(e) to secure compliance with legislation which are not inconsistent with the provisions of this Agreement including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contract;

(ii) the protection of the privacy of the individual in relation to the processing and dissemination of personal data and the protection of confidentiality of personal records and accounts; or

(iii) safety.

(4) Nothing in this Agreement shall prevent the Contracting Parties from adopting or maintaining measures for prudential reasons, including:

(a) the protection of investors, depositors, policy-holders, policy-claimants, as well as financial market participants, or persons to whom a fiduciary duty is owed by a financial institution;

(b) the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions; and

(c) ensuring the integrity and stability of the Contracting Party's financial system.

Such measures shall be taken in good faith and shall not be used as means of avoiding a Contracting Party's commitments or obligations under this Agreement.

ARTICLE 9

Settlement of Disputes between a Contracting Party and an Investor

(1) For the purpose of resolving disputes arising under this Agreement with respect to investments between a Contracting Party and an investor of the other Contracting Party, consultations shall take place between the parties to the dispute with a view to, as far as possible, resolving the dispute amicably.

(2) If these consultations do not result in a solution within six (6) months from the date of receipt of a written request for settlement, the investor may submit the dispute in paragraph (1) of this Article to such procedures for settlement as may be agreed between the parties to the dispute. If no such procedures have been agreed within that six-month period, the parties to the dispute shall be bound to submit it to arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law (as revised in 2010). The parties to the dispute may agree in writing to modify those Rules.

(3) Paragraphs (1) and (2) of this Article shall not be construed so as to prevent an investor of a Contracting Party from submitting the dispute under this Agreement to the competent courts of the other Contracting Party in whose area the investment is made.

(4) The Contracting Parties hereby consent to the submission of an investment dispute to arbitration in accordance with this Agreement.

(5) The arbitration award shall be final and binding on the parties to the dispute. Each Contracting Party shall ensure the recognition and enforcement of the award in accordance with its relevant laws and regulations.

(6) The Contracting Parties hereby agree that:

(a) an investment dispute shall be submitted to arbitration no later than three (3) years from the date the investor first acquired or should have acquired knowledge of the events which gave rise to the dispute;

(b) an arbitral tribunal established under paragraph (2) of this Article shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law[1]; and

(c) an interpretation agreed upon by the Contracting Parties with regard to any provision of this Agreement shall be binding on any arbitral tribunal established under paragraph (2) of this Article.

ARTICLE 10

Settlement of Disputes between the Contracting Parties

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place try to settle it by negotiation.

(2) If the Contracting Parties fail to reach a settlement of the dispute by negotiation, it may be referred by them to such person or body as they may agree on or, at the request of either Contracting Party, shall be submitted for decision to a tribunal of three arbitrators which shall be constituted in the following manner:

(a) within thirty (30) days after receipt of a request for arbitration, each Contracting Party shall appoint one arbitrator. A national of a State which can be regarded as neutral in relation to the dispute, who shall act as President of the tribunal, shall be appointed as the third arbitrator by agreement between the two arbitrators, within sixty (60) days of the appointment of the second;

(b) if within the time limits specified above any appointment has not been made, either Contracting Party may request the President of the International Court of Justice, in a personal and individual capacity, to make the necessary appointment within thirty (30) days. If the President considers that he is a national of a State

[1] For greater certainty, this provision is without prejudice to any consideration of the laws and regulations of the Contracting Party to the dispute, when it is relevant to the claim. When making such considerations, the arbitral tribunal shall follow the prevailing interpretation given to such laws and regulations by the courts or other judicial authorities of that Contracting Party.

which cannot be regarded as neutral in relation to the dispute, the Vice-President who is not disqualified on that ground shall make the appointment.

(3) Except as hereinafter provided in this Article or as otherwise agreed by the Contracting Parties, the tribunal shall decide all questions relating to its competence and establish its own procedure. At the direction of the tribunal, or at the request of either of the Contracting Parties, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held not later than thirty (30) days after the tribunal is fully constituted.

(4) Except as otherwise agreed by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within forty-five (45) days after the tribunal is fully constituted. Replies shall be due sixty (60) days later. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.

(5) The tribunal shall attempt to give a written decision within thirty (30) days after completion of the hearing or, if no hearing is held, after the date both replies are submitted. The decision shall be taken by a majority vote.

(6) The Contracting Parties may submit requests for clarification of the decision within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such request.

(7) The tribunal shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law.

(8) The decision of the tribunal shall be binding on the Contracting Parties.

(9) Each Contracting Party shall bear the costs of the arbitrator appointed by it. The other costs of the tribunal shall be shared equally by the Contracting Parties including any expenses incurred by the President or Vice-President of the International Court of Justice in implementing the procedures in paragraph (2)(b) of this Article. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Contracting Parties.

ARTICLE 11

Subrogation

(1) If one Contracting Party or its designated agency makes a payment to its investor under an indemnity given in respect of an investment in the area of the other Contracting Party, the latter Contracting Party shall recognise:

(a) the assignment to the former Contracting Party or its designated agency by law or by legal transaction of all the rights and claims of the indemnified investor; and

(b) that the former Contracting Party or its designated agency is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as that investor.

(2) The former Contracting Party or its designated agency shall be entitled in all circumstances to the same treatment in respect of the rights and claims acquired by it by virtue of the assignment and any payments received in pursuance of those rights and claims as the indemnified investor was entitled to receive by virtue of this Agreement in respect of the investment concerned and its related returns.

(3) Any payments received by the former Contracting Party or its designated agency in pursuance of the rights and claims acquired shall be freely convertible. Such payments shall also be freely available to the former Contracting Party for the purpose of meeting any expenditure incurred in the area of the latter Contracting Party.

(4) Where a Contracting Party or its designated agency has made a payment to an investor of that Contracting Party and has taken over rights and claims of the investor, that investor shall not, unless authorised in writing to act on behalf of the Contracting Party or its designated agency making the payment, pursue those rights and claims against the other Contracting Party.

ARTICLE 12

Security Exceptions

(1) Nothing in this Agreement shall be construed to:

(a) require a Contracting Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or

(b) preclude a Contracting Party from adopting or maintaining measures which it considers necessary for:

(i) the fulfilment of obligations applicable to it with respect to the maintenance or restoration of international peace or security; or

(ii) the protection of its essential security interests.

(2) Subject to paragraph (1)(a) of this Article, the Contracting Parties shall endeavour to take reasonable steps to inform each other of any measures taken under paragraph (1)(b) of this Article and of their termination.

ARTICLE 13

Denial of Benefits

(1) A Contracting Party may, at any time, deny the benefits of this Agreement to an investor of the other Contracting Party that is an enterprise of that other Contracting Party and to investments of that investor if:

(a) persons of a non-Contracting Party own or control the enterprise and the enterprise has no substantial business activities in the area of the other Contracting Party; or

(b) persons of a non-Contracting Party own or control the enterprise and the denying Contracting Party adopts or maintains measures with respect to the non-Contracting Party or a person of the non-Contracting Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Agreement were accorded to the enterprise or to its investments.

(2) Prior to denying the benefits of this Agreement, the denying Contracting Party shall notify the other Contracting Party.

ARTICLE 14

Service of Documents

(1) Notices and other documents relating to disputes under Articles 9 and 10 of this Agreement shall be served on a Contracting Party by delivery to:

(a) in respect of the Hong Kong Special Administrative Region, Trade and Industry Department, Trade and Industry Tower, 3 Concorde Road, Kowloon City, Hong Kong; and

(b) in respect of the Kingdom of Bahrain, The Ministry of Foreign Affairs, P.O. Box 547, Manama, Kingdom of Bahrain.

(2) A Contracting Party shall promptly make publicly available and notify the other Contracting Party of any change to the place referred to in paragraph (1) of this Article.

ARTICLE 15

Consultations

Upon the written request of either Contracting Party, the Contracting Parties shall hold consultations on any matter concerning the interpretation or application of this Agreement.

ARTICLE 16

Entry into Force

(1) The Contracting Parties shall notify each other in writing of the completion of their respective requirements for the entry into force of this Agreement. This Agreement shall enter into force thirty (30) days after the date of the latter of these notifications.

(2) This Agreement may be amended by mutual written consent of the Contracting Parties. All amendments shall enter into force in the same manner as stated in paragraph (1) of this Article.

ARTICLE 17

Duration and Termination

(1) This Agreement shall remain in force for an initial period of ten (10) years and thereafter until the expiration of twelve (12) months from the date on which either Contracting Party shall have given written notice of termination to the other.

(2) In respect of investments made prior to the date of termination of this Agreement according to paragraph (1) of this Article, the provisions of Articles 1 to 15 of this Agreement shall remain in force for a further period of ten (10) years from that date.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in two originals at Manama, Bahrain on this 3rd day of March 2024 in the Chinese, Arabic and English languages, all texts being equally authentic. In case of divergence between the texts, the English text shall prevail.

For the Government of the Hong Kong Special Administrative Region of the People's Republic of China	**For the Government of the Kingdom of Bahrain**