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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

This announcement is not for distribution to (i) any person or address in the United States or (ii) to any U.S. person (as defined in Regulation S under the United States Securities Act of 1993, as amended (the “U.S. Securities Act”). The securities have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdiction and the securities may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities law.

This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document) forms the basis for any contract or commitment whatsoever. For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

Notice to Hong Kong investors: The Company (as defined below) confirms that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Company confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.



英皇集團（國際）有限公司*
Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 163)

U.S.\$2,000,000,000
MEDIUM TERM NOTE PROGRAMME

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

Please refer to the offering circular of Emperor International Holdings Limited (the “**Company**”) dated 17 December 2021 (the “**Offering Circular**”) appended herein in relation to the Programme. As disclosed in the Offering Circular, the Notes (as defined in the Offering Circular) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on the Hong Kong Stock Exchange on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. No investment decision should be made based on the information contained in the Offering Circular.

By order of the Board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 20 December 2021

As at the date hereof, the board of directors of the Company comprises :

| | |
|---|---|
| <i>Non-Executive Director:</i> | Ms. Luk Siu Man, Semon |
| <i>Executive Directors:</i> | Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa Mr. Cheung Ping Keung Mr. Yeung Ching Loong, Alexander |
| <i>Independent Non-Executive Directors:</i> | Mr. Wong Tak Ming, Gary Mr. Chan Hon Piu Mr. Chu Kar Wing |

** for identification purpose only*

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “Offering Circular”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERM IS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

You are not authorised to and you may not forward or deliver the Offering Circular, electronically or otherwise, to any other person or reproduce such document in any manner whatsoever, nor may you disclose the information contained in the Offering Circular to any third-party or use it for any other purpose. Failure to comply with this directive may result in a violation of the securities laws of applicable jurisdictions.

Confirmation of your Representation: The Offering Circular is being sent at your request, and by accepting the e-mail and accessing the Offering Circular you shall be deemed to have represented to us (1) that you and any customers you represent are located outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction. The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Issuer, the Joint Arrangers (as defined in the Offering Circular), the Dealers (as defined in the Offering Circular), or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



英皇集團(國際)有限公司
Emperor International Holdings Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 163)

U.S.\$2,000,000,000
Medium Term Note Programme

On 17 December 2014, Emperor International Holdings Limited (the “**Issuer**” or the “**Company**”) established a medium term note programme (the “**Programme**”). This Offering Circular supersedes the previous offering circular and any supplement thereto. Any Notes (as defined below) issued under this Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date of this Offering Circular. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue medium term notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$2,000,000,000 (or the equivalent in other currencies).

Application has been made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or “**HKSE**”) for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Professional Investors**”)) only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. This Offering Circular is for distribution to such Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form of disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Group, or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or, in case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act (the “**Regulation S**”)) except in accordance with Regulation S under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any Series of the Notes may be subject to additional selling restrictions. The relevant Pricing Supplement in respect of such Series of Notes will specify any such restrictions. See “**Subscription and Sale**” and the relevant Pricing Supplement. Registered Notes are subject to certain restrictions on transfer as described in “**Subscription and Sale**.”

Notification under Section 309(B)(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulation 2018 (the “**CMP Regulations 2018**”), unless otherwise stated in the Pricing Supplement in respect of the Notes, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Investing in the Notes involves certain risks. See “Risk Factors**” beginning on page 19.**

Each Series (as defined in “**The Programme**”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Notes in registered form of one Series. Global Notes and Global Certificates (as defined in “**The Programme**”) may be deposited on the issue date with a common depository on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Global Notes may be deposited with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “**CMU Service**”). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in “**Summary of Provisions Relating to the Notes while in Global Form**.”

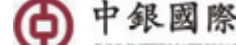
Interests in a temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. Until the expiration of 40 days after the later of the commencement of the offering of a Tranche (as defined herein) of a Series (as defined herein) and the issue date thereof, beneficial interests in a Global Note may only be held through Euroclear, Clearstream, Luxembourg or the CMU Service.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “**The Programme**” and any additional Dealer appointed under the Programme from time to time by the Issuer.

Joint Arrangers and Dealers



Dealers



(于中華人民共和國註冊成立的股份有限公司)

NOTICE TO INVESTORS

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of each of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Issuer, having made all reasonable enquiries, confirms that to the best of its knowledge and belief (i) this Offering Circular contains all material information with respect to the Issuer and its subsidiaries (collectively, the “**Group**”), and to the Notes (including all information which, according to the particular nature of the Group and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group and of the rights attaching to the Notes), (ii) all statements of fact relating to the Group and to the Notes contained in this Offering Circular are in every material respect true and accurate and not misleading in any material respect, and that there are no other facts in relation to the Group and to the Notes the omission of which would in the context of the issue of the Notes make any statement in this Offering Circular misleading in any material respect, (iii) the statements of intention, opinion, belief or expectation with regard to the Group contained in this Offering Circular are honestly made or held and have been reached after considering all relevant circumstances and have been based on reasonable assumptions and (iv) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such statements. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular.

Each Tranche of the Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” as amended and/or supplemented by a Pricing Supplement. This Offering Circular must be read and construed together with each such Pricing Supplement.

This Offering Circular has been prepared by the Issuer solely for use in connection with the Programme described in this Offering Circular. The distribution of this Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, Emperor Securities Limited, Guotai Junan Securities (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited (the “**Joint Arrangers**”) and the Dealers (as defined in “The Programme”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and the distribution of this Offering Circular, see “Subscription and Sale”.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes include a legend entitled “PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, the “**MiFID II**”); (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes include a legend entitled “UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) – the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No person has been or is authorised to give any information or to make any representation concerning the Group or the Notes other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Arrangers, the Dealers or the Agents (as defined in the Terms and Conditions of the Notes (the “**Conditions**”)). Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Arrangers, the Dealers or the Agents to subscribe for or purchase any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Joint Arrangers, the Dealers or the Agents or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Arrangers, the Dealers or the Agents. None of the Joint Arrangers, the Dealers or the Agents has independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Arrangers, the Dealers, the Agents nor any of their respective affiliates accept any responsibility for the contents of this Offering Circular. Each of the Joint Arrangers, the Dealers, the Agents and their respective affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement herein. None of the Joint Arrangers, the Dealers, the Agents nor any of their respective affiliates undertakes to review the financial condition or affairs of the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Arrangers, the Dealers, the Agents or their respective affiliates.

In making an investment decision, investors must rely on their own examination of the Group and the terms of the Notes, including the merits and risks involved. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Arrangers, the Dealers, the Agents or any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Notes, is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Joint Arrangers, the Dealers, the Agents or any of them that any recipient of this Offering Circular should subscribe for or purchase any Notes. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Group with its own tax, legal and business advisors as it deems necessary.

IN CONNECTION WITH ANY TRANCHE OF THE NOTES, ONE OR MORE OF THE DEALERS (OR PERSONS ACTING ON THEIR BEHALF) MAY ACT AS THE STABILISING MANAGER(S) (THE “STABILISING MANAGER(S)”). THE IDENTITY OF THE STABILISING MANAGER(S) (IF ANY) WILL BE DISCLOSED IN THE RELEVANT PRICING SUPPLEMENT. IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, ONE OR MORE OF THE DEALERS NAMED AS STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO OBLIGATION ON THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER) TO DO THIS. SUCH STABILISING IF COMMENCED MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

Except as otherwise indicated in this Offering Circular, all non-company specific statistics and data relating to the industry or to the economic development of certain regions within Hong Kong, Macau and the PRC have been extracted or derived from publicly available information and industry publications. The information has not been independently verified by the Issuer, the Joint Arrangers, the Dealers or the Agents or by their respective directors and advisors, and neither the Issuer, the Joint Arrangers, the Dealers, the Agents nor their respective directors and advisors make any representation as to the correctness, accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

FORWARD-LOOKING STATEMENTS

Certain statements under “Risk Factors”, “Description of the Group” and elsewhere in this Offering Circular constitute “forward-looking statements”. Words such as “believe”, “expect”, “plan”, “anticipate”, “schedule”, “estimate” and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group’s management for its future operations (including development plans and objectives relating to the Group’s operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. The Issuer expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under “Risk Factors” and elsewhere, important factors that could cause actual results to differ materially from the Issuer’s expectations. All subsequent written and forward-looking statements attributable to the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by such cautionary statements.

PRESENTATION OF FINANCIAL INFORMATION

Financial Data

The Group's consolidated financial statements are prepared in accordance with HKFRS and HKAS. In making an investment decision, investors must rely upon their own independent examination of the Group, the terms of this Offering and the Group's recent financial information. Unless specified or the context otherwise requires, all financial information in this Offering Circular is presented on a consolidated basis.

Unless otherwise indicated, the historical financial information included in this Offering Circular has been derived from the Group's audited consolidated financial statements as at, and for the years ended 31 March 2020 and 2021 and the Group's unaudited condensed consolidated financial statements as at and for the six months ended 30 September 2020 and 2021. The Group's unaudited condensed consolidated financial statements as at and for the six months ended 30 September 2020 and 2021 have not been reviewed by the Group's auditor. The unaudited condensed consolidated financial statements of the Group as at and for the six months ended 30 September 2021 should not be taken as an indication of the expected financial condition, results of operations and results for the full fiscal year ending 31 March 2022.

Incorporation by Reference

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the Group's two most recently published audited consolidated financial statements and any unaudited interim financial statements published subsequently to such audited consolidated financial statements, from time to time (if any), in each case with the report of the auditors in connection therewith (if any), copies of which are available on the websites of the Company and Hong Kong Stock Exchange and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Paying Agents set out at the end of this Offering Circular.

Exchange Rate Information

The Macau Pataca is pegged to the Hong Kong dollar at a rate of HK\$1.00 = MOP1.03, as published by the Monetary Authority of Macau.

Rounding

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

CERTAIN TERMS AND CONVENTIONS

Unless indicated otherwise, in this Offering Circular all references to the “**Group**” are to the Company and its subsidiaries.

Unless otherwise specified or the context otherwise requires, references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China. References to “**PRC**” and “**China**” are to the People’s Republic of China (excluding, for the purposes of this Offering Circular only, Hong Kong, the Macau Special Administrative Region of the PRC (“**Macau**”) and Taiwan). “**PRC Government**”, “**Central Government**” or “**State**” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them. “**UK**” is to the United Kingdom, “**U.S.**” or “**United States**” are to the United States of America, “**Hong Kong dollar**” and “**HK\$**” are to the lawful currency of Hong Kong, “**CNY**”, “**RMB**” or “**Renminbi**” are to the lawful currency of the PRC, “**U.S. dollar**” or “**U.S.\$**” are to the lawful currency of the United States, “**MOP**” or “**Macau Pataca(s)**” are to the lawful currency of Macau and “**GBP**” or “**British Pounds**” are to the lawful currency of the United Kingdom.

In this Offering Circular:

- “**GFA**” means gross floor area;
- “**pa**” means per annum;
- “**sq. ft.**” means square feet;
- “**HIBOR**” means Hong Kong Inter-bank Offered Rate;
- “**LIBOR**” means London Inter-bank Offered Rate;
- “**HKAS**” refers to Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”);
- “**HKFRS**” refers to Hong Kong Financial Reporting Standards issued by the HKICPA; and
- “**%**” means per cent.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this Summary. Prospective investors should therefore read this Offering Circular in its entirety, including the documents incorporated by reference.

OVERVIEW

The Company is an exempted company with limited liability incorporated under the laws of Bermuda (Registration Number 16715) and its shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 163).

The Group principally engages in property investment and property development; and operates a hospitality business via its subsidiary, Emperor Entertainment Hotel Limited (“**Emperor E Hotel**”).

As at 30 September 2021, the Group had investment properties currently for lease with a total GFA of approximately 2,886,500 sq. ft., investment properties to be launched for lease with a total GFA of approximately 1,396,000 sq. ft. and property development projects with a total GFA of approximately 420,000 sq. ft. in Hong Kong, as well as hotels and serviced apartments with a total of 983 rooms in Hong Kong and Macau.

The Group’s investment properties are primarily quality street-level retail spaces and commercial buildings at prime locations in Hong Kong, Macau, Beijing, Shanghai and London. In recent years, the Group has strived to maintain a healthy mix of its rental income streams and ensure the Group is in a more resilient position to withstand market volatility.

The Group has a diversified property development portfolio in Hong Kong. Residential development is one of the Group’s more vibrant areas of business and the Group has been actively and successfully developing a number of residential properties in Hong Kong over the years.

Emperor E Hotel owns two hotels in Macau, namely Grand Emperor Hotel and Inn Hotel Macau. During the six months ended 30 September 2021, Emperor E Hotel acquired one hotel – The Emperor Hotel, and two serviced apartments – The Unit Serviced Apartments and MORI MORI Serviced Apartments in Hong Kong from a subsidiary of the Company. As a result, the entire hospitality business segment operated by the Group, covering three hotels and two serviced apartments, is unified under Emperor E Hotel, and the recurring income from such business segment continues to be consolidated into the Group.

Despite the increasing number of COVID-19 cases in many countries, travel restrictions within Greater China were relaxed as the pandemic was largely contained, creating a favourable condition for the restoration of consumption confidence. The Group's total revenue increased to HK\$1,392.7 million (2020: HK\$637.5 million) during the six months ended 30 September 2021. Revenue from the property development surged to HK\$731.7 million (2020: HK\$82.1 million) mainly attributable to the sales of Central 8 during the six months ended 30 September 2021. Although the leasing market has been picking up, it is yet to return to the previous level. The Group's rental income for the six months ended 30 September 2021 declined slightly to HK\$440.5 million (2020: HK\$447.6 million). With the relaxation of travel restrictions between Macau and Mainland China, revenue from the hospitality segment increased to HK\$220.5 million (2020: HK\$107.8 million) during the six months ended 30 September 2021. Gross profit increased to HK\$409.2 million (2020: HK\$280.4 million) during the six months ended 30 September 2021. A revaluation gain on investment properties amounted to HK\$197.9 million (2020: loss of HK\$981.8 million) was recorded during the six months ended 30 September 2021. As a result, profit for the six months ended 30 September 2021 attributable to the owners of the Company was HK\$233.2 million (2020: loss of HK\$990.2 million).

Set out below is the breakdown of revenue by segments of the Group for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| | Year ended 31 March | | Six months ended 30 September | |
|------------------------------------|-------------------------|-------------------------|----------------------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Lease of properties | 898,724 | 1,007,719 | 440,465 | 447,554 |
| Properties development | 82,208 | 145,250 | 731,674 | 82,100 |
| Hotel and hotel related operations | 336,150 | 1,212,413 | 220,543 | 107,849 |
| Total | <u>1,317,082</u> | <u>2,365,382</u> | <u>1,392,682</u> | <u>637,503</u> |

As at 30 September 2021, the Company had a market capitalisation of approximately HK\$3,714.3 million based on the closing price of HK\$1.01 of its shares listed on the Main Board of the HKSE and the Company was ultimately controlled as to 74.71% by a private discretionary trust of which Dr. Yeung Sau Shing, Albert (“**Dr. Yeung**”) is the settlor and founder. No other shareholder holds an interest of above 10% of the Company's issued shares.

Competitive Strengths

The Group believes that it has the following competitive strengths that enable the Group to compete effectively in the business segments in which it operates:

- strong and recurrent cash flows and income;
- investment properties in prime locations and the ability to create value in them;

- sourcing land through the acquisition of aged buildings and public government tenders;
- property development projects in prime locations;
- award winning hotels and premium quality services incidental to its hotel businesses;
- Macau gaming business secured by the Services Agreement with SJM Resorts, Limited; and
- an experienced management team

Business Strategies

The Group's business strategies include the following:

- continue to focus on the successful dual-engine business model;
- continue to maintain a diversified business portfolio; and
- continue to maintain a healthy capital structure

Recent Developments

Disposal of entire equity interest in Black Tie Holdings Limited

On 20 October 2021, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a buyer to sell the entire equity interest in Black Tie Holdings Limited (together with the seller's loan due from the target company), at a consideration of approximately HK\$585.0 million (subject to adjustments). Black Tie Holdings Limited indirectly owns one 12-storey industrial building located in Hong Kong, with details set out in the announcement dated 20 October 2021 of the Company. The Directors view the proposed disposal of the property represents a good opportunity for the Company to realise its investment in the property for a reasonable return and improve the financial position of the Company.

Disposal of entire equity interest in Jade Talent Holdings Limited

On 21 April 2021, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a buyer to sell the entire equity interest in Jade Talent Holdings Limited (together with the seller's loan due from the target company), at a consideration of approximately HK\$485.7 million. Completion of the disposal took place simultaneously on the same day. Jade Talent Holdings Limited indirectly owns one 10-storey industrial building located in Hong Kong, with details set out in the announcement dated 21 April 2021 of the Company. The Directors view the disposal of the property represents a good opportunity for the Company to realise its investment in the property for a reasonable return and improve the financial position of the Company.

The acquisition of certain assets by Emperor E Hotel from a subsidiary of the Company

On 28 May 2021, an indirect non-wholly owned subsidiary of Emperor E Hotel acquired the entire equity interest of Poly Keen International Limited (“**Poly Keen**”) from a subsidiary of the Company. Poly Keen and its subsidiaries are principally engaged in hospitality business and property investment in Hong Kong, which includes the operations of The Emperor Hotel, The Unit Serviced Apartments and MORI MORI Serviced Apartments.

After the acquisition, the Company focuses on property investment for rental income and property development for sale, while the overall performance of the Company continues to include the hospitality service at consolidation level. In the meantime, Emperor E Hotel remains its core focus on gaming hotel, with an extension of market presence in the regional hospitality sector. The acquisition can achieve better delineation of assets, resources (both tangible and intangible) and business activities between the Company and Emperor E Hotel, and can streamline the decision-making process of respective management teams. It would also enable potential investors and the existing shareholders of the Company and Emperor E Hotel to better assess the investment values by clearly distinguishing the business focuses of the two companies.

THE PROGRAMME

The following contains some summary information about the Notes. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this summary. For a more complete description of the terms of the Notes, see “Terms and Conditions of the Notes” in this Offering Circular.

| | |
|-----------------|---|
| Issuer | Emperor International Holdings Limited |
| Description | Medium Term Note Programme |
| Size | Up to U.S.\$2,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the aggregate nominal amount of the Programme in accordance with the terms of the Programme Agreement. |
| Joint Arrangers | Emperor Securities Limited Guotai Junan Securities (Hong Kong) Limited Industrial and Commercial Bank of China (Asia) Limited |
| Dealers | AMTD Global Markets Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch The Bank of East Asia, Limited BNP Paribas BOCI Asia Limited China Construction Bank (Asia) Corporation Limited China Minsheng Banking Corp., Ltd., Hong Kong Branch CMB International Capital Limited Emperor Securities Limited Guotai Junan Securities (Hong Kong) Limited Haitong International Securities Company Limited The Hongkong and Shanghai Banking Corporation Limited Industrial and Commercial Bank of China (Asia) Limited Industrial Bank Co., Ltd. Hong Kong Branch Oversea-Chinese Banking Corporation Limited |

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches (as defined below).

Method of Issue

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “**Pricing Supplement**”).

Issue Price

Notes may be issued on a fully-paid or a partly-paid basis at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes

Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Tranche of Bearer Notes will initially be in the form of either a temporary Global Note or a permanent Global Note, in each case as specified in the relevant Pricing Supplement.

Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub custodian for Clearstream, Luxembourg, Euroclear and/or as the case may be, the CMU Service and/or any other relevant clearing system. Each temporary Global Note will be exchangeable for a permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a temporary Global Note or receipt of any payment of interest in respect of a temporary Global Note. Each permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will initially be represented by a Global Certificate. Global Certificates representing Registered Notes will be registered in the name of a nominee for one or more of Euroclear, Clearstream, Luxembourg and the CMU Service.

| | |
|------------------------|--|
| Currencies | Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated. |
| Maturities | Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| Specified Denomination | Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| Interest | Notes may be interest bearing or non interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement. |
| Fixed Rate Notes | Interest on Fixed Rate Notes will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement. |
| Floating Rate Notes | Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to HIBOR or SOFR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement. |
| Zero Coupon Notes | Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest. |
| Status of the Notes | The Notes constitute direct, general, unconditional, unsubordinated and (subject to the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank pari passu without any preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. |

| | |
|----------------------------------|---|
| Negative Pledge | The Notes will contain a negative pledge provision as described in the Terms and Conditions of the Notes. |
| Cross Default | The Notes will contain a cross default provision as described in the Terms and Conditions of the Notes. |
| Events of Default | Upon the occurrence of certain events as described in the Terms and Conditions of the Notes, upon notice in writing addressed to the Issuer and delivered to the Issuer or to the Specified Office (as defined in the Agency Agreement referred to in the Terms and Conditions of the Notes) of the Fiscal Agent, Noteholders representing not less than five per cent. of the principal amount of the Notes outstanding may declare their Notes immediately due and payable, whereupon such Notes shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. |
| Redemption for Tax Reasons | The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 days' nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to, but excluding the date fixed for redemption, in the event of certain changes in Bermuda or Hong Kong taxation, as further described in the Terms and Conditions of the Notes. |
| Redemption for Change of Control | A Noteholder shall have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at their principal amount, together with accrued interest up to, but excluding the Put Settlement Date, upon the occurrence of a Change of Control with respect to the Issuer, as further described in the Terms and Conditions of the Notes. |
| Fiscal Agent | The Bank of New York Mellon, London Branch. |
| Transfer Agent | The Bank of New York Mellon SA/NV, Luxembourg Branch. |
| Registrar | The Bank of New York Mellon SA/NV, Luxembourg Branch. |
| CMU Lodging and Paying Agent | The Bank of New York Mellon, Hong Kong Branch. |
| CMU Registrar | The Bank of New York Mellon, Hong Kong Branch. |
| Clearing Systems | Clearstream, Luxembourg, Euroclear and/or the CMU Service and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer and the relevant Dealer(s). |

| | |
|---------------------------|--|
| Notices and Payment | So long as the Notes are represented by a Global Certificate and the Global Certificate is held on behalf of one or more clearing systems, notices to the Noteholders may be given by delivery of the relevant notice to the persons holding interests in the Global Certificate, and payments on the Notes shall be made to the person(s) for whose account(s) interests in the Global Certificate are credited. |
| Withholding Tax | All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Bermuda or Hong Kong, as the case may be, subject to customary exceptions. |
| Governing Law | Hong Kong law |
| Initial Delivery of Notes | On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with a sub custodian for the CMU Service or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub custodian for, such clearing systems. |
| Selling Restrictions | <p>For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the UK, the Netherlands, Hong Kong, the PRC, Singapore, Japan and Bermuda see “Subscription and Sale”.</p> <p>Regulation S, Category 1 or 2 will apply as specified in the relevant Pricing Supplement.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.</p> |

Listing and Admission to Trading

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued during the 12 months after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The listing of the Programme on the Hong Kong Stock Exchange is expected to become effective on or before 20 December 2021.

However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange (or listed, traded or quoted on or by any other competent authority, exchange or quotation system).

Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK\$500,000 (or its equivalent in other currencies).

Ratings

The Notes will not be rated.

Use of Proceeds

The net proceeds from the issue of the Notes will be used for general working capital purposes of the Group. See the section entitled "Use of Proceeds".

Legal Entity Identifier (LEI no.)
of the Issuer

3003002GET5X9UP2V860

RISK FACTORS

Before making an investment decision, investors should carefully consider all of the information set out in this Offering Circular, including the risk factors set forth below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including the Notes may have a material adverse effect on the Group's business, operations and prospects. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay principal, interest or other amounts or fulfill other obligations on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. The risks discussed below also include forward-looking statements and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Risks Relating to the Group's Business in General and Property Business

The Group's business is subject to the effects of global economic events

The Group has investment properties in Hong Kong, Macau, the PRC and the UK. The Group's business operations may be affected by social, political or economic events around the world. Events such as the United Kingdom's withdrawal from the European Union ("EU"), slowdown in the PRC economy, trade war between the United States and the PRC, and the outbreak of novel coronavirus and its new variants ("COVID-19") since the beginning of 2020, which are all continuing and are expected to lead to further uncertainty, have resulted in instability and volatility in global markets and have had significant impact on the Group's financial performance.

These events have had and will continue to have an adverse impact on the global credit and financial markets as a whole. Any deterioration in the financial markets may contribute to a slowdown in the global economy, including in the growth forecasts, and may lead to significant declines in employment, household wealth, consumer demand and lending, which may in turn affect the Group's business, financial condition and results of operations. In addition, changes in the global credit and financial markets have recently diminished the availability of credit and led to an increase in the cost of financing. The Group may face difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding in the future. There can be no assurance that the Group will be able to raise finance at a reasonable cost. Moreover, if conditions worsen or a global crisis recurs, this may adversely affect the availability, terms and cost of borrowing in the future, including any financing necessary to fund the Group's capital expenditures or future expansion. Any disruption in the Group's ability to continue or renew existing credit facilities or obtain new borrowings on acceptable terms may adversely affect its business, financial position, results of operations and prospects, which may in turn have a material adverse impact on the ability of the Issuer to fulfil its obligations under any Notes.

The Group heavily depends on the performance of the property markets in Hong Kong, Macau, the PRC and the UK

The Group's property business focuses on property investment and property development in Hong Kong, Macau, the PRC and the UK. The Group derives a substantial portion of its revenue from leasing of investment properties in Hong Kong, Macau, the PRC and the UK, and sale of residential properties in Hong Kong. The Group's business, prospects, financial position and results of operations are dependent on these properties. The property interests of the Group are subject to certain risks including the cyclical nature of property markets, changes in general economic, business and credit conditions, the illiquidity of land and other real property, changes in governmental policies or regulations, supply of land, building material shortages and increases in the costs of labour and materials. Any decline in the property markets in these regions could adversely affect the Group's revenue and results.

The segment revenue attributable to the Group's property development business is subject to fluctuation mainly due to the Group's revenue recognition policy, pursuant to which revenue is recognised when the properties have been completed and delivered to purchasers. Such fluctuation in the property development segment revenue may happen whenever the Group completes a new property development. There is no assurance that the Group is able to complete the same amount of new property developments going forward. In the event that the Group is unable to do so, the Group's results of operations and financial condition may be materially and adversely affected.

Historically, Hong Kong residential property markets have been cyclical. Residential property prices in Hong Kong increased significantly in 2017 and the first half of 2018, and the increase continued at a slower pace in the third quarter of 2018. Demand for properties, especially residential properties in Hong Kong, has remained strong and there have been concerns that the Hong Kong property market has been overheated. In late 2018, the highly volatile stock market, together with a potential weakening of the PRC economy due to the trade war with the United States and depreciation in the value of Renminbi had a negative impact on the price, and the property market in Hong Kong had shown signs of slowdown. Due to the social unrest during 2019 to 2020, residential property prices and rent have slightly decreased. Despite the Hong Kong government announcing in October 2019 an easing of mortgage lending rules, the property market remains volatile.

In the event of any adverse economic development in Hong Kong, Macau, the PRC or the UK, as a result of a global economic slowdown on the recent US-China trade tension, global pandemic or otherwise, the Group may experience market pressures from tenants or prospective tenants for rent reductions or reduced market prices for sale properties. Rental values are also affected by factors such as political developments, governmental regulations and changes in planning or tax laws, interest rate levels and inflation. Additional supply of new residential and commercial properties over the next few years may also increase competition and adversely affect residential and commercial rents and occupancy rates as well as sales prices for new residential units.

There is no assurance that the problems of oversupply, falling property prices and tightening of credit provided by lenders will not occur or that such occurrences with respect to the Hong Kong, Macau or the PRC property markets will not adversely affect the business, financial position and results of operations of the Group. Any slowdown in the economies of the United States, the EU and certain Asian countries may adversely affect economic growth in Hong Kong, Macau and the PRC. The inherent volatility of the property market impacts on the most optimal timing for both the acquisition of sites and the sale of completed development properties. Such volatility, combined with the lead time required for completion of projects as well as the sale of existing properties, means that the Group's results from its property development activities may be susceptible to significant fluctuations from year to year.

The Group incurred losses for the years ended 31 March 2020 and 2021 and may incur further loss or experience a decline in net profit in the future

The Group recorded losses of approximately HK\$3,543.4 million and HK\$870.3 million for the years ended 31 March 2020 and 2021, respectively. The Group's revenue decreased from HK\$2,365.4 million for the year ended 31 March 2020 to HK\$1,317.1 million for the year ended 31 March 2021. With a decrease in fair value loss of investment properties from HK\$4,129.5 million for the year ended 31 March 2020 to HK\$1,210.6 million for the year ended 31 March 2021, loss for the year decreased in the year ended 31 March 2021.

For the six months ended 30 September 2021, the Group's total revenue increased from HK\$637.5 million in 2020 to HK\$1,392.7 million in 2021, mainly attributable to increase in revenue in the property development segment and the hospitality segment. With the recognition of a revaluation gain of the Group's investment properties of HK\$197.9 million, profit for the six months ended 30 September 2021 was HK\$188.9 million, indicating a turnaround from the loss of HK\$1,067.5 million for the six months ended 30 September 2020. For more details, see "*The Group's business is subject to the effects of global economic events*" under "*– Risks Relating to the Group's Business in General and Property Business*". Although there was a decrease in loss for the year ended 31 March 2021 and the Group recorded a profit for the six months ended 30 September 2021, the Group may incur loss or experience a decline in profit in the future, which could have a material and adverse effect on the Group's business, results of operation, financial condition and prospects.

The Group's business and results of operations may be adversely affected by the measures adopted from time to time by the Hong Kong and the PRC governments to control price increases and speculative activities in the real estate market

The Group's business is subject to government policies and regulations, and in particular, the Group is susceptible to changes in policies related to the Hong Kong property market. The Hong Kong government has implemented and may continue to implement, from time to time, a series of policies and regulations to slow down increases in property prices, as well as to dampen property speculation and foreign investment. These policies and regulations include, but are not limited to, taxes and duties, such as (i) the modified ad valorem stamp duty, which currently applies to residential properties other than those acquired by a permanent resident of Hong Kong who does not own any other residential property at the time of acquisition; (ii) the special stamp duty, which is imposed on disposal of residential properties in Hong Kong made within 36 months after acquisition; (iii) a buyer's stamp duty on residential properties purchased by any person (including a company incorporated) except a permanent resident of Hong Kong.

The Hong Kong Monetary Authority also from time to time impose a number of measures applicable to the provision of loans secured over real estate by banks in Hong Kong aimed at protecting the depositors of those banks from the risk of a collapse in real estate prices in Hong Kong and reducing the leveraging of the financial system of Hong Kong as a whole during the property market's upward cycle and such measures include limiting the borrower's ability to borrow by placing caps on applicable loan-to-value ratio ("**LTV**") and debt-servicing ratio ("**DSR**") under different scenarios and strengthening the risk management of authorised institutions ("**AIs**") by (i) raising the risk-weight floor from 15% to 25% for new residential mortgage loans approved after 19 May 2017 for AIs using the internal ratings-based approach when calculating capital charges for credit risk; (ii) lowering the applicable LTV cap by 10 percentage points for property mortgage loans involving borrowers or guarantors with one or more pre-existing mortgage loans (in addition to the existing requirement of lowering the applicable DSR limit by 10 percentage points for these loans) for all AIs; and (iii) lowering the applicable DSR limit by 10 percentage points for property mortgage loans extended to borrowers whose income is mainly derived from outside of Hong Kong by 10 percentage points (in addition to the requirement of lowering the applicable LTV cap) for all AIs.

On 16 October 2019, HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited, announced certain amendments to the Mortgage Insurance Programme for completed residential properties, as endorsed by the Hong Kong Monetary Authority. In light of the amendments, the cap on the value of a property eligible for a mortgage loan of maximum cover of 90% LTV was raised from the existing HK\$4.0 million to HK\$8.0 million for first-time home buyers. For a property eligible for a mortgage loan of maximum cover of 80% LTV, the cap on its value was increased from HK\$6.0 million to HK\$10.0 million.

These regulatory changes (and any further measures the Hong Kong government may introduce from time to time in the future) may have an adverse effect on the property market in Hong Kong, and in turn, the Group's business and profitability.

In addition, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector, and has imposed industry policies and other economic measures intended to slow down the overheating of the property market, such as suppressing speculative investment on residential properties through administrative measures, increasing the provision of ordinary commodity housing and land supply, accelerating the planning and construction of indemnificatory housing and strengthening the regulation of the real estate market. Many of the property industry policies carried out by the PRC government are unprecedented and are expected to be amended and revised over time. If the Group fails to adapt its operations to new policies, regulations and measures that may come into effect from time to time with respect to the property industry, or such policy changes disrupt the Group's business or cause it to incur additional costs, the Group's business, results of operations and financial condition may be materially and adversely affected.

Economic, political and legal developments in Hong Kong, Macau and the PRC could negatively affect the Group's property business

A majority of the Group's assets are located in Hong Kong. As a result, the general state of the Hong Kong economy and the political and legal situation in Hong Kong have a significant impact on the Group's operating results and financial position. Any disruption to Hong Kong's economy, such as an increase in the unemployment rate, a reduction in consumer spending, an upsurge in interest rates, an occurrence of social unrest or global pandemic, persistent high oil prices, a slow down in the rate of economic growth in the PRC or a decrease in the number of travellers to Hong Kong, may have an adverse impact on the Group's financial position, asset value, results of operations and prospects.

The COVID-19 pandemic has led to a continuous tough business environment domestically, placing downward pressure on both retail and commercial market rents. There has been and may continue to be a significant fair value loss as a result of fair value change in the Group's investment properties. Such fair value loss arising from fair value adjustment is a non-cash item and will not have a direct impact on the cash flow of the Group. However, in cases where the change in fair value results in the LTV going beyond the acceptable LTV as required by any mortgagee banks, repayment of bank loans may be called upon to restore the LTV to the acceptable level as stated in the loan agreements. Excluding the effect of the fair value adjustment on investment properties, the consolidated core earnings may also decrease when compared to previous performances due to the declining local economy.

Macau lies on the western side of the Pearl River Delta across from Hong Kong which is in the east, bordering Guangdong province to the north and facing the South China Sea to the east and south. Macau's economy is closely linked to that of Hong Kong and Guangdong Province, in particular the Pearl River Delta region, which qualifies as one of Asia's "little tigers". In the circumstances, any change in the economic, political or legal environment in Macau may also impact on the Group's business and financial position.

The Group has also extended its property portfolio to the PRC. Therefore, the Group's property operations in the PRC are also exposed to the risks of changes in economic policies, monetary policies, governmental regulations and intervention imposed by the central and local PRC governments. For example, with effect from 1 May 2016 certain real estate transactions are now subject to value-added tax, instead of business tax.

The Group's businesses are subject to project development risks

Property development involves significant risks for the Group when compared with companies which acquire existing investment properties. Such risks, among other things, include financing risks for property under development, construction not being completed on schedule or within budget due to unforeseen infrastructure or engineering problems, delays in land site clearance, material shortage due to disruption in global container shipping industry, workforce shortages, unexpected increases in building cost, property design feasibility, interruption caused by environmental and weather constraints and civil disobedience movements, problems with independent contractors and changes to governmental policies and regulations. Contractors may undertake projects for other developers, the time taken and the costs involved in completing construction can also be adversely affected by many factors, including shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents, changes in governmental priorities and other unforeseen circumstances. Major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of the Group's development projects or resulting in additional costs for the Group. There is no assurance that the Group's projects will be completed in a timely manner or be of satisfactory quality within the original budget.

All these risks may adversely affect the timeliness of project completion and investment returns generated from property development undertaken by the Group.

Under the PRC law, if a developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, land use or the time for commencement and completion of the development of the land), the relevant local government authority may give a warning to or impose a penalty on the developer or forfeit the land granted to the developer. There can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future. The Group must obtain various permits, certificates and relevant approvals from the relevant administrative authorities at various stages of development, including land use rights document, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on compliance with certain requirements or conditions. There can be no assurance that the Group will not encounter material delays or other impediments in fulfilling the conditions precedent to obtaining these approvals.

The Group may face contractual risks relating to the pre-sale of properties, including the risk that property developments cannot be completed, or cannot be completed on time

The Group may face contractual risks relating to the pre-sale of properties in case of failure to complete in a timely manner and/or deliver a pre-sold property that may cause the Group to be liable to the relevant purchaser for losses suffered by them. The Group's failure to complete property developments in the time required by pre-sale contracts may entitle purchasers to claim damages under the pre-sale contracts, and in the event that such failure causes a delay that extends beyond any grace period stipulated in the presale contracts, purchasers may be entitled to terminate the pre-sale contracts, claim damages and request a refund of their purchase amount together with interest. The Group may experience delays in completion or delivery of its properties which could have a materially adverse effect on the Group's business, financial position and results of operations.

The Group's profit margin is sensitive to fluctuations in the cost of construction materials

Construction cost is one of the major components of the Group's cost of sales. Construction cost encompasses all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials, foundation and substructure, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Historically, construction material costs have been the principal driver of the construction costs of the Group's property development projects, with the cost of third-party contractors remaining relatively stable. A general trend in the economy of increased inflationary risk may also have an impact on the construction costs and a wider impact on other costs.

The Group endeavours to reduce its exposure to short-term price fluctuations of construction materials and limit project cost overruns by outsourcing construction work through a process of tenders which, among other things, takes into account procurement of supplies of principal construction materials such as steel and cement for the Group's property development projects at fixed prices. The Group often includes construction material costs in the total construction costs paid to its contractors as part of the construction contracts with such contractors. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), the Group will be required to re-negotiate, top up or refund, depending on the price movement, existing construction contracts. In addition, should existing contractors fail to perform under their contracts, the Group may be required to pay more to contractors under replacement contracts. Therefore, the Group's profit margin is sensitive to changes in construction costs and the Group's business, financial position and results of operations will be adversely affected if the Group cannot pass all of the increased costs onto its customers.

The Group's sales and pre-sales will be affected if mortgage financing becomes more costly or otherwise unavailable

Many of the Group's customers need to finance their purchase of the properties through mortgage loans. Interest rates of various currencies may fluctuate from time to time. The increases in lending rate may significantly increase the cost of mortgage financing, which in turn may reduce the attractiveness of mortgages as a source of financing for property purchases and may affect the affordability of purchasers in buying properties. Further, an increase in the minimum down payment requirements for mortgages may reduce the ability of customers to purchase property. At the same time, frequent or unexpected changes in the interest rates may impact market confidence. Either of those measures or the suspension of mortgage financing may adversely affect the affordability of residential properties which in turn could have a material and adverse effect on the Group's business, prospects, financial position and results of operations.

The Group may not always be able to replenish its land bank in a timely manner and on commercially reasonable terms

The Group has derived and will continue to derive a portion of its revenues from sales or lease of properties that it has developed. As a result, the Group's future growth depends upon, among other things, its ability to replenish and increase its land bank with sites that are suitable for future development. The Group's ability to identify and acquire suitable development sites is subject to a number of factors, some of which are beyond its control.

The limited supply of land in Hong Kong has, in the past, made it increasingly difficult to locate suitable property to acquire at economical prices for development. Government policies seeking to increase land supply and increases in borrowing costs could affect its ability to maintain historical operating margin levels, and its profits from property development activities could be materially and adversely affected.

Currently, the PRC government controls and regulates substantially all of the land in the PRC. Therefore, the PRC government's land policies will have a direct impact on its ability to acquire land use rights for future development and the costs of any acquisition by the Group. In recent years, to slowdown the overheating of the domestic property market, the central, provincial and local governments in the PRC have implemented various measures to restrain the acquisition of land use rights by property developers for property development. The PRC government also controls land supply through zoning, land usage regulations and other means. All these measures further intensify the competition for land in the PRC among property developers.

If the Group fails to acquire sufficient land sites suitable for future development in a timely manner and at reasonable prices, its prospects and competitive position may be hindered and its growth potential and performance may be materially and adversely affected. Failure to replenish its land bank in a timely manner and on commercially reasonable terms or at all, may materially and adversely affect the Group's business, financial position and results of operations.

The Group may be subject to liability for environmental violations

The Group is subject to a variety of environmental laws and regulations in Hong Kong and the PRC during construction of its development projects. Environmental laws and regulations may cause the Group to experience development delays, incur substantial compliance costs, and be unable to conduct development activities in environmentally sensitive regions and areas. There is no assurance that the Group's procedures will be effective in fully preventing non-compliance in the environmental area. If any portion of its development projects is found to be non-compliant with certain environmental laws or regulations, or if the Group is unable to obtain necessary environmental licences or approvals, the Group may be subject to suspension of its operations or a portion of its operations as well as fines and other penalties, which may materially and adversely affect its business, reputation, financial position and results of operations.

The Group's business, results of operations and financial position are subject to fluctuations in market rentals

The leases of the Group's investment properties are typically entered into for two or three years for office and retail tenants occupying relatively small commercial floor space and three years for retail tenants occupying relatively large floor space. The rent of the short-term leases (i.e. two years) is typically adjusted based upon prevailing market rates upon renewal. However, leases of a term of three years or more are usually subject to pre-determined rental escalation or rent review every three years. Accordingly, it is possible to have a concentration of renewal of leases or rent adjustments in a given year and that a slowdown in the rental market in a given year could adversely affect the rental income of the Group.

Further, negative changes to economic conditions (whether local, regional or global) or political climate (such as global trade tension) or travel restrictions, health quarantine arrangements and other disease prevention measures imposed by governments in light of global pandemic (such as the outbreak of COVID-19), including but not limited to restrictions on group gathering, compulsory wearing of facial masks and limitations on catering and entertainment business, may cause companies to downsize and even close their operations in Hong Kong and put downward pressure on the demand and rental rates, which could in turn have an adverse effect on the Group's business, financial position and results of operations.

The Group may be unable to renew the existing lease or re-lease space at rental rates equal to or above the current rental rates or at all for the Group's investment properties when a lease expires

A portion of the Group's revenue is derived from leasing of investment properties. The Group's financial performance may be materially and adversely affected in the event of a decline in rental or occupancy rates, or difficulties in securing lease renewals or obtaining new tenants, or if existing tenants reduce the amount of space that they occupy for any reason. There is no assurance that tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or higher than those of the expiring tenancies. Also, the Group may be unable to obtain replacement tenants in time so as to minimise void periods in between tenancies or to obtain rental rates equal to or above the current rental rates. Furthermore, if vacant space cannot be leased out for a significant period of time, the market value of its investment properties may be adversely affected. Such situation may materially and adversely affect the Group's business, financial position and results of operations.

Any default by the Group's tenants could result in a significant loss of rental income and a reduction in asset value

The Group derives a substantial portion of its revenue from leasing of investment properties. For the years ended 31 March 2020 and 2021, the percentage of the total revenue of the Group attributable to the lease of properties increased from 42.6% to 68.2%. For the six months ended 30 September 2020 and 2021, the percentage decreased from 70.2% to 31.6%, with a small decrease of such revenue from HK\$447.6 million to HK\$440.5 million. The percentage decreased during these periods mainly due to the increase in the Group's properties development revenue. Any default by the tenants could result in a loss of rental income or early termination of relevant leases. The Group may also incur additional costs in looking for replacement tenants. Consequently, such defaults could have a material and adverse effect on the Group's business, financial position and results of operations.

The Group's financial results are subject to property revaluations which may result in the Group reporting a loss for a particular accounting period

In accordance with HKFRS, the Group revalues its investment properties at every reporting balance sheet date at their open market value on the basis of an external professional valuation. Any change in the valuation is charged or credited, as the case may be, to the income statement. The fair value of each of the Group's investment properties is likely to fluctuate with political, economic and market conditions and other risk factors in the future, and the Group's historic results, including fair value gains should not be regarded as an indicator of its future profit. Despite the Group's fair value gain on investment properties of HK\$197.9 million (2020: fair value loss of HK\$981.8 million) during the six months ended 30 September 2021, the Group recorded fair value loss on investment properties of HK\$4,129.5 million and HK\$1,210.6 million during the years ended 31 March 2020 and 2021, respectively. The Group may incur fair value loss on investment properties in the future and there is no assurance that the fair value of the Group's investment properties will not decrease further. Any decrease in the fair value of the Group's investment properties will reduce its profits and increase the Group's gearing, which may restrain the Group from accessing additional financing on favourable terms or at all in the future.

The Group's property businesses require substantial capital investment

The Group's businesses require substantial capital investment particularly for its property investment and property development businesses. The Group will require additional financing to fund working capital and capital expenditure, to support the future growth of its business and/or to refinance existing debt obligations. The Group has historically required and expects to continue to require external financing to fund its working capital and capital expenditure requirements in the future. The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of its businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital and political and economic conditions in Hong Kong and Macau, the PRC and the UK. There can be no assurance that the Group's current credit facilities can be renewed or additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such renewal or additional financing will be obtained on favourable terms. Any increase in interest rates would increase the cost of borrowing and will adversely affect the Group's result of operations.

The Group's business may be materially and adversely affected if interest rates increase in the future

Property investment and property development require significant amounts of capital. The Group has traditionally financed land acquisition, property development and property investment, through a combination of equity and debt financing. Changes in the global credit and financial markets would affect the interest rate and the availability of credit and lead to an increase in the cost of the Group's financing. Most of the Group's bank borrowings bear floating interest rates linked to HIBOR (Hong Kong Inter-Bank Offered Rate). Any increase in HIBOR may result in an increase in the Group's interest costs. Changes in the benchmark interest rates have affected and will continue to affect its financing costs and, ultimately, its results of operations. For the years ended 31 March 2020 and 2021, gross interest on the Group's bank and other borrowings, unsecured notes and amounts due to related companies amounted to HK\$971.4 million and HK\$693.2 million respectively. There is no assurance that HIBOR will not increase in the near future or that the Hong Kong Monetary Authority will encourage bank lending or that the Group's business, prospects, results of operations and financial position will not be materially and adversely affected as a result.

The Group is subject to risks incidental to the liquidity, operation and alternative uses of real estate properties

Investment in property is generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash within a short period of time or requiring a substantial reduction in the price that might otherwise be sought for such assets to ensure a quick sale, especially if there is weak sentiment in the property market.

The Group is subject to risks incidental to the operation or letting of properties including competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs.

In addition, investment properties may not be readily convertible to alternative uses if they become unprofitable due to competition, age, decreased demand, oversupply or other factors. The conversion of investment properties to alternative uses would generally require substantial capital expenditure and there is no assurance that the Group will have such funds available. These factors and any other factors that would impede the Group's ability to respond to material adverse changes in the performance of the Group's investment properties may have a material adverse impact on the Group's business, financial position and results of operations.

The Group's property business may suffer losses not covered by insurance

The Group maintains or procures insurance coverage on its investment properties, properties under construction, third-party liabilities and employers' liabilities in accordance with what it believes to be industry standards. However, the Group may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of high premium costs or other reasons. In particular, the Group's insurance policies generally do not cover certain types of losses incurred due to hazards such as war, civil disorder, acts of terrorism, global pandemic and other natural disasters. Any loss may affect the Group's business operation and the Group may not have sufficient funds to replace any property destroyed as a result of such hazards. In addition, any payments the Group

makes to cover any losses, damages or liabilities could have a material adverse effect on its business, financial position and results of operations. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fires, floods, water damage, explosions, power losses, typhoons and other natural disasters may also have a material adverse effect on the Group's business, financial position and results of operations.

Furthermore, while care is taken by the Group and its employees in the selection and supervision of its independent contractors; accidents and other incidents, such as theft, may occur from time to time. Such accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents or incidents of certain nature are not covered by these arrangements. The occurrence of any such accidents or incidents which are not covered by insurance could adversely affect the business, financial position and results of operations of the Group. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

In addition, the Group has to renew its insurance policies and negotiate acceptable terms for coverage, exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. The Group regularly monitors the state of the insurance market, but it cannot anticipate what coverage will be available on commercially reasonable terms in the future. Any material increase in insurance rates or decrease in available coverage in the future could adversely affect the results of operations and financial position of the Group.

The Group's use of joint ventures may limit its flexibility with respect to its joint investment and its disputes with joint venture partners may have an adverse effect on the Group's businesses

Co-operation and agreement among the Group and its joint venture partners on its existing or any future projects are paramount for the smooth operation and financial success of such projects. The Group's joint ventures may involve risks associated with the possibility that the joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group, (ii) be unable or unwilling to fulfill their obligations under the relevant joint venture or other agreements or (iii) experience financial or other difficulties. Further, the Group may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners and, in some cases, it does not have majority control of the joint venture.

In most cases, the Group does, however, through contractual provisions or representatives appointed by it, have the ability to control or influence most material decisions. In October 2006, the Group unsuccessfully brought legal proceedings against its joint venture partner (the "**JV Partner**") to terminate the joint venture agreement (the "**JV Agreement**") in respect of Emperor Star City, a property development in Shanghai. In the circumstances, the Group continues trying to co-operate with the JV Partner to complete the project in accordance with the JV Agreement. The Group has been experiencing various issues in striving a trust worthy co-operation relationship with the JV Partner, as a result of the legal proceedings brought under the JV Agreement. Nonetheless the Group is considering means other than litigation, such as mediation, to resolve disputes with the JV Partner.

There is no assurance that there will be no disputes among the Group and its other joint venture partners or among the partners. Any serious dispute between the Group's joint venture partners or the early termination of the Group's arrangements or agreements with them could cause delay to the project timetable which may adversely affect the Group's business, financial condition and results of operations.

The Group may be involved in legal and other proceedings arising out of the Group's operations

The Group may be involved in disputes with various parties involved in the Group's operations, including contractual disputes with suppliers, contractors, construction workers, purchasers, tenants or property damage or personal liability claims or in connection with the Group's acquisition of sites for development and its investments/divestments or enforcement of its intellectual property rights. Regardless of the outcome, these disputes may lead to legal or other proceedings and may incur substantial costs and result in diversion of resources and management's attention. The Group may also have disagreements with regulatory bodies in the course of the Group's operations, which may subject the Group to administrative proceedings and unfavorable decisions that result in penalties being imposed on the Group. In such cases, the Group's business, financial position, results of operations and cash flows could be materially and adversely affected.

The continuing success of the Group depends on key management personnel

The success of the Group depends on key management personnel and on the continued service of its executive officers and other skilled managerial and technical personnel. The Group's business could suffer if the services of a number of key personnel were lost and if the Group could not recruit suitable replacements in a timely manner. Competition for such personnel is intense, the pool of qualified candidates is very limited, and the Group may not be able to retain the services of its senior executives or key personnel, or attract and retain high-quality senior executives or key personnel in the future. Furthermore, as the business of the Group continues to grow, the Group will need to recruit and train additional qualified personnel. If the Group fails to attract and retain qualified personnel, its business and prospects may be adversely affected.

Risks Relating to the Group's Hotel and Hotel Related Business

The Group's revenue has been adversely affected by the decline in gaming demand due to economic and political developments in the PRC and the global economy

Demand for gaming activities, gaming-related services and the types of luxury amenities offered at casinos or the like or other forms of entertainment depends on consumer spending. Economic and political developments (including anti-corruption and austerity campaigns) in the PRC and the global economy and travelling restriction or quarantine requirements imposed from time to time due to global pandemic or otherwise may result in consumers travelling less and spending less when they travel to Macau. According to the DICJ statistics, Macau's gross gaming revenues in 2018, 2019 and 2020 were MOP302.8 billion, MOP292.5 billion and MOP60.4 billion, respectively. With the relaxation of travel restrictions between Macau and Mainland China, Macau's gross gaming revenue during the 11 months ended 30 November 2021 was MOP78.9 billion, up by 49.9% year-on-year. There is no assurance that the current relaxed travel restrictions between Mainland China and Macau will continue. Such restrictions may be further tightened by the PRC and Macau governments. Adverse economic and political developments in the PRC and the global economy in the future could reduce consumer demand for Grand Emperor Hotel's gaming activities, gaming-related services or the types of luxury amenities it offers, which would materially and adversely affect the gaming volumes and revenues and as a result, adversely affect the Group's business, financial position and results of operations.

Consumer demand for luxury amenities and leisure activities that Grand Emperor Hotel offers may decline in the future. A downturn in the global economy or in the economy of the PRC, where a significant number of Grand Emperor Hotel's gaming patrons reside and/or generate their income, may result in a reduction of the number of gaming patrons, including VIP gaming patrons, visiting Grand Emperor Hotel's casino or a reduction in the frequency of visits by these patrons. It may also result in these patrons visiting Grand Emperor Hotel's casino but spending less money. In particular, the economy in China's Guangdong province, where most visitors to Macau come from, is export-driven and, for this reason, is dependent on an improving global economy. Any change in consumer spending pattern for Grand Emperor Hotel's gaming activities, gaming-related services or the types of luxury amenities would materially and adversely affect the gaming volumes and revenues and as a result, adversely affect the Group's business, financial position and results of operations.

Intense competition in the hotel and hotel related business in Macau may adversely affect the Group's results of operation

The hotel and hotel related business in Macau are highly competitive and the Group expects to encounter intense and increasing competition with other developers and operators in Macau and in nearby countries.

Currently, there are no less than six casino operating concessionaires or sub-concessionaires in Macau. The existing concessions and sub-concessions do not set limits on the number of gaming facilities that may be operated under each concession or sub-concession, although governmental approval is required before a casino commences operations. Should the government grant any additional concession or approve any application for gaming facilities or additional sub-concession in the future, the opening of these new casinos and gaming-related facilities will intensify competition in Macau's gaming industry and may saturate the gaming industry in Macau. In addition, it will further intensify the competition for senior management, trained casino employees, the services of nominated junket promoters and land for future expansion. There is no assurance that the growth and demand in Macau's gaming industry will continue to grow in line with the supply of casino gaming tables and facilities in the future. There is no assurance that the growth of the casinos and hotel business of Emperor E Hotel could lead to a corresponding increase in the Emperor E Hotel's revenue or that Emperor E Hotel will be able to maintain or grow its market share in the future or become more competitive in the hotel and hotel related industry.

Gaming patrons of casinos in Macau are mainly from nearby destinations in Asia including the PRC, Hong Kong, South Korea and Japan as well as local residents. Therefore, the casinos in Macau, including the casino located at Grand Emperor Hotel, also compete with other casinos located in other countries in Asia such as Singapore, Malaysia, South Korea, Vietnam, Cambodia and the Philippines. Other Asian countries, such as Japan, Thailand, as well as Taiwan, have also taken certain steps or are considering taking steps to legalise casino gaming in the future. The increase in casinos and gaming in other jurisdictions may adversely affect the gaming industry in Macau and the number of gaming patrons visiting Macau could be negatively affected which would adversely affect the Group's business, cash flows, financial position, results of operations and prospects.

Given the keen competition, Grand Emperor Hotel and Inn Hotel Macau have to maintain and increase their respective competitiveness by constantly upgrading the hotels and facilities so as to maintain or grow their respective shares in the market. A number of competitors have extensive experience and a well-established presence in the management and operation of mixed-use developments. There is no assurance that Grand Emperor Hotel and Inn Hotel Macau will be able to compete successfully in the market, failure of which could materially and adversely affect the Group's business, cash flow, financial position, results of operations and prospects.

The Group is subject to all of the risks common in the hotel industry

The hotel operation business is sensitive to changes in the global and national economy in general. Since demand for hotel services is affected by economic growth, a global or regional recession could lead to a downturn in the hotel industry. There can be no assurance that an economic recession or a situation of prolonged difficulties in the hotel industry, tourism industry, or in international, national and local economies, will not have an adverse effect on the Group.

The hotel sector may also be unfavourably affected by other factors such as government regulations or policies (including those which limit the number of daily mainland Chinese travellers allowed or number of visits they may make to travel to Hong Kong and Macau), changes in local market conditions, competition in the industry, excess hotel supply or reduced international or local demand for hotel rooms and associated services, foreign exchange fluctuations, interest rate environment, availability of financing, global pandemic or other diseases such as Severe Acute Respiratory Syndrome (“SARS”), the avian flu or COVID-19 (in particular, various social distancing measures, quarantine measures and travel restrictions which may be imposed with a view to controlling spread of such diseases) and other natural and social factors.

The Group's hotel operations is affected by occupancy rates and room rates, its ability to manage costs (including changes in labour costs), and the success of its food and beverage operations. Additionally, the Group's business and financial position may be adversely impacted by increases in wage levels, energy, healthcare, insurance and other operating expenses, resulting in lower operating profit margins.

Gaming is a highly regulated industry in Macau, and the gaming and licencing authorities exercise significant control over the Group's operations

Gaming is a highly regulated industry in Macau. The continuation of Emperor E Hotel's operations is contingent upon Emperor E Hotel maintaining all necessary regulatory licences, permits, approvals, registrations, findings of suitability, orders and authorisations relating to its gaming operations pursuant to Macau law. The laws, regulations and ordinances requiring these licences, permits and other approvals generally relate to the responsibility, financial suitability and character of the owners, their shareholders, directors and key employees of the gaming operations, as well as nominated junket promoters involved in gaming operations.

The laws and policies from time to time implemented by the Macau government, such as licencing requirements, tax rates and other regulatory obligations, could adversely affect Emperor E Hotel's gaming operations and profitability. For example, the Macau government has changed the minimum age of casino entrants from 18 to 21 years of age and imposed restrictions on employment of certain gaming floor workers and a cap of 1.25% on the rolling commission rates payable to nominated junket promoters which has limited the incentives for nominated junket promoters to bring travellers to Macau. Other policies implemented by the Macau government include travel restrictions due to the outbreak of COVID-19 and restricting smoking in all gaming areas including VIP rooms.

Failure to adapt to the regulatory and gaming environment in Macau could negatively affect Emperor E Hotel's operations in Macau. There is limited precedent interpreting and applying the laws of Macau and regulations concerning gaming and gaming concessions or sub-concessions. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from Emperor E Hotel's interpretation, which could have a material adverse effect on the Group's business, financial position and results of operations.

*The Group's gaming business is dependent on the gaming concession contract (the "**Gaming Concession Contract**")*

Grand Emperor Hotel's gaming operations are run by SJM Resorts, Limited ("**SJM**"), one of the gaming concessionaires in Macau. Emperor E Hotel, through an indirect subsidiary that has entered into a services agreement with SJM on 19 February 2010 under which this subsidiary together with a nominated junket promoter (which is an indirect subsidiary of Emperor E Hotel) shall provide management services and promotion services to SJM in relation to the gaming operations of Grand Emperor Hotel in return for a share of the gross wins and gross losses in respect of the monthly operating performance of the gaming area of Grand Emperor Hotel (the "**Services Agreement**"). The term of the Services Agreement was originally from 1 October 2009 to termination upon occurrence of certain events, including the expiry of SJM's Gaming Concession Contract on 31 March 2020 or any earlier termination thereof. On 4 May 2020, the term was extended to 26 June 2022 (aligning with the extended term of the SJM's Gaming Concession Contract) by way of an addendum supplementing the Services Agreement.

While management of the Group is positive of the continuity of the Services Agreement as long as SJM's Gaming Concession Contract remains valid and subsisting, there is no assurance that SJM is able to continue, or extend the Gaming Concession Contract with the Macau government on terms favourable to SJM or at all, nor there is assurance that a new gaming concessions contract shall be granted to SJM further to the anticipated new public tender for gaming concessions. Changes are expected to be made to the gaming law in respect of concessions and sub-concessions before the expiry of all existing gaming concessions in mid-2022. If the Macau government does not renew or extend the Gaming Concession Contract or otherwise terminates the Gaming Concession Contract in light of the amendments to the gaming law, or upon the occurrence of certain events of default or otherwise, the Services Agreement (including its addendum) with SJM will be terminated and as a result, Emperor E Hotel will cease to generate any revenue from gaming operations or has to seek cooperation with other licence holders, and the Group's business, cashflows, financial position, results of operations and prospects would be materially and adversely affected.

The Services Agreement is subject to the approval by the Macau government

Pursuant to the laws of Macau, prior approval from the Macau government is required for the purpose of transferring the operation of games of fortune and chance in casino to a third party, as well as any other activities that constitute legal and/or contractual obligations of the gaming concessionaire or sub-concessionaire, including the provision of services to one or more casinos such as marketing, promotion, recruiting of customers and providing management services. As such, the Services Agreement is subject to the approval by the Macau government.

According to the Macau legal advisers of the Joint Arrangers, the Macau government publicly announced in April 2008 that it does not intend to formally authorise the operation of any new casino under a similar arrangement as covered under the Services Agreement that was not previously authorised by the Macau government (the “**Statement**”). Such restriction announced by the Macau government is of a non-statutory nature and a different policy may be adopted at any time by the Macau government. To the best of the knowledge of and after due inquiry by the Macau legal advisers of the Joint Arrangers, (i) after the announcement of the Statement, agreements of similar nature of the Services Agreement have been submitted to the Direcçao de Inspeccao e Coordenacao de Jogos (the Macau Gaming Inspection and Coordination Bureau or the “**DICJ**”) for approval but no formal approval from the Macau government has been granted yet; and (ii) the relevant government authorities of Macau, including the DICJ, have not taken any action against any of the casinos that are currently being operated under agreements similar to the Services Agreement that have not been formally approved up to date, including against the operation of the casino located at Grand Emperor Hotel.

Emperor E Hotel was informed by SJM that the Services Agreement (including its addendum) has been submitted to the DICJ for approval but no formal response has been received from the Macau government. Despite the aforesaid, as at the date of this Offering Circular, the details of the casino of Grand Emperor Hotel can be found in the official website of the DICJ.

There is no assurance that the Macau government will not take action against Emperor E Hotel for the gaming operation that it currently operates under the Services Agreement (including its addendum). According to the Macau legal advisers of the Joint Arrangers, if the Macau government, including the DICJ, takes action against Emperor E Hotel, the Services Agreement (including its addendum) will become null and void and the gaming operations of Emperor E Hotel as well as the revenue generated from such operations will cease. As a result, the Group’s business, financial position and results of operations would be materially and adversely affected.

The Group's gaming business is dependent on its ability to recruit and retain eligible casino employees

Macau provides a relatively limited market for the supply of workers. In view of the special nature of the gaming industry and the stringent standards under Macau laws, the employees including dealers and pits bosses are required to possess certain requisite gaming knowledge. These regulations and requirements have resulted in significant competition among gaming operators in Macau for eligible employees. There is no assurance that Emperor E Hotel will be able to retain or recruit eligible casino employees. Under the concession and sub-concession contracts, all gaming operators must give priority consideration to Macau residents in recruiting their casino employees and certain gaming positions such as dealers are restricted to Macau permanent residents only. Given the limited pool of workers available and the number of gaming and gaming related operations in Macau, Emperor E Hotel faces significant competition for the services of these workers. This will further intensify the competition for eligible employees and significantly increase labour costs. Any sharp increase in the wage levels of these employees may have a material and adverse impact on Emperor E Hotel's competitive position, and both Emperor E Hotel's and the Group's operations, financial position, operating results and prospects.

In addition, Emperor E Hotel also relies on its nominated junket promoter to promote its VIP room. Under existing Macau gaming laws and regulations, a junket promoter must be licenced by the DICJ and must register and enter into an agreement with one of the concessionaires or sub-concessionaires. Junket promoters are required to renew their licences on an annual basis. There can be no assurance that the nominated junket promoter will successfully obtain and renew its licence with the DICJ as required. In the event of failure, the Group's business, financial position and results of operations could be materially and adversely affected.

External debt or equity financing to complete the future expansion of business or capital expenditures may not be available on satisfactory terms or at all

In view of the keen competition in the hotel and gaming industry, the Group may require additional financing to fund capital expenditures to upgrade its facilities and/or support the future growth of its business so as to maintain and/or increase its competitiveness. The Group's ability to renew existing credit facilities or arrange external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group and success of its business and political and economic conditions in Hong Kong and Macau. There can be no assurance that the Group is able to renew its current credit facilities or obtain the additional financing on favourable terms or at all.

The Group's results of operations may be adversely affected by unanticipated winnings of significant amounts by gaming patrons, and theoretical win rates for Grand Emperor Hotel's gaming operations depend on a variety of factors, some beyond its control

There is an inherent element of chance in the gaming industry. No casino operator can have full control over its winnings or the winnings of gaming patrons in its casinos. If the winnings of gaming patrons in Grand Emperor Hotel's casino exceed its winnings, Emperor E Hotel may record a loss from its gaming operations, which could materially and adversely affect Emperor E Hotel's business, cash flows, financial position, results of operations and prospects.

The theoretical win rates are affected by many factors, including gaming patrons' skill and experience, the mix of games played, the financial resources of gaming patrons, the spread of table limits, the volume of bets played and the amount of time gaming patrons spend on gambling. In addition, there is a possibility that gaming patrons may attempt or commit fraud or cheat in order to increase winnings and Grand Emperor Hotel's casino may not be able to detect or discover it. These may also materially and adversely affect the revenue of Grand Emperor Hotel's casino and the Group's business, cash flows, financial position, results of operations and prospects.

The Group's gaming business may suffer operational loss not covered by insurance, and the Group's insurance costs may increase and it may not be able to obtain the same level of insurance cover in the future

The Group maintains insurance coverage on its hotel and hotel related operations, third-party liability and employers' liabilities in accordance with what it believes to be industry standards. However, there can be no assurance that the insurance coverage will adequately cover all losses in the event of a major accident. If certain acts and events incur losses or damages of amounts exceeding the limits of the insurance coverage, or of which claims fall outside the scope of the insurance coverage, Emperor E Hotel's business, financial position and results of operations could be materially and adversely affected. In addition to the damages caused directly by an accident such as fire, natural disasters, acts of war or terrorism, Emperor E Hotel might also suffer a disruption of its business or be subject to claims by third parties who may be injured or harmed as a result of these events. Moreover, the existing insurance policies might not be renewed when they expire on commercially reasonable terms, or at all, which could result in substantially higher insurance costs or significantly increase Grand Emperor Hotel's risk of loss or damage due to uninsured events. SJM's failure to renew or replace an insurance policy that is required under the Gaming Concession Contract may also affect the operation of Grand Emperor Hotel's casino and SJM's ability to operate, which would lead to the termination of the Services Agreement with SJM and Emperor E Hotel will cease to generate any revenue from gaming operation or has to seek cooperation with other licence holders. As a result, the Group's business, cashflows, financial position, results of operations and prospects would be materially and adversely affected.

The Group's gaming business could be adversely affected due to money laundering activities

Emperor E Hotel's anti-money laundering policies, internal controls and compliance with applicable anti-money laundering laws may not be sufficient in preventing the occurrence of money laundering activities at its casino and may not be able to completely prevent money laundering and other illegal activities from occurring within its gaming area. Emperor E Hotel has put in place controls to detect and prevent money laundering in its gaming operations. There can be no assurance that Emperor E Hotel's anti-money laundering measures have been or will be effective in preventing or detecting all money laundering activities. In addition, if Emperor E Hotel or any of its employees or the gaming promoter is found or suspected to be involved in money laundering activities or other illegal activities, Emperor E Hotel may be deemed to have committed an administrative infringement and the relevant concession for casino operation could be affected. As a result, the Group's business, cash flows, financial position, results of operation and prospects could be materially and adversely affected.

The Group is subject to the credit risks associated with its nominated junket promoter granting of credit to its gaming patrons

Emperor E Hotel's nominated junket promoter is permitted to grant credit to its gaming patrons which may expose Emperor E Hotel to credit risk and Emperor E Hotel's business, cash flows, financial position, results of operations and prospects could be materially and adversely affected.

In addition, the global economic downturn may cause Emperor E Hotel's nominated junket promoter to be more cautious in granting credit to its patrons and thereby decreasing gaming volume at Grand Emperor Hotel's casino. Further, credit already extended by Emperor E Hotel's nominated junket promoter to its patrons may become increasingly difficult to be collected. As a result, the operation of Emperor E Hotel's nominated junket promoter and the Group's results of operations could be adversely impacted.

If the Group fails to maintain an effective system of internal controls, it may be unable to accurately report its financial results or detect and prevent fraud

The Group has dedicated a considerable amount of management, operational and financial resources to enhance and maintain its internal controls. Given the constantly changing environment in the gaming industry, there can be no assurance that new deficiencies in the Group's internal control policies and procedures and/or anti-money laundering issues will not arise. Any such deficiency, if material or significant, could adversely affect the Group's management's ability to monitor, evaluate and manage the Group's business and operations, or lead to substantial business or operational risk or inaccurate financial reporting, which could have a material adverse effect on the Group's business, cash flows, financial position, results of operations and prospects.

The Group may face allegations, complaints or reports made by various third parties, which could affect its reputation, corporate image and ability to conduct or expand its operations

There may be negative press reports about the Group in the future, in Macau, Hong Kong and elsewhere. There have been and the Group may continue to face allegations and complaints made by various third parties and in media reports in relation to its compliance with applicable anti-money laundering laws or association with other illegal activities. Whether or not substantiated, any incidents, regulatory investigations or reports through the media or other third parties of possible money laundering or other illegal activities involving the Group, its casino, employees, patrons, nominated junket promoters, or shareholders, could harm its reputation and its corporate image, or otherwise affect the Group's ability to conduct or expand its business, both in Macau and abroad, and may therefore have a material and adverse effect on its business, cash flows, financial position, results of operations or prospects.

Economic, political, social and legal developments in Macau could negatively affect the Group's hotel related business

Grand Emperor Hotel's and Inn Hotel Macau's business development, plans, financial position and results of operations may be subject to political, social economic developments in Macau and China and by changes in governmental policies or laws or regulations or even the interpretation of these laws and regulations. The Macau government has authority over the scope of permitted business activities and the corporate affairs of the concessionaires and sub-concessionaires. The gaming laws and regulations of Macau continue to develop and evolve. A court or administrative or regulatory body may render an interpretation of these laws and regulations, or an administrative body may issue new or modified regulations, that differ from the Group's interpretation. In addition, new laws or revisions to existing laws may impose more obligations on concessionaires and sub-concessionaires, requiring them to incur significant expenditure and efforts on compliance. Therefore, the Group's operations are exposed to the risk of changes in laws and government policies, which may have a material and adverse effect on the Group's business, cashflows, financial position, results of operations and prospects.

The PRC government's policy to control the number of visitors to Macau will affect the Group's gaming business

Visitors from abroad, particularly the PRC, may be negatively affected by visa and other travel restrictions from various countries. For instance, in order to control the flow of visitors from Mainland China into Macau, the PRC government has implemented various regulations and policies imposing restrictions on application for Macau visas over the years. Implementation of such restrictive measures has adversely affected the number of visitors going to Macau. There can be no assurance that no further restrictive measures will be imposed by the PRC government. Any drop in the number of visitors to Macau would adversely impact on the Group's business, cashflows, financial position, results of operations and prospects.

Risks relating to Hong Kong, Macau, the UK and the PRC

The Group's businesses may be adversely affected by changes in regulatory regimes in Hong Kong, Macau, the UK and the PRC

The operations of the Group are subject to various laws and regulations of Hong Kong, the PRC, Macau and the UK which may in turn be shaped by local or international political or social circumstances. The Group's activities on its investment and development properties are limited by various development controls and other regulations enacted by the authorities. Developing properties, refurbishment and other re-development projects require government permits, some of which may take longer to obtain than others. From time to time, the authorities may impose new regulations on landlords such as mandatory retrofitting of upgraded safety and fire systems in all buildings or introduction of new tax or duty. The Group's properties are subject to routine inspections by the authorities with regard to various safety and environmental issues. There can be no assurance that the Group will be able to comply with such regulations or pass such inspections.

From time to time, changes in law and regulations or their implementation may require the Group to obtain additional approvals and licences from the relevant authorities for the conduct of its operations. In such event, the Group may incur additional expenses to comply with such requirements. This will, in turn, affect the Group's financial performance as its business costs increase.

Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly or at all. If the Group experiences delays in obtaining, or is unable to obtain, such required approvals or licences, it may have a material adverse impact on the business, financial position or results of operations of the Group.

Conducting businesses in Macau has certain economic and political risks

Part of the Group's business operations are in Macau. As a result, its business development plans, financial position and results of operations may be materially and adversely affected by political, social and economic developments in Macau and by changes in government policies or changes in laws or regulations or the interpretation of these laws and regulations. The Group could be adversely affected by changes in Macau's political, economic and social conditions, changes in foreign exchange regulations, measures that may be introduced to control inflation, such as interest rate increases and changes in the rate or method of taxation. In addition, the Group's operations are exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. These changes may have a material and adverse effect on the Group's business, cash flows, financial position, results of operations and prospects.

The PRC's economic, political and social conditions, as well as government policies, could adversely affect the Group's businesses

Some of the Group's business operations are in the PRC. The Group's financial position, results of operations and prospects will, accordingly, be subject to economic, political and legal developments in the PRC as well as in the economies of the surrounding region. The following conditions and developments in the PRC may materially adversely affect the Group's financial position, results of operations and prospects:

- inflation, interest rates, and general economic conditions;
- the introduction of economic policies to control inflation or stimulate growth, change the rate or method of taxation or impose additional restrictions on currency conversions and remittances abroad, where the government has periodically taken measures to slow economic growth to a more manageable level, in response to concerns about the PRC's high growth rate in industrial production, bank credit, fixed investment and monetary supply;
- the structure of the economy, where the economy has been transitioning from a planned economy to a market-oriented economy but where the government still controls a substantial portion of productive assets, continues to play a significant role in regulating industries through industrial policies and exercises significant control over growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies;
- demographic factors in the PRC which has a rapidly growing population requiring rapid economic growth to assure employment and stability;
- governmental policies, laws and regulations, including, without limitation, those relating to foreign investment or classification of industries, and changes to such policies, laws and regulations and their implementation and interpretation, which could prevent, delay, increase the cost of or otherwise adversely affect the Group's ability to invest in, acquire or divest, develop, operate or manage its facilities;
- certain recent changes in PRC tax law and proposed application and/or interpretation of these laws could increase the Group's PRC tax liability;
- the risk of nationalisation and expropriation of assets;
- currency controls and other regulations, which may affect the Group's ability to receive distributions or other dividends from its subsidiaries or other entities in which it may have any interest, to borrow onshore or offshore where the facility or the relevant subsidiary or entity is located, or to carry out acquisition, divestment and capital expenditure plans; and
- political and other conditions such as the U.S.–China trade war.

While the PRC economy has experienced significant growth in the past 20 years, growth has not been evenly distributed, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also have a negative effect on the operations of the Group. For example, the Group's financial position and results of operations may be adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to the Group.

The PRC economy has been transitioning from a planned economy to a more market-orientated economy. Although in recent years the PRC government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC are still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over the PRC's economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

The legal system in the PRC is less developed than in certain other countries and laws in the PRC may not be interpreted and enforced in a consistent manner

The PRC legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases are of relatively less value as precedents. Since 1979, the PRC government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of new changes to existing laws and the abrogation of local regulations by national laws could have a material adverse impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may be subject to significant uncertainty. The interpretation of PRC laws may be subject to policy changes, which reflect domestic political changes. As the PRC legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have a material adverse effect on the business, financial position and results of operations of the Group.

The PRC economy is susceptible to the macro-economic policies and austerity measures of the PRC government

The PRC government has exercised and continues to exercise significant influence over the PRC's economy. From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the markets in which the Group operates. Any action by the PRC government concerning the economy or the real estate industry in particular could have a material adverse effect on the business, financial position and results of operations of the Group.

The People's Bank of the PRC ("PBOC") has adjusted the deposit reserve ratio for commercial banks from time to time. The deposit reserve refers to the amount of funds that banks must hold in reserve against deposits made by their customers. Any increase in the deposit reserve ratio may negatively impact the amount of funds available to be lent to business, including the Group, by commercial banks in the PRC. The central and local authorities in PRC may continuously adjust interest rates and other economic policies or impose other regulations or restrictions which may materially adversely affect the business, financial position and results of operations of the Group.

The Group's results of operations are subject to currency risks and unfavourable changes in currency exchange rates may affect the Group's businesses

The vast majority of the Group's revenues are expressed in Hong Kong dollar, and a portion of its revenues are denominated in Macau Patacas, Renminbi and British Pounds. The Hong Kong dollar is linked to the United States dollar, and the exchange rate between these two currencies has remained relatively stable over the past several years. The Macau Pataca is linked to the Hong Kong dollar, and in many cases the two are used interchangeably in Macau. The exchange linkages of the Hong Kong dollar and Macau Pataca, and the Hong Kong dollar and the United States dollar, are subject to potential changes due to, among other things, PRC, Hong Kong and Macau government policies and international economic and political developments.

There is no assurance that the Hong Kong dollar will continue to be linked to the United States dollar, or that the Macau Pataca will continue to be linked to the Hong Kong dollar. Any delinkage may result in severe fluctuations in the exchange rates for these currencies. There is also no assurance that the current rate of exchange fixed by the applicable monetary authorities for these currencies will remain at the same level.

The Group's revenue derived from gaming operations in Macau is denominated in Macau Patacas and Hong Kong dollar. The casino is currently prohibited from accepting wagers in Renminbi. The PRC government currently maintains certain restrictions limiting the amount of Renminbi that can be converted into foreign currency, including the Macau Pataca. Such restrictions limit the amount of money gaming patrons from the PRC can spend on gaming activities and hence, inhibit the growth of the gaming industry in Macau and negatively impacts the Group's financial position and results of operations.

Part of the Group's revenue derived from its property investment business is denominated in British Pounds, and the Group would be subject to foreign exchange risks due to a fluctuation in the exchange rate of British Pounds and Hong Kong dollar. The value of British Pounds is affected by economic, political and other factors over which the Group has no control. The UK's withdrawal from the EU ("**Brexit**") following the referendum on the UK's membership of the EU may lead to significant changes to the UK's legislative and regulatory framework. On 31 January 2020, the UK officially exited the EU following a UK-EU Withdrawal Agreement signed in October 2019. The UK and the EU signed the Brexit trade deal on 30 December 2020 and the UK completed its withdrawal from the EU with effect from 1 January 2021. While the UK and the EU had reached the trade deal, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market. These could include falls in stock exchange indices, a fall in the value of the key trading currencies such as the British Pounds and/or greater volatility of markets in general due to the increased uncertainty, which may have a material and adverse impact on the Group's business, financial condition and results of operations of the Group.

Part of the Group's revenue is denominated in Renminbi and must be converted to make payments in freely convertible currencies. Under the PRC's foreign exchange regulations, payment of current account items, including profit distributions, interest payments and expenditure from trade, may be made in foreign currencies without prior approval, subject to certain procedural requirements. However, foreign exchange controls continue for capital account transactions, including repayment of loan principal and return of direct capital investments and investment in negotiable instruments. In the past, there have been shortages of foreign currency available for conversion of Renminbi in the PRC, and it is possible such shortages could recur, or that restrictions on conversion could be re-imposed.

The Group has outstanding monetary items denominated in Renminbi which include short-term deposits, bank balances and deposit in designated bank account. The value of Renminbi against the Hong Kong dollar may fluctuate and is affected by, among other factors, changes in international and national political and economic conditions and the foreign exchange policy adopted by the PRC government. Such fluctuation may impact the Group's financial position and results of operations.

There remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in more volatility in the value of Renminbi against foreign currencies. Any fluctuation in the exchange rate between Renminbi and the Hong Kong dollar could increase the costs of the Group's PRC operations, such as construction and labour costs, and result in foreign currency translation losses for financial reporting purposes.

Natural disasters, occurrence of epidemics, and other acts of God could affect the global economy and in turn have a material adverse effect on the Group's business, financial position, results of operations and prospects

A natural disaster, catastrophe or other acts of God which are beyond the Group's control could result in severe personal injury, property damage and environmental damage, which may weaken the Group's operations, cause delays in estimated completion dates for projects and have a material adverse effect on its cash flows and even its ability to repay loans. The Group's operations are based in Hong Kong, Macau, Mainland China and the UK, which are exposed to potential natural disasters including, but not limited to, typhoons, storms, floods and earthquakes. If any of the jurisdictions in which the Group has operations is damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses at their intended capacities, thereby reducing revenues. Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons.

The outbreak of COVID-19 since the beginning of 2020 which is still prevailing, has created negative economic impact and increased volatility in global markets and will likely continue to cause increasing concerns over the forward-looking assessment of the economic performance and property market globally, which may in turn materially and adversely affect prices and demand for properties and various services. In particular, the administrative actions taken by various governments across the world to control the spread of COVID-19, including travel restrictions and social distancing measures, may have a material adverse impact on the Group's business, financial position, results of operations and prospects.

The Group's revenue is derived mainly from its lease of retail spaces and commercial buildings in Hong Kong, Macau, Mainland China and the UK, property development in Hong Kong and hotels and hotel-related operations in Hong Kong and Macau. Any slowdown in the growth of domestic consumption in Mainland China, Hong Kong, Macau, the UK or any other jurisdictions in which the Group has operations could materially and adversely affect the Group's business, financial condition, results of operations and prospects. In addition, if any of the Group's employees or any personnel or guests on its premise are affected by COVID-19 or any other severe communicable diseases, it could also lead to a temporary closure of the Group's offices, properties, construction sites or hotels to prevent the spread of the disease. The spread of any severe communicable disease may also affect the operations of the Group's customers and suppliers, which could materially and adversely affect the Group's business, financial condition, results of operations and prospects. Moreover, with the mandatory health quarantine arrangements and other travel restrictions imposed by the local government, the Group's hotel operation and hotel-related business is and will continue to be significantly impacted.

Given the high uncertainties associated with the outbreak of COVID-19 at the moment, it is difficult to predict how long these adverse conditions will persist and the extent to which the Group's business, financial condition, results of operations and prospects may be affected.

The occurrence of another outbreak of SARS, COVID-19, avian influenza, H1N1, H7N9 influenza, the Ebola virus disease or the Zika virus disease, or of any other highly contagious disease may result in another economic downturn and may have an adverse effect on the overall level of business and travel in the affected areas. It may also disrupt the Group's business operations and consequently have an adverse effect on its financial position and operating results. There can be no assurance that there will not be a serious outbreak of another contagious disease occurring in the jurisdictions where the Group has operations or any other part of the world in the future. If such an outbreak occurs, it may have a material adverse impact on the business, financial position, results of operations and prospects of the Group.

Risks relating to the Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Notes which are linked to or referencing “benchmarks” are subject to ongoing national and international regulatory reform

The LIBOR, the Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective whilst others are still to be implemented. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which could not be predicted. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA Announcement) will cease immediately after 31 December 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023; (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the “**IBA**”) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021), (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and ness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period (as defined in the Conditions) may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Conditions).

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consult their own independent financial advisers and consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

The use of Secured Overnight Financing Rate (“**SOFR**”) as a reference rate is subject to important limitations. The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 4(b)(iii)(C) of the Terms and Conditions of the Notes). In June 2017, the New York Federal Reserve’s Alternative Reference Rates Committee (the “**ARRC**”) announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repofinancing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such republication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. SOFR may be discontinued or fundamentally altered in a manner that is materially adverse to the interest of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a SOFR Benchmark Event occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to SOFR and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

The Notes may be represented by Global Notes or evidenced by Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes or evidenced by Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, or lodged with the CMU Service (each of Euroclear, Clearstream, Luxembourg and the CMU Service, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or, as the case may be, to the CMU Service, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates, will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

The Group may be unable to redeem the Notes

On certain dates, including the occurrence of an early redemption event and at maturity of the Notes, the Group may, and at maturity, will be required to, redeem all of the Notes. If such an event were to occur, the Group may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. If the Group fails to repay, repurchase or redeem tendered Notes, such an event would constitute an event of default under the Notes, which may also constitute a default under the terms of the Group’s other indebtedness.

The Notes do not restrict the Group's ability to incur additional debt, repurchase its Notes or to take other actions that could negatively impact holders of the Notes

The Group is not restricted under the Conditions from incurring additional debt, including secured debt, or from repurchasing the Notes. In addition, the covenants applicable to the Notes do not require the Group to achieve or maintain any minimum financial results relating to its financial position or results of operations. The Group's ability to recapitalise, incur additional debt and take other actions that are not limited by the Conditions could have the effect of diminishing the Group's ability to make payments on the Notes and amortising the Notes when due.

If the Group is unable to comply with the restrictions and covenants in its loan agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated

The Group is subject to certain undertakings and financial covenants under loan agreements with banks. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Group, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the Group's debt agreements contain cross-acceleration or cross-default provisions (see Terms and Conditions of the Notes – Events of Default 8(c)). As a result, the Group's default under one debt agreement may cause the acceleration of repayment of other debts, including the Notes, or result in a default under its other debt agreements. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay all of its indebtedness in full, or that the Group would be able to find alternative financing. Even if the Group could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to the Group.

The Notes are unsecured obligations of the Issuer

The repayment of the Notes may be adversely affected if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

If any of these events were to occur, the Issuer's assets may not be sufficient to pay amounts due under the Notes.

The Group's secured creditors would have priority as to the Group's assets over claims of the holders of the Notes

The Group relies on secured bank borrowings as one of its sources of liquidity. As at 30 September 2021, the Group had secured bank borrowings due within one year of approximately HK\$3,819.0 million and secured bank borrowings due after one year of approximately HK\$10,163.1 million. In the event of insolvency, secured creditors would be entitled to proceeds from the disposal of secured assets ahead of all unsecured creditors, such as the holders of the Notes.

No credit rating agencies have assigned ratings to the Notes

The Notes have not been assigned ratings by any rating agencies, and the Group has not requested any rating agencies to assign ratings to the Notes. Ratings assigned by rating agencies represent such rating agencies' assessment of its ability to perform its obligations under the Conditions and credit risks in determining the likelihood that the payments will be made when due under the Notes. The Group currently has no plans to obtain ratings on the Notes from any credit rating agencies. If, in the future, the Group obtain ratings on the Notes from any rating agencies, such ratings, and any subsequent revision, downgrade or withdrawal of such ratings, may adversely affect the market price of the Notes and its ability to access the debt capital markets in the future which in turn may have a material adverse effect on the Group's business, prospects, financial position and results of operations. In addition, a rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. If the Group ever obtains any rating for the Notes in the future, there is no assurance that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. The Group has no obligation to inform the holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of any rating assigned to the Notes in the future may adversely affect the market price of the Notes.

Notes issued under the Programme have no current active trading market and the trading price of the Notes could be materially and adversely affected

Notes issued under the Programme may not be widely distributed and for which there is currently no active trading market. The Dealers are not obligated to make a market in the Notes and may discontinue market making activity at any time without notice. The Group cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than the initial offering price. Although an application may be made for a particular Tranche of Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. The price at which Notes trade depends on many factors, including but not limited to:

- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- the Group's financial position, historical financial performance and future prospects.

If an active market for a particular Tranche of Notes fails to develop or be sustained, the trading price of such Notes could be materially and adversely affected.

The liquidity and market price of the Notes may be volatile

The market price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and government regulations and changes thereof applicable to the Group's industry and general economic conditions nationally or internationally could cause the price of the Notes to change. Any such

developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

Developments in the international financial markets may adversely affect the market price of the Notes

The market price of the Notes may be adversely affected by declines in the international financial markets and worldwide economic conditions. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Conditions permit defined majorities to bind all Noteholders

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including the modification of the Conditions. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

A change in Hong Kong law which governs the Notes may adversely affect Noteholders

The Conditions are governed by Hong Kong law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Hong Kong law or administrative practice after the date of issue of the relevant Notes.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or evidenced by Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (i) equal to, or integral multiples of, the minimum denomination, and (ii) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if, amongst others, the relevant Clearing System(s) is/ are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announce(s) an intention permanently to cease business. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

FATCA withholding may affect payments on the Notes

Whilst the Notes are in global form and held within Euroclear, Clearstream, Luxembourg or the CMU Service, in all but the most remote circumstances, it is not expected that the U.S. Foreign Account Tax Compliance Act (the “**FATCA**”) will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payment to any ultimate investor which is a financial institution and is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has paid the common depository for Euroclear and Clearstream, Luxembourg or, as the case may be, the sub-custodian for the CMU Service (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the Clearing Systems and custodians or intermediaries.

Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. The Notes may also be redeemable before their stated maturity at the option of the Issuer (either in whole or in part) to the extent specified in the relevant Pricing Supplement.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Dual currency Notes have features which are different from single currency issues

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay any subsequent installment of partly-paid Notes may result in the investor losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent installments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors of variable-linked Notes are subject to risk of losing their part or entire investment value

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are variable-linked Notes, there is a risk that the investor may lose the value of their entire investment or part of it.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risks relating to Renminbi-denominated Notes

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into or out of the PRC

Renminbi is not freely convertible at present. The government of the PRC continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions.

However, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific regulations or filing with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund on 1 October 2016, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued, or that new regulations in Mainland China will not be promulgated in the future which will have the effect of restricting or eliminating the remittance of Renminbi into or out of Mainland China. In the event that the funds cannot be repatriated out of Mainland China in Renminbi, this may affect the overall availability of Renminbi outside Mainland China and the ability of the relevant Issuer to source Renminbi to finance its obligations under the RMB Notes.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside Mainland China in Renminbi, the Issuer will need to source Renminbi offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside Mainland China.

Holders of beneficial interests in the Notes denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan.

The availability of Renminbi outside the PRC may be limited, which may affect the liquidity of the RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service the RMB Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While PBOC has established Renminbi clearing and settlement mechanisms for participating banks (each, a “**Renminbi Clearing Bank**”) in Hong Kong and in a limited number of other markets and is in the process of establishing Renminbi clearing and settlement mechanisms (“**Settlement Arrangements**”) in various other markets, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi in the offshore markets may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the RMB Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in the RMB Notes in U.S. dollar or other applicable foreign currency terms will decline.

Investment in the RMB Notes is subject to interest rate risk

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with the fluctuations in interest rates. If a holder of the RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer less than the amount invested.

Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of the RMB Notes will be made solely by (i) when the RMB Notes are represented by global certificates, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) when the RMB Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law and its implementation rules, any gain realised on the transfer of the RMB Notes by non-resident enterprise holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within Mainland China. However, there remains uncertainty as to whether the gain realised from the transfer of the RMB Notes would be treated as income derived from sources within Mainland China and be subject to PRC tax. This will depend on how the tax authorities in Mainland China interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules.

Therefore, if non-resident enterprise holders are required to pay PRC income tax on gains on the transfer of the RMB Notes (such enterprise income tax is currently levied at the rate of 10% of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the RMB Notes reside that reduces or exempts the relevant tax), the value of their investment in the RMB Notes may be materially and adversely affected.

TERMS AND CONDITIONS OF THE NOTES

This Note is one of a series (“**Series**”) of Notes issued by Emperor International Holdings Limited (the “**Issuer**”) pursuant to the Agency Agreement (as defined below).

The Notes are issued pursuant to an agency agreement (as supplemented by supplemental agency agreements dated 19 December 2019 and 17 December 2021 and as further amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 17 December 2014 between the Issuer and The Bank of New York Mellon, London Branch as fiscal agent, The Bank of New York Mellon, Hong Kong Branch as lodging and paying agent and registrar for Notes to be held in the CMU Service, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar for Notes to be held in Euroclear and Clearstream and the other agents named in it and with the benefit of a deed of covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 17 December 2014 executed by the Issuer in relation to the Notes. The fiscal agent, the CMU lodging and paying agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**CMU Lodging and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent, the CMU Lodging and Paying Agent), the “**Registrars**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, the Talons (the “**Couponholders**”) and the holders of the Receipts relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours by prior appointment at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Amortisation Yield**” has the meaning given in the relevant Pricing Supplement;

“**Business Centre(s)**” means the city or cities specified in the relevant Pricing Supplement;

“Business Day” means:

- (a) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively); and/or
- (b) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**); and/or
- (c) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments or in such city as is specified in the applicable Pricing Supplement;

“Business Day Convention” in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“**Calculation Amount**” has the meaning given in the relevant Pricing Supplement;

“**CMU Service**” means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (a) if “**Actual/Actual – ICMA**” is specified in the relevant Pricing Supplement,
- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2-Y1)] + [30 \times (M2-M1)] + (D2-D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls; “**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2-Y1)] + [30 \times (M2-M1)] + (D2-D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls; “**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (g) if “**30E/360 (ISDA)**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2-Y1)] + [30 \times (M2-M1)] + (D2-D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls; “**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“**Determination Date**” means the date specified in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date;

“**Early Redemption Amount (Change of Control)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Financial Centre(s)**” means the city or cities specified in the relevant Pricing Supplement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**First Interest Payment Date**” means the date specified in the relevant Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

“**Interest Amount**” means:

- (a) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, and in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; or
- (b) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Pricing Supplement;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified in the relevant Pricing Supplement or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement;

“Issue Date” has the meaning given in the relevant Pricing Supplement;

“Listed Material Subsidiary” means any Material Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited, or any other stock exchange;

“Margin” has the meaning given in the relevant Pricing Supplement;

“Material Subsidiary” means any Subsidiary of the Issuer:

- (a) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 10 per cent. of the consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Issuer, provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Issuer;

- (ii) if at any relevant time in relation to the Issuer or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
 - (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Issuer; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (A) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (B) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of subparagraph (i) above.

A report by two of the directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders.

“**Maturity Date**” has the meaning given in the relevant Pricing Supplement;

“**Maximum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Minimum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be);

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Pricing Supplement;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Pricing Supplement;

“Permitted Security Interest” means (i) any Security Interest over any assets (or related documents of title) purchased by the Issuer or any Material Subsidiary as security for all or part of the purchase price of such assets and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets; and (ii) any Security Interest over any assets (or related documents of title) purchased by the Issuer or any Material Subsidiary subject to such Security Interest and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Put Exercise Notice” means a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement;

“Receipts” means the receipts for the payment of instalments of principal;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Change of Control), the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

“Reference Banks” means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market, in each case selected by the Issuer or as specified in the relevant Pricing Supplement;

“Reference Rate” means the rate specified in the relevant Pricing Supplement;

“Relevant Indebtedness” means any indebtedness in the form of and represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement) having an original maturity of more than one year from its date of issue but shall not include indebtedness under any secured transferable loan facility (which term shall, for the avoidance of doubt, mean any agreement for or in respect of indebtedness for borrowed money entered into with one or more banks and/or financial institutions whereunder rights and (if any) obligations may be assigned and/or transferred);

“Relevant Financial Centre” has the meaning given in the relevant Pricing Supplement;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Pricing Supplement;

“Relevant Time” has the meaning given in the relevant Pricing Supplement;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” means the currency specified in the relevant Pricing Supplement or, if none is specified, the currency in which the Notes are denominated;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

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

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which TARGET System is open for the settlement of payments in euro;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

“**Treaty**” means the Treaty establishing the European Communities, as amended; and “**Tranche**” means Note, which are identical in all respects;

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

In addition:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 7, any undertaking given in addition to or substitution for Condition 7 pursuant to the Agency Agreement, any premium payable in respect of a Note, and any other amount in the nature of principal payable pursuant to these Conditions;

- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 7, any undertaking given in addition to or substitution for Condition 7 pursuant to the Agency Agreement, and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

1. Form, Denomination, Title and Status

- (a) The Notes are issued in bearer form (“**Bearer Notes**”) and in registered form (“**Registered Notes**”), in each case, in the Specified Denomination(s) shown in the relevant Pricing Supplement.
- (b) This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Pricing Supplement.
- (c) Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.
- (d) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same Holder.
- (e) Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the relevant Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.

- (f) The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank pari passu without any preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

2. Transfers of Registered Notes and Exchanges of Notes

- (a) *Transfers:* Subject to paragraphs (e) (*Closed periods*) and (f) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and signed by the Noteholder or his attorney duly authorised in writing, at the Specified Office of the relevant Registrar or any Transfer Agent, together with such evidence as the relevant Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.
- (b) *Registration and delivery of Certificates:* Within five Business Days of the surrender of a Certificate in accordance with paragraph (a) (*Transfers*) above, the relevant Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (free of charge to the Holder and at the Issuer's expense) (airmail if overseas) to the address specified for the purpose by such relevant Holder.
- (c) *Exercise of Options or Partial Redemption in Respect of Registered Notes:* In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the relevant Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the relevant Registrar or any Transfer Agent but upon (i) payment (or the giving of such indemnity or security as the Issuer, the relevant Registrar or (as the case may be) such Transfer Agent may require) in respect of any tax or other government charges or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) the relevant Registrar or (as the case may be) such Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) the Issuer and/or the relevant Registrar and/or the relevant Transfer Agent being satisfied that the Regulations (as defined in the Agency Agreement) concerning the transfer of Notes have been complied with.
- (e) *Closed periods*: Noteholders may not require transfers to be registered:
 - (i) after a notice of redemption has been validly delivered pursuant to Condition 5(d); and
 - (ii) during the period of 15 days ending on and including the due date for any payment of principal or interest in respect of the Notes pursuant to these Conditions.
- (f) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed Regulations concerning the transfer of Notes scheduled to the Agency Agreement. The Regulations may be changed by the Issuer with the prior written approval of the Fiscal Agent and the Registrars. A copy of the current regulations will be mailed (free of charge to the Holder and at the Issuer's expense) by the relevant Registrar to any Noteholder who requests in writing a copy of such regulations and is available at the specified offices of the Fiscal Agent.
- (g) *No exchange of Notes*: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

3. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and the Issuer shall procure that none of the Material Subsidiaries (other than any Listed Material Subsidiary) will, create or permit to subsist any Security Interest, other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

4. Interest and other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this subparagraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (y) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes (*other than Floating Rate Notes which specify the Reference Rate as SOFR*)

- (x) Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR, or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Supplement as being other than EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Supplement.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x) (1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, or if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered

quotation (expressed as a percentage rate per annum) for the Reference Rate, or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m., Brussels time or, if the Reference Rate is HIBOR, at approximately 11.00 a.m., Hong Kong time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m., Brussels time or, if the Reference Rate is HIBOR, at approximately 11.00 a.m., Hong Kong time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest applicable to the Floating Rate Notes for each Interest Accrual Period will, subject as provided below, be equal to the sum of the relevant SOFR Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The “**SOFR Benchmark**” will be determined based on Simple SOFR Average, Compounded Daily SOFR or SOFR Compounded Index (as specified in the relevant Pricing Supplement), as follows (subject in each case to Condition 4(b)(v)):

- (x) If Simple SOFR Average (“**Simple SOFR Average**”) is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be the arithmetic mean of the SOFR reference rates for each day during such Interest Accrual Period, as calculated by the Calculation Agent, and where, if applicable and as specified in the relevant Pricing Supplement, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the relevant Interest Accrual Period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of that Interest Accrual Period.
- (y) If Compounded Daily SOFR (“**Compounded Daily SOFR**”) is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where SOFR Observation Lag, SOFR Payment Delay or SOFR Lockout is specified in the relevant Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the relevant Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the relevant Pricing Supplement:

- i. SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{\text{SOFR}_{i-x\text{USBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_{i-xUSBD}**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day (i);

“**Lookback Days**” means such number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**do**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to d_o , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a “**U.S. Government Securities Business Day(i)**”); and

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

ii. SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

“**SOFR Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date of such Interest Accrual Period;

“**SOFR Observation Shift Days**” means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

“**d**” means the number of calendar days in the relevant SOFR Observation Period;

“**d_o**” for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” means a series of whole numbers ascending from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each, a “**U.S. Government Securities Business Day(i)**”); and

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

iii. SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

“**Interest Payment Date**” shall be the number of Interest Payment Delay Days following each Interest Period Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or the relevant date for redemption, as applicable;

“**Interest Payment Delay Days**” means the number of Business Days as specified in the relevant Pricing Supplement;

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a “**U.S. Government Securities Business Day(i)**”); and

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period where SOFR Payment Delay is specified in the relevant Pricing Supplement, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant date for redemption, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

iv. SOFR Lockout:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i) except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d_o**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a “**U.S. Government Securities Business Day(i)**”); and

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Conditions 4(b)(iii)(C)(x) and 4(b)(iii)(C)(y):

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator’s Website;
- (ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; or
- (iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(v) shall apply;

“**SOFR Determination Time**” means approximately 3:00 p.m. (New York City time) on the immediately following the relevant U.S. Government Securities Business Day.

- (z) If SOFR Compounded Index (“**SOFR Compounded Index**”) is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR Index**”, with respect to any U.S. Government Securities Business Day, means the SOFR Index value as published on the SOFR Administrator’s Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that* if such SOFR Index value is not available and:

- (i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “**SOFR Compounded Index**” shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(iii)(C)(y)(ii) (*SOFR Observation Shift*); or
- (ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(v) shall apply;

“**SOFR Index_{End}**” means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

“**SOFR Index_{Start}**” means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is SOFR Observation Shift Days prior to the first date of such Interest Accrual Period;

“**SOFR Index Determination Time**” means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

“**SOFR Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

“**SOFR Observation Shift Days**” means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement; and

“**d_c**” means the number of calendar days in the applicable SOFR Observation Period.

If the Notes become due and payable in accordance with Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

The following defined terms shall have the meanings set out below for purpose of this Condition 4(b)(iii)(C):

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York (currently, being <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>), or any successor source;

“SOFR Benchmark Replacement Date” means the date of occurrence of a Benchmark Event with respect to the then-current Benchmark;

“SOFR Benchmark Transition Event” means the occurrence of a Benchmark Event with respect to the then-current Benchmark;

“SOFR Rate Cut-Off Date” has the meaning given in the relevant Pricing Supplement; and

“U.S. Government Securities Business Day” or “USBD” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) *Benchmark Replacement for Floating Rate Notes (other than Floating Rate Notes which specify the Reference Rate as SOFR):*

In addition, notwithstanding the provisions of this Condition 4(b), if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified hereon when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

- (A) *Independent Adviser*

The Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine, no later than five business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Accrual Period (the “**IA Determination Cut-off Date**”), a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(iv)(B)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(b)(iv)(C)) and any Benchmark Amendments (in accordance with Condition 4(b)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 4(b)(iv)(A) shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4(b)(iv).

If (x) the Issuer is unable to appoint an Independent Adviser, or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate. However, if no Successor Rate or Alternative Rate is determined prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided, in this Condition 4(b)(iv).

(B) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) determines that:

- (I) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)); or
- (II) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)).

(C) *Adjustment Spread*

If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines (x) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as applicable) and (y) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(b) (iv) and the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) determines (x) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (y) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Fiscal Agent of a certificate signed by two Directors of the Issuer pursuant to Condition 4(b)(iv)(E), the Fiscal Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Agency Agreement), provided that the Fiscal Agent shall not be obliged so to concur if in the opinion of the Fiscal Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Fiscal Agent in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4(b) (iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(iv) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer:

- (I) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate and, (z) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(iv); and
- (II) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(F) *Survival of Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 4(b)(iv) (A), (B), (C) and (D), the relevant Reference Rate specified hereon and the provisions provided for in Condition 4(b)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(v) *Benchmark Replacement (SOFR):*

The following provisions shall apply if Benchmark Event (SOFR) is specified as applicable in the relevant Pricing Supplement:

(A) *Benchmark Replacement*

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(b)(v). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Agents (if required). Further, none of the Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) *Definitions*

The following defined terms shall have the meanings set out below for purpose of Conditions 4(b)(iii)(C) and 4(b)(v):

“**Benchmark**” means, initially, the relevant SOFR Benchmark specified in the relevant Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement;

“**Benchmark Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (I) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (II) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (III) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (I) the sum of:
 - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (b) the Benchmark Replacement Adjustment;

(II) the sum of:

- (a) the ISDA Fallback Rate; and
- (b) the Benchmark Replacement Adjustment; or

(III) the sum of:

- (a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and
- (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (I) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (II) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (III) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no

market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (I) in the case of sub-paragraph (I) or (II) of the definition of “Benchmark Event”, the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (xi) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (II) in the case of sub-paragraph (III) of the definition of “Benchmark Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**designee**” means a designee as selected and separately appointed by the Issuer in writing;

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified in the relevant Pricing Supplement) or SOFR Index Determination Time (where SOFR Compounded Index is specified in the relevant Pricing Supplement); or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(vi) *Linear Interpolation*

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate. For the purposes of this Condition 4(b)(vi), “**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) ***Zero Coupon Notes***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

(d) ***Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

(e) ***Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.

(f) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding***

- (i) If any Margin is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal to such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

The Calculation Agent, shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8, the accrued interest and the Rate

of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 8, shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Supplement.

- (c) Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 days' nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to, but excluding the date fixed for redemption, if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Bermuda or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes was then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisors or other professional advisors, in each case of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts, or has or will become obliged to make such withholding or deduction, as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(c).

- (d) **Redemption for Change of Control:** At any time following the occurrence of a Change of Control, the Holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at 100 per cent. of their principal amount, together with accrued interest up to, but excluding the Put Settlement Date. To exercise such right, the Holder of the relevant Note must deposit at the Specified Office of any Paying Agent a Put Exercise Notice, together with the Note Certificates evidencing the Notes to be redeemed by not later than 60 days following a Change of Control, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14. The "**Put Settlement Date**" shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders and the Fiscal Agent in accordance with Condition 14 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 5(d).

In this Condition 5(d):

a “**Change of Control**” occurs when:

- (i) any Person or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (iii) one or more Persons acquires the beneficial ownership of all or substantially all of the Issuer’s issued share capital;

“**Control**” means (i) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms “**Controlling**” and “**Controlled**” shall have meanings correlative to the foregoing; and

a “**Person**”, as used in this Condition 5(d), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include members of the board of directors of the Issuer (or their respective heirs, executors or assigns) or any other governing board and does not include the wholly-owned direct or indirect Subsidiaries of the Issuer.

(e) ***Redemption at the Option of the Issuer***

If Call Option is specified in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the Holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances as determined by the Issuer, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) Redemption at the Option of Noteholders

If Put Option is specified in the relevant Pricing Supplement, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the relevant Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the relevant Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Pricing Supplement.

(h) Purchase: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 12(a).

(i) Cancellation: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

6. Payments

(a) Bearer Notes

(i) Bearer Notes not held in the CMU Service

Payments of principal and interest in respect of Bearer Notes not held in the CMU Service shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be:

- A. in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States, by transfer to an account denominated in such currency with, a Bank; and

- B. in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this paragraph, “**Bank**” means a bank in the principal financial centre for such currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or, in the case of euro, in a city in which banks have access to the TARGET System.

(ii) *Bearer Notes held in the CMU Service*

Payments of principal and interest in respect of Bearer Notes held in the CMU Service will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in Agency Agreement) or any other relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer or, as the case may be, in respect of that payment.

(b) *Registered Notes*

(i) *Registered Notes not held in the CMU Service*

- A. Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the relevant Registrar and in the manner provided in paragraph (B) below.
- B. Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Renminbi, on the fifth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
- (x) in the case of a currency other than Renminbi, upon application by the Holder to the specified office of the relevant Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
 - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder. In this Condition 6(b), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

(ii) *Registered Notes held in the CMU Service*

Payments of principal and interest in respect of Registered Notes held in the CMU Service will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the Agency Agreement) or any other relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer or, as the case may be, in respect of that payment.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the CMU Lodging and Paying Agent, CMU Registrar, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and its specified offices are listed below. The Fiscal Agent, the CMU Lodging and Paying Agent, CMU Registrar, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes,

(iii) Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU Service, (v) one or more Calculation Agent(s) where the Conditions so require and (vi) such other agents as may be required by any stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), the Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Payment Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not (i) a Business Day and (ii) a day on which dealings in foreign currencies may be carried on (x) in each additional Financial Centre (if any) and (y) for instruments in definitive form required to be presented, in the place of presentation, the Holder shall not be entitled to payment until the next following such date nor to any interest or other sum in respect of such postponed payment.

7. Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bermuda or Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) *Other connection*: held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or, as the case may be, payments made by the Issuer by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (ii) *Presentation more than 30 days after the Relevant Date*: where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in Hong Kong by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7.

For the avoidance of doubt, none of the Agents shall be responsible or liable for (a) determining whether the Issuer is liable to pay any tax or amounts payable (if any) in connection with this Condition 7, or (b) determining the sufficiency or insufficiency of any amounts so paid and the Agents shall not be responsible to the Noteholder or any other person for any loss arising from any failure by it to do so.

8. Events of Default

If any of the following events occurs:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within seven days after the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Covenant and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by Noteholders holding five per cent. or more of the principal amount of the Notes outstanding, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer or Material Subsidiaries*:
 - (i) any indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any indebtedness of the Issuer or any of its Material Subsidiaries becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or any person entitled to such indebtedness; or

- (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any indebtedness;

provided that the amount of indebtedness referred to in sub paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any guarantee referred to in sub paragraph (iii) above, individually or in the aggregate, exceeds HK\$78,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Hong Kong dollar as quoted by any leading bank on the day on which a calculation is made under this Condition 8(c)); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Issuer or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Issuer or any Material Subsidiary and such possession or appointment continues for a period of 30 days after the date thereof; or
- (f) *Insolvency, etc.*: (i) the Issuer or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any Material Subsidiaries is appointed (or application for any such appointment is made) or (iii) the Issuer or any Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its indebtedness or any guarantee of any indebtedness given by it; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Material Subsidiary (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) or the Issuer or any of the Material Subsidiaries ceases to carry on all or the substantial part of its business (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or as a result of disposal on arm's length terms or as approved by an Extraordinary Resolution of the Noteholders); or
- (h) *Analogous event*: any event occurs which under the laws of Bermuda or Hong Kong has an analogous effect to any of the events referred to in Conditions 8(d) to 8(g); or

- (i) *Failure to take action etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Deed of Covenant, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates or the Deed of Covenant admissible in evidence in the courts of Hong Kong and Bermuda, is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant,

then Noteholders holding not less than five per cent. of the aggregate principal amount of the outstanding Notes may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders.

The Agents need not do anything to ascertain whether any Event of Default has occurred and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so, and, unless and until an Agent otherwise has notice in writing to the contrary, the Agents may assume that (i) no such event has occurred and (ii) that the Issuer is performing all of its obligations under the Agency Agreement and the Conditions.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are presented for payment within ten years in the case of principal and five years in the case of interest of the appropriate Relevant Date. The Agents shall not be responsible or liable for any amounts so prescribed.

10. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the relevant Registrar and the Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. Agents

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices (as defined in the Agency Agreement) are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents; provided, however, that the Issuer shall at all times maintain (a) a fiscal agent and a registrar, and (b) a paying agent and a transfer agent.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and, so long as the Issuer is indemnified to its satisfaction against all costs and expenses, shall be convened by them upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the percentage of Notes outstanding required to call an Event of Default or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than 66 per cent. or, at any adjourned meeting, 33 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders of not less than 90 per cent. of the aggregate principal amount outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders to modify any provision of a formal, minor or technical nature or correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

13. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the holders of Registered Notes will be sent to them by uninsured local mail or (if posted to an overseas address) by airmail (at the Issuer's expense) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth Business Day after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published by the Issuer in a daily newspaper of general circulation in Asia (which is expected to be the Wall Street Journal Asia). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

So long as the Notes are in global form and held in their entirety on behalf of one or more clearing systems, any notice to the holders of the Notes shall be validly given by the delivery of the relevant notice to the accountholder shown in a position report issued by or on behalf of the relevant clearing systems on the Business Day preceding the date of despatch of such notice as holding interests in such Notes. Any such notice shall be deemed to have been given to the Noteholders on the second Business Day on which such notice is delivered to the persons shown in such position report.

15. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes are governed by Hong Kong law.
- (b) *Hong Kong courts*: The courts of Hong Kong have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes.
- (c) *Appropriate forum*: The Issuer agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside Hong Kong*: Condition 16(b) is for the benefit of the Noteholders only. As a result, nothing in this Condition 16 prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in on it may be delivered to its place of business registered in Hong Kong from time to time pursuant to Part 16 of the Companies Ordinance (Cap. 622). Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in Hong Kong and to Proceedings elsewhere.

17. Contracts (Rights of Third Parties) Ordinance

Save as expressly provided otherwise, no person shall have any right to enforce any term or condition of the Notes under Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream (the “**Common Depository**”) or sub-custodian for the CMU Service or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream (as the case may be), and/or (ii) the Hong Kong Monetary Authority as operator of the CMU Service and delivery of the relevant Global Certificate to the Common Depository or a sub-custodian for the CMU Service (as the case may be), the relevant clearing system will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note is lodged with a sub-custodian for or registered with the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU Service as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Subscription and Sale”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership (in the form set out in the Agency Agreement) for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU Service may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU Service or any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent) of its election for such exchange.

Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg, the CMU Service, or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the prior consent of the Issuer; or
- (iv) an Event of Default has occurred and is continuing,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Notes that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement (as amended or supplemented from time to time). On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to Global Note held through the CMU Service) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 6(a) and Condition 7(iii) will apply to the Definitive Notes only.

In respect of a Global Note or a Global Certificate held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) at the close of business on the Clearing System Business Day where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

All payments in respect of Notes represented by a Global Note or a Global Certificate (other than a Global Note or a Global Certificate held through the CMU Service) will be made to, or to the order of, the person whose name is entered in the Register on the Record Date.

Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU Service, or any other clearing system (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent), or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer (as the case may be) under the terms of a Deed of Covenant executed as a deed by the Issuer on 17 December 2014 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion of Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

Notice

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or such Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate or (ii) the CMU Service, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

Registered Notes

Registered Notes, sold in an “offshore transaction” to non-U.S. persons within the meaning of Regulation S will initially be represented by interests in a Global Certificate, without interest coupons, deposited with a Common Depository for, and registered in the name of a nominee of, the Common Depository, Euroclear and/or Clearstream or a sub-custodian for the CMU Service on its issue date. Any Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Regulation S.

USE OF PROCEEDS

The net proceeds from the issue of Notes will be used for general working capital purposes of the Group.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's consolidated capitalisation and indebtedness as at 30 September 2021. This table should be read in conjunction with the financial statements and the accompanying notes incorporated by reference in this Offering Circular.

| | As at 30 September 2021 (Unaudited) <hr/> <i>HK\$'000</i> |
|---|--|
| Borrowings - current portion | |
| Bank borrowings ⁽¹⁾ | 5,008,985 |
| Amounts due to related companies ⁽²⁾ | 787,451 |
| Amounts due to non-controlling interests of subsidiaries ⁽³⁾ | 39,523 |
| Unsecured notes | 1,955,636 |
| | 7,791,595 |
| Borrowings - non-current portion | |
| Bank borrowings ⁽¹⁾ | 14,083,086 |
| Unsecured notes | 2,518,985 |
| | 16,602,071 |
| Shareholders' funds | |
| Share capital | 36,775 |
| Reserves | 27,287,509 |
| | 27,324,284 |
| | 43,926,355 |
| Total capitalisation⁽⁴⁾ | 43,926,355 |
| Current portion of total borrowings and total capitalisation | 51,717,950 |

Notes:

- (1) The bank borrowings carry interest at prevailing market rates, part of which are secured by certain assets of the Group.
- (2) The amounts due to related companies of the Company are unsecured and bearing floating interest rates linked to HIBOR. It was agreed with the related companies of the Company that the Company will repay the amount based on the sufficiency of its operating cash flows determined by the management of the Company.
- (3) Amounts due to non-controlling interests of subsidiaries of the Company are unsecured, interest-free and repayable from surplus funds as agreed in the shareholders agreement.
- (4) Total capitalisation is the sum of the non-current portion of total borrowings and shareholders' funds.

Subsequent to 30 September 2021, there have been no material changes to the capitalisation and indebtedness of the Group.

DESCRIPTION OF THE GROUP

OVERVIEW

The Company is an exempted company with limited liability incorporated under the laws of Bermuda (Registration Number 16715) and its shares are listed on the Main Board of the HKSE (Stock Code: 163).

The Group principally engages in property investment and property development; and operates a hospitality business via its subsidiary, Emperor E Hotel.

As at 30 September 2021, the Group had investment properties currently for lease with a total GFA of approximately 2,886,500 sq. ft., investment properties to be launched for lease with a total GFA of approximately 1,396,000 sq. ft. and property development projects with a total GFA of approximately 420,000 sq. ft. in Hong Kong, as well as hotels and serviced apartments with a total of 983 rooms in Hong Kong and Macau.

The Group's investment properties are primarily quality street-level retail spaces and commercial buildings at prime locations in Hong Kong, Macau, Beijing, Shanghai and London. In recent years, the Group has strived to maintain a healthy mix of its rental income streams and ensure the Group is in a more resilient position to withstand market volatility.

The Group has a diversified property development portfolio in Hong Kong. Residential development is one of the Group's more vibrant areas of business and the Group has been actively and successfully developing a number of residential properties in Hong Kong over the years.

Emperor E Hotel owns two hotels in Macau, namely Grand Emperor Hotel and Inn Hotel Macau. During the six months ended 30 September 2021, Emperor E Hotel acquired one hotel – The Emperor Hotel, and two serviced apartments – The Unit Serviced Apartments and MORI MORI Serviced Apartments in Hong Kong from a subsidiary of the Company. As a result, the entire hospitality business segment operated by the Group, covering three hotels and two serviced apartments, is unified under Emperor E Hotel, and the recurring income from such business segment continues to be consolidated to the Group.

Despite the increasing number of COVID-19 cases in many countries, travel restrictions within Mainland China were relaxed as the pandemic was largely contained, creating a favourable condition for the restoration of consumption confidence. The Group's total revenue increased to HK\$1,392.7 million (2020: HK\$637.5 million) during the six months ended 30 September 2021. Revenue from property development surged to HK\$731.7 million (2020: HK\$82.1 million) mainly attributable to the sales of Central 8 during the six months ended 30 September 2021. Although the leasing market has been picking up, it is yet to return to the previous level. The Group's rental income for the six months ended 30 September 2021 declined slightly to HK\$440.5 million (2020: HK\$447.6 million). With the relaxation of travel restrictions between Macau and Mainland China, revenue from the hospitality segment increased to HK\$220.5 million (2020: HK\$107.8 million) during the six months ended 30 September 2021. Gross profit increased to HK\$409.2 million (2020: HK\$280.4 million) during the six months ended 30 September 2021. A revaluation gain on investment properties amounted to HK\$197.9 million (2020: loss of HK\$981.8 million) was recorded during the six months ended 30 September 2021. As a result, profit for the six months ended 30 September 2021 attributable to the owners of the Company was HK\$233.2 million (2020: loss of HK\$990.2 million).

Set out below is the breakdown of revenue by segments of the Group for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| | Year ended 31 March | | Six months ended 30 September | |
|------------------------------------|-------------------------|-------------------------|----------------------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Lease of properties | 898,724 | 1,007,719 | 440,465 | 447,554 |
| Properties development | 82,208 | 145,250 | 731,674 | 82,100 |
| Hotel and hotel related operations | 336,150 | 1,212,413 | 220,543 | 107,849 |
| Total | <u>1,317,082</u> | <u>2,365,382</u> | <u>1,392,682</u> | <u>637,503</u> |

As at 30 September 2021, the Company had a market capitalisation of approximately HK\$3,714.3 million based on the closing price of HK\$1.01 of its shares listed on the Main Board of the HKSE and the Company was ultimately controlled as to 74.71% by a private discretionary trust of which Dr. Yeung is the settlor and founder. No other shareholder holds an interest of above 10% of the Company's issued shares.

History

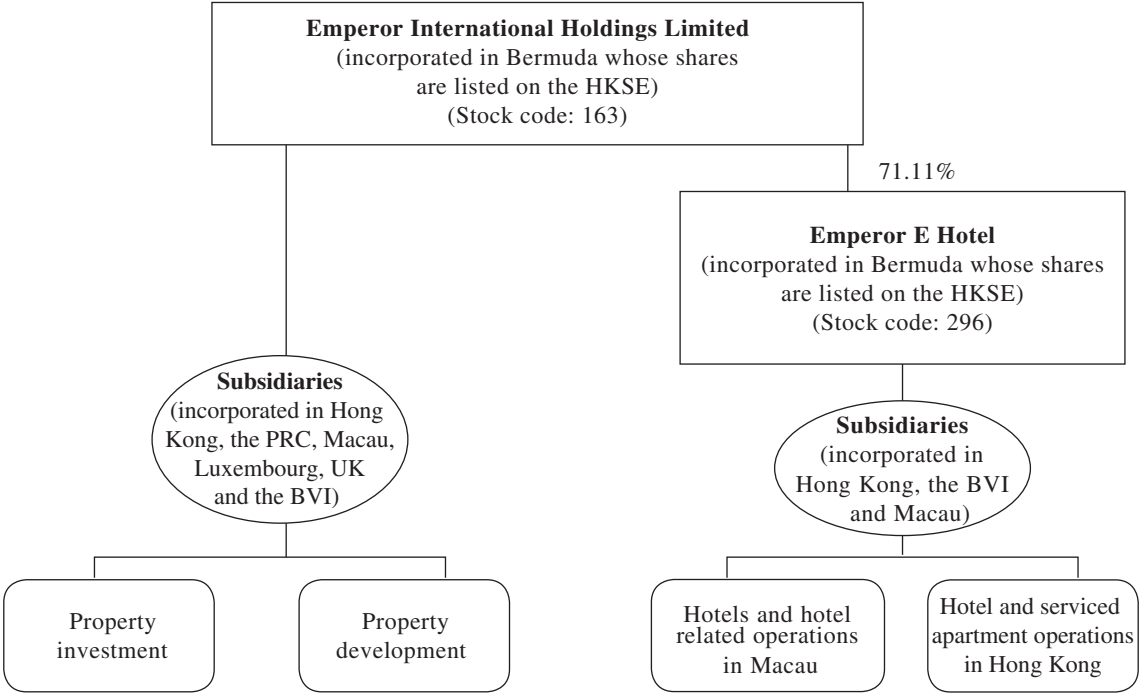
The Company was incorporated in Bermuda on 30 August 1991 as an exempted company with limited liability under the then Companies Act of Bermuda. The Company did not carry on any business since incorporation until it acquired Emperor Investment Limited (“EIL”), which was a company listed in Hong Kong by way of a scheme of arrangement (the “Scheme”) under Section 166 of the Companies Ordinance in 1991.

Upon implementation of the Scheme in December 1991, the Company became the sole shareholder of EIL and at the same time, the shares of the Company were listed on the Main Board of HKSE by way of introduction and withdrawal of the listing of EIL on the HKSE.

The Company has since become the property flagship company of Emperor Group. Emperor Group was founded in 1942 by the family of Dr. Yeung and started its business as a watch retailer. With nearly 80 years of operations, Emperor Group has diversified its businesses into various areas, six of which are carried out through listed vehicles, namely, property investment and development, through the Company, hospitality and gaming business through Emperor E Hotel, retail of watches and jewellery through Emperor Watch & Jewellery Limited (“Emperor W&J”), financial services through Emperor Capital Group Limited (“Emperor Capital Group”), cinema operations and film exhibition business through Emperor Culture Group Limited (“Emperor Culture”) and chain retailing of upmarket European furniture through Ulferts International Limited (“Ulferts”).

Group Structure

The following chart shows the current business organisation of the Group as at the date of this Offering Circular:



Note: For details of principal subsidiaries, which materially affect the results or assets of the Group, please refer to note 51 to the consolidated audited financial statements of the Company for the year ended 31 March 2021 which are available on the websites of the Company and HKSE.

Competitive Strengths

The Group believes that it has the following competitive strengths that enable the Group to compete effectively in the business segments in which it operates:

Maintaining healthy and recurrent cash flows and income

The Group maintained healthy and recurrent cash flows primarily from its high-quality investment property portfolio and hotel related operations.

Set out below is the revenue derived from the lease of the Group's properties and hotel and hotel related operations for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

Revenue derived from leasing of investment properties:

| <u>Financial Year/Period</u> | <u>HK\$' 000</u> | <u>Change compared to the preceding year/period</u> |
|--------------------------------------|------------------|---|
| <i>Year ended 31 March</i> | | |
| 2020 | 1,007,719 | -9.0% |
| 2021 | 898,724 | -10.8% |
| <i>Six months ended 30 September</i> | | |
| 2020 | 447,554 | -12.8% |
| 2021 | 440,465 | -1.6% |

Revenue derived from hotel and hotel related operations:

| <u>Financial Year/Period</u> | <u>HK\$' 000</u> | <u>Change compared to the preceding year/period</u> |
|--------------------------------------|------------------|---|
| <i>Year ended 31 March</i> | | |
| 2020 | 1,212,413 | -21.7% |
| 2021 | 336,150 | -72.3% |
| <i>Six months ended 30 September</i> | | |
| 2020 | 107,849 | -85.1% |
| 2021 | 220,543 | +104.5% |

Prime locations of and the ability to create value in its investment properties

The Group has traditionally focused on high-end street-level retail spaces at renowned shopping districts in Hong Kong, such as Russell Street in Causeway Bay, which had been one of the most expensive shopping street in the world in terms of rent per square foot for tenants.

In August 2019, the Group acquired CentreHollywood, Sheung Wan. It is a 26-storey commercial building situated at a prominent location of the commercial hub in No.151 Hollywood Road, Hong Kong with a GFA of approximately 41,000 sq. ft. The acquisition has enhanced the income base and diversified the Group's investment portfolio which allows the Group to capture the rental growth at the periphery of the central business district in Central.

In 2017, Emperor Group Centre, located in Chang'an Avenue East, Beijing was completed. This is a 28-storey (excluding three-storey basement with parking facilities) Grade-A office tower and premier shopping mall with premium cinema, encompassing a GFA of approximately 1,062,000 sq. ft. As at the date of this Offering Circular, the office and retail space was occupied by tenants from various sectors, which mainly include luxury watch and jewellery retailers, high-quality lifestyle product brands, financial institutions, one fitness centre, and several fine-dining and catering operators. The development of Emperor Group Centre Beijing has marked a significant milestone for the Group in upscaling considerable commercial projects in Mainland China and it became a landmark building in the prominent street of the capital city in the PRC.

In September 2017, the construction of Emperor Nam Van Centre, a multi-storey premium retail complex on the Macau Peninsula, was completed. With a GFA of approximately 30,000 sq. ft., the retail complex has become a prime shopping location with a blend of shopping and lifestyle offerings.

In 2017, the acquisition of Ampersand Building at Oxford Street, London was completed. These acquisitions reiterate the Group's commitment on diversifying its rental income streams, and ensure the resiliency of its overall property portfolio.

The Group has been successful in enhancing the value of its investment properties. The Group is experienced in refurbishing and upgrading its properties, which enhances the value of the property, maximises occupancy rate and potential rental income. In addition to street-level retail shops at Russell Street, Causeway Bay and The Pulse at No. 28 Beach Road, Repulse Bay, the following are some recent examples of the Group's success in enhancing the value of its investment properties:

In 2015, the Group carried out renovation works for China Huarong Tower at No. 60 Gloucester Road in Wanchai, to convert it into a premier Grade A office tower. China Huarong Tower was leased to China Huarong Group.

In 2016, the Group has undertaken the redevelopment of two adjacent buildings on Lockhart Road, which were demolished in 2016 and has already been redeveloped into a prime office building, No. 81 Lockhart Road, with a GFA of approximately 126,600 sq. ft. Occupation permit has been obtained and the property is currently at the stage of recruiting tenants. The Group believes the redevelopment will create a vibrant building in the heart of Wan Chai, one of the core commercial districts on Hong Kong Island, and has high appreciation potential.

The Group also undertakes revitalisation projects. The Group owns No. 4 Kin Fat Lane, Tuen Mun, a 14-storey industrial building for goods-storage purpose with a GFA of over 178,800 sq. ft. In 2018, the Group successfully obtained government approval to convert the original industrial building into a commercial building for food and beverage, retail spaces and office. The alteration and addition works have been completed already. The building has been renamed as “Lane Up” since 1 December 2021 and is recruiting tenants. In March 2019, the Group acquired Bhotai Industrial Building, No. 13 San On Street, Tuen Mun which is located adjacent to Shan Ling Industrial Building, No. 15 San On Street and together they have a GFA of approximately 90,000 sq. ft. As the government announced a new revitalisation policy for industrial buildings in the Policy Address 2018, the Group has proposed a relaxation of the maximum plot ratio by up to 20% through application to the Town Planning Board for Nos. 13-15 San On Street, Tuen Mun, which was approved by the Town Planning Board in 2020.

Nos. 25-27 Oxford Street redevelopment project was completed in 2021. A nine-storey retail and office building was redeveloped with a GFA of approximately 19,300 sq. ft., for long-term investment purposes. It is currently recruiting tenants.

Sourcing land through the acquisition of aged buildings and public government tenders

The Group has a proven track record of acquiring aged buildings and redeveloping them into luxury residential flats, contributing substantial profit to the Group. For instance, the Group has gradually acquired residential units of the two residential towers in Nos. 24-30 Bonham Road, Mid-levels West, over the years and by unifying the ownership, the Group amalgamated the two sites and started redeveloping it into a luxury residential tower, so that the plot ratio of the site can be maximised and the development potential can be fully utilised. The Group also acquired residential units of several adjacent residential towers in Nos. 72-80 Old Main Street Aberdeen, Aberdeen. The Group will amalgamate and redevelop the sites into a 23-storey residential and retail building.

Apart from such redevelopment, the Group increases its land bank through successful purchases of government land through public tenders. For example, the Group together with two joint venture partners successfully tendered for the site situated at No. 15 Shouson Hill Road West, Hong Kong on 14 May 2014, in which the Group holds a 40% interest. The occupation permit and certificate of compliance have been obtained and the 15 luxury family houses development are completed.

Property development projects in prime locations

The Group has pursued a strategy of providing high quality properties located in urban areas with convenient access to transportation networks. On 6 September 2017, the Group launched the pre-sale of The Amused, 538 Fuk Wing Street. Approximately 96% of the total units were sold within one day and all of the 136 residential units were sold and completed by 2019. In May 2020, the Group launched the pre-sale of a luxury residential tower, Central 8, located in Mosque Street, Mid-levels, Hong Kong which is situated in a prime residential area in close proximity to the Central-Mid-levels escalator, and has convenient access to the central business district. As at 30 September 2021, 58 out of 99 units of Central 8 have been contracted, amongst which 56 units were handed over with the relevant sales amount of approximately HK\$464.0 million. There are also a number of forthcoming redevelopment projects in the Group's development pipeline which are located on Hong Kong Island. They include Nos. 24-30 Bonham Road, Mid-levels West, Nos. 20-26 Old Bailey Street and No. 11 Chancery Lane, Central, Nos. 72-80 Old Main Street Aberdeen, Aberdeen, No. 1 Wang Tak Street, Happy Valley, Nos. 24-26A Davis Street, Kennedy Town and No. 127 Caine Road, Mid-levels.

Seaside Castle, a prime residential project at No. 9 Ching Lai Road, Tai Lam, Tuen Mun, which is close to the prestigious Harrow International School Hong Kong, comprises eight luxurious detached houses with sea views and encompasses a GFA of approximately 29,000 sq. ft. As at 30 September 2021, one house was contracted and the remaining houses will be launched to the market according to the market condition.

Through a 40% owned joint venture, the Group is currently developing a signature luxury residential project on Island South at No. 15 Shouson Hill Road West, with a GFA of approximately 88,000 sq. ft. In proximity to a network of prestigious schools, the site has been developed into 15 low-density luxury villas, complemented by comprehensive auxiliary facilities. Occupation permit and certificate of compliance have been obtained, and the project will soon be launched to the market.

Award winning hotels and premium quality services incidental to its hotel businesses

The hotels and gaming business in Macau is highly competitive. To attract patrons, the Group has strategically built up its brand name among Hong Kong and PRC tourists with its value for money and premium quality service. In Hong Kong, the Group's restaurant, Golden Valley situated on the 1st Floor of The Emperor Hotel had been ranked as a one star Michelin restaurant. In Macau, Grand Emperor Hotel has been granted a number of awards, significant awards granted to Grand Emperor Hotel in the past few years are listed below:

- *Macau Environmental Protection Bureau* Macao Green Hotel Award – Certificate of Merit, 2019-2021
- *Hotels.com* Loved by Guests Award, 2020 & 2021
- *Booking.com* Traveller Review Awards, 2021
- *TripAdvisor* Traveler's Choice, 2020-2021
- *Agoda* Customer Review Award, 2020
- *Asia Art of Cuisine Society* The Best of the Best Masterchef Recommendation Restaurant - Grand Emperor Court, 2020
- *CEM Macau* Energy Saving Activity 2020 – Excellent Award of Hotel Group B, 2020
- *TripAdvisor* Hall of Fame, 2019
- *TripAdvisor* Certificate of Excellence Award, 2012-2019
- *Asian Culinary Exchange* Gold of Distinction Award, 2019
- *Dianping* Customer Review Awards, 2018-2019
- *Booking.com* Guest Review Awards, 2016-2018
- *SKYSCAPE Magazine* Most Influential Entertainment Hotel Brand Award, 2018

Macau's gaming business secured by Services Agreement with SJM

Gaming is one of the most popular activities for tourists in their visits to Macau. To capture tourist spending and widen its revenue base, the Group through its listed subsidiary, Emperor E Hotel, entered into the Services Agreement with SJM in February 2010. SJM is one of the six companies authorised to operate casino games under the terms of the Gaming Concession Contract granted by the Macau Government in March 2002. Under the Services Agreement, Grand Emperor Hotel provides (i) its floor area to SJM as a gaming area operated by SJM; (ii) management and promotion services to SJM; and (iii) bears all operating expenses in relation to the operation of the gaming area in return for an entitlement to a share of the gross wins and losses arising from the operation of the gaming area. The Services Agreement may be terminated (i) on the expiration of SJM's Gaming Concession Contract on 31 March 2020 or any earlier termination thereof; (ii) upon the winding up or cessation of business of either party; and (iii) in the event of a default as specified under the Services Agreement upon 21-days of notice or without notice, as the case may be. On 4 May 2020, the term of the Services Agreement was extended to 26 June 2022 (aligning with the extended term of the SJM's Gaming Concession Contract) by way of an addendum supplementing the Services Agreement. Management of the Group is positive of the continuity of the Services Agreement as long as SJM's Gaming Concession Contract remains valid and subsisting. Given the expiry of all existing gaming concessions in 2022, changes are expected to be made to the gaming law in respect of concessions and sub-concessions before the expiry of all existing gaming concessions in mid-2022. It is uncertain whether SJM's Gaming Concession Contract will be extended or continued in light of such amendments. For relevant risks involved in the potential change, see "The Group's gaming business is dependent on the gaming concession contracts (the "Gaming Concession Contract")" under "Risk Factors – Risks Relating to the Group's Hotel and Hotel Related Business".

For the year ended 31 March 2021, the gaming operation business generated revenue of HK\$209.1 million (which decreased from HK\$926.8 million in 2020), accounting for approximately 69.3% of the total revenue of Emperor E Hotel and its subsidiaries (collectively "Emperor E Hotel Group") and approximately 15.9% of the total revenue of the Group. Set out below are the revenues derived from the gaming operations business of Emperor E Hotel Group for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| Segment revenue | Year ended | | | Six months ended | | |
|------------------|-----------------|-----------------|----------------|------------------|-----------------|------------------|
| | 31 March | 2020 | Change | 30 September | 2020 | Change |
| | 2021 | 2020 | compared to | 2021 | 2020 | compared to |
| | (HK\$' million) | (HK\$' million) | preceding year | (HK\$' million) | (HK\$' million) | preceding period |
| Mass market hall | 138.0 | 623.2 | -77.9% | 108.6 | 37.2 | +191.9% |
| VIP room | 55.6 | 267.9 | -79.2% | 31.6 | 6.0 | +426.7% |
| Slot machines | 15.5 | 35.7 | -56.6% | 9.5 | 7.9 | +20.3% |
| Total | 209.1 | 926.8 | -77.4% | 149.7 | 51.1 | +193.0% |

The revenue from the gaming operations business decreased by HK\$717.7 million for the year ended 31 March 2021 as compared to that for the year ended 31 March 2020. The decrease was mainly due to the continuous outbreak of COVID-19, in particular the travel restrictions imposed by governments with a view to controlling the spread of COVID-19. With the relaxation of travel restrictions between Macau and Mainland China, the revenue from the gaming operation business increased by HK\$98.6 million for the six months ended 30 September 2021 as compared to the corresponding period in 2020. Amid a challenging macro environment in Macau, the management team of Emperor E Hotel Group will continue to regularly review the purchasing power, gaming and lifestyle patterns of its customers.

Experienced management team

The Group has a dedicated and experienced team of senior management which has achieved a strong track record of success in the real estate sector in Hong Kong, Macau, the PRC and the UK. Their strong knowledge of the markets enables the Group to identify market trends and formulate strategies that contribute to the growth of the Group.

Business Strategies

Continue to focus on the successful dual-engine business model

The Group has established a dual-engine business model, the first being quality investment portfolios with a focus on high-end retail properties and prime commercial properties, and the other being urban redevelopment projects. This dual-engine business model has proven to be successful after years of implementation, which ensures a steady rental income from investment portfolios with profit enhancement from redevelopment projects.

The Group continues to focus on high-quality commercial properties for investment by not only acquiring retail shops at renowned shopping districts but also diversifying its portfolio to include shopping arcades in prime locations, office buildings and redeveloping properties located at city centres. The Group further enhances the value of its property portfolio through renovation works, such as transforming the landscape of the area nearby and merging two or more adjacent shops into one large store, which results in an upgrade in the quality of its potential tenants. In the redevelopment project at No. 81 Lockhart Road in Wanchai, two adjacent buildings were demolished and the properties are to be redeveloped into a Grade-A office building with a GFA of approximately 126,600 sq. ft. The redevelopment project has been completed and reinvigorate the area with a vibrant building in the heart of Wanchai, one of the core commercial districts on Hong Kong Island. In addition, the redevelopment of Nos. 25-27 Oxford Street was completed in 2021 and the Group is currently in the process of recruiting tenants. This new composite retail/office building has a total GFA of approximately 19,300 sq. ft.

Over the past few years, the Group has been expanding its investment property portfolio on Russell Street, which has now developed into an extensive shop-front coverage at street-level shops at Russell Street. The Group has also diversified its portfolio through the acquisition of CentreHollywood in Sheung Wan, China Huarong Tower in Wanchai, Emperor Commercial Centre in Central, commercial and car park complexes at Sui Wo Court in Sha Tin, Level 3, New Town Commercial Arcade in Tuen Mun, shops at Fairview Height at Mid-levels, Nos. 181-183 Oxford Street and Ampersand Building in London.

With respect to urban redevelopment projects, the Group has expanded its land bank by the acquisition and amalgamation of urban sites. Over the past few years, the Group has completed the acquisition of (i) Nos. 24-26A Davis Street, Kennedy Town, (ii) Nos. 20-26 Old Bailey Street and No. 11 Chancery Lane, (iii) Nos. 24-30 Bonham, Mid-levels West, (iv) Nos. 72-80 Old Main Street Aberdeen, Aberdeen, (v) No. 127 Caine Road, Mid-levels, and the Group has been granted a land exchange from the government for (vi) No. 1 Wang Tak Street, Happy Valley, which will be redeveloped into high-quality residential or mixed commercial and residential projects. All aforementioned redevelopment projects are expected to be completed during 2022 to 2025.

The Group has also expanded its land bank through the acquisition of No. 8 Mosque Street, Mid-levels through a private tender and acquisition of government sites at Tuen Mun Town Lot No. 436, Siu Lam, No. 9 Ching Lai Road, Tai Lam and No. 15 Shouson Hill Road West through public tenders. These sites had been redeveloped into high quality and luxurious residential units – Peak Castle was completed in 2017, while Seaside Castle and Shouson Hill project have obtained their occupation permits and certificates of compliance with eight and 15 detached houses respectively. Central 8, No. 8 Mosque Street, Mid-levels was completed in late 2020. As at 30 September 2021, 58 out of 99 units of Central 8 have been contracted, amongst which 56 units were handed over with the relevant sales amount expected to be approximately HK\$464.0 million.

Apart from the acquisition of redevelopment sites and tender sites, the Group won the contract for the redevelopment of Urban Renewal Authority's Fuk Wing Street project in Cheung Sha Wan in 2015 with a GFA of approximately 54,000 sq. ft. All of the 136 residential units were completed and sold in 2019.

Continue to maintain a diversified business portfolio

In order to minimise over-concentration risk, the Group takes a prudent approach to diversify its business and expand its revenue base. In August 2009, the Group expanded its hotel and hotel related operations in Macau through acquiring the shares in and control of Emperor E Hotel. In view of the keen competition in the gaming industry in Macau, it is the Group's strategy to build up and maintain a good relationship with its high rolling customers. The Group designates a staff member to serve each high rolling customer to ensure his/her needs are well attended. As a result of this strategy, many of its customers, including VIP customers, are loyal customers and the Group is able to maintain steady rolling in its VIP room despite the keen competition. Apart from the hotel and hotel related businesses, the Group may seek to diversify its business into other areas that are complementary to its existing operations and pursue other suitable investment opportunities in the PRC, Macau and the UK.

Continue to maintain a healthy capital structure

The Group aims to maintain a healthy capital structure. The net gearing ratio, measured by net debts as a percentage to the total asset value of the Group has been kept at a relatively low level at 39.1% as at 30 September 2021 and 38.4% as at 31 March 2021. While the Group continues to grow its business as mentioned above, it also endeavours to maintain an optimal capital structure going forward. The Group has mainly used its own equity, its operating cash flows, bank borrowings, issuance of notes and unsecured loans from related companies of the Group in financing its acquisitions in the past. The board of directors of the Company believes that it is in the interests of the Group to issue the Notes. This will enable the Group to broaden its funding resources. This multi-channel fund raising capabilities provides a good foundation on which the Group can expand its business in the long term.

Recent Developments

Disposal of entire equity interest in Black Tie Holdings Limited

On 20 October 2021, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a buyer to sell the entire equity interest in Black Tie Holdings Limited (together with the seller's loan due from the target company), at a consideration of approximately HK\$585.0 million (subject to adjustments). Black Tie Holdings Limited indirectly owns one 12-storey industrial building located in Hong Kong, with details set out in the announcement dated 20 October 2021 of the Company. The Directors view the proposed disposal of the property represents a good opportunity for the Company to realise its investment in the property for a reasonable return and improve the financial position of the Company.

Disposal of entire equity interest in Jade Talent Holdings Limited

On 21 April 2021, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a buyer to sell the entire equity interest in Jade Talent Holdings Limited (together with the seller's loan due from the target company), at a consideration of approximately HK\$485.7 million. Completion of the disposal took place simultaneously on the same day. Jade Talent Holdings Limited indirectly owns one 10-storey industrial building located in Hong Kong, with details set out in the announcement dated 21 April 2021 of the Company. The Directors view the disposal of the property represents a good opportunity for the Company to realise its investment in the property for a reasonable return and improve the financial position of the Company.

The acquisition of certain assets by Emperor E Hotel from a subsidiary of the Company

On 28 May 2021, an indirect non-wholly owned subsidiary of Emperor E Hotel acquired the entire equity interest of Poly Keen from a subsidiary of the Company. Poly Keen and its subsidiaries are principally engaged in hospitality business and property investment in Hong Kong, which includes the operations of The Emperor Hotel, The Unit Serviced Apartments and MORI MORI Serviced Apartments.

After the acquisition, the Company focuses on property investment for rental income and property development for sale, while the overall performance of the Company continues to include the hospitality service at consolidation level. In the meantime, Emperor E Hotel remains its core focus on gaming hotel, with an extension of market presence in the regional hospitality sector. The acquisition can achieve better delineation of assets, resources (both tangible and intangible) and business activities between the Company and Emperor E Hotel, and can streamline the decision-making process of respective management teams. It would also enable potential investors and the existing shareholders of the Company and Emperor E Hotel to better assess the investment values by clearly distinguishing the business focuses of the two companies.

BUSINESS AND OPERATIONS

Investment Properties

The Group's investment properties are primarily high quality street-level retail spaces and commercial buildings at prime locations in Hong Kong, Macau, Beijing, Shanghai and London. In recent years, the Group has strived to maintain a healthy mix of its rental income streams and ensure the Group is in a more resilient position to withstand market volatility. The Group believes that premium investment properties would not only increase recurrent rental earnings for the Group, but they also have relatively higher potential for rental revision and capital appreciation than non-premium properties. As at 30 September 2021, the total fair value of the Group's completed investment properties was HK\$38,659.8 million. As at 30 September 2021, the occupancy rate of the Group's investment properties in Hong Kong was about 90%.

Rental income derived from investment properties declined by 1.6% to HK\$440.5 million for the six months ended 30 September 2021 from HK\$447.6 million for the six months ended 30 September 2020, accounting for approximately 31.6% (2020: 70.2%) of the Group's total revenue during the same period.

Hong Kong – retail investment properties

Key properties include the retail spaces located at Nos. 8, 20, 22-24 and 50-56 Russell Street, No. 76 Percival Street in Causeway Bay, Nos. 35-37 Haiphong Road and Nos. 25-29 Hankow Road in Tsim Sha Tsui, The Pulse in Repulse Bay, Fitfort Shopping Arcade in North Point and retail shops at Level 3, New Town Commercial Arcade in Tuen Mun.

Russell Street, Causeway Bay, had been ranked in terms of rental price per sq. ft. per annum as one of the most expensive shopping streets in the world for tenants. The Group is currently enjoying an extensive coverage at the street-level shops at Russell Street with high pedestrian flow.

The Pulse is a multi-functional beach-front shopping complex with GFA of approximately 167,200 sq. ft. in Repulse Bay, which is one of the famous tourist spots in the world and the most dazzling beach in Hong Kong.

Hong Kong – office, commercial and industrial investment properties

Key properties include the majority of Emperor Group Centre and China Huarong Tower in Wanchai, Emperor Commercial Centre in Central, CentreHollywood in Sheung Wan, Lane Up in Tuen Mun, commercial and car park complexes at Sui Wo Court in Sha Tin and industrial buildings at Nos. 13-15 San On Street in Tuen Mun.

China Huarong Tower is a 28-storey office building, situated at the junction of Gloucester Road and Luard Road in Wanchai. It is located in a prime office area in Hong Kong and offers seaviews on two sides of the building. The building has been leased to the single tenant, on an en bloc basis, following the completion of renovation and upgrading works in late-2015.

Emperor Commercial Centre is located at Nos. 39-41 Des Voeux Road Central and is a 16-storey (including one basement level) prime composite building with a GFA of approximately 39,400 sq. ft.

CentreHollywood is a 26-storey commercial building, situated at a prominent location of the commercial hub in No. 151 Hollywood Road, Hong Kong with a GFA of approximately 41,000 sq. ft.

Nos. 13-15 San On Street, Tuen Mun comprises two industrial buildings, the six-storey Bhotai Industrial Building and the four-storey Shan Ling Industrial Building, with a GFA of approximately 90,000 sq. ft. This site has applied for the industrial revitalisation or redevelopment under the new government policy, where the Town Planning Board has already approved the proposed relaxation of the maximum plot ratio by up to 20% upon redevelopment.

No. 4 Kin Fat Lane in Tuen Mun was a 14-storey industrial building with a GFA of over 178,800 sq. ft. Under the approved waiver, alteration and addition works for the proposed wholesale conversion into a commercial building covering diversified purposes such as food and beverage, retail spaces and offices are being carried out. This revitalisation project was completed in 2021. The building has been renamed as “Lane Up” and the Group is recruiting tenants for the property.

Mustard Seed is the Group’s first co-working space and commenced operations in Emperor Group Centre, Wanchai in 2017. Encompassing a GFA of approximately 5,000 sq. ft., Mustard Seed is designated to offer freelancers, innovators and entrepreneurs a convenient and affordable working space with a host of amenities. It serves as a platform for motivated professionals, especially in the arts and design industries, to network and collaborate with each other, creating a more productive and connected community of entrepreneurs.

Macau

The construction of Emperor Nam Van Centre, a multi-storey premium retail complex on the Macau Peninsula, was completed in September 2017. With a GFA of approximately 30,000 sq. ft., the retail complex has become a prime shopping locale with a blend of shopping and lifestyle offerings. It is occupied by various tenants including an international sports brand and a luxury watch and jewellery retailer.

PRC

Emperor Group Centre Beijing is located on Chang’an Avenue East in Beijing and is being developed as a Grade-A office tower and premier shopping mall with premium cinema, encompassing a GFA of approximately 1,062,000 sq. ft. It includes a multi-storey retail podium, entertainment hot spots and parking facilities, which has become a landmark building along this prominent street of the capital city in the PRC. In 2019, a large portion of office and retail space was occupied by various tenants including luxury watch and jewellery retailers, high-quality lifestyle product brands, financial institutions, one fitness centre, and several fine-dining and catering operators. The development of Emperor Group Centre has marked a significant milestone for the Group in upscaling significant commercial projects in Mainland China.

Emperor Star City is located in Yuyuan, Huangpu District, Shanghai and is being developed as a shopping arcade and hotel or serviced apartment complex at this prime site adjacent to the Shanghai M10 subway route. Its foundation and basement excavation work for the development has been completed. With an expected GFA of approximately 1,300,000 sq. ft., the complex will include a multi-storey shopping arcade as its major component.

UK

The Group owns Nos. 181-183 Oxford Street which is a seven-storey (including basement) commercial building with a GFA of approximately 19,900 sq. ft. This building is located in a prominent London shopping hub that is among the popular tourist spots for international visitors, the Group anticipates potential rental increments and capital appreciation in the long-term.

The Group also owns Ampersand Building, a composite building comprising retail spaces, office premises and leasehold apartments, at Nos. 111-125 Oxford Street, London. It is a freehold eight-storey (including basement) composite building with a GFA of approximately 113,000 sq. ft. (for retail and office portions only) located in the prime retail and vibrant SOHO office area of London's West End. It is also in close proximity to the Tottenham Court Road Crossrail development, thereby enjoying significant pedestrian traffic and enhanced accessibility. This property is considered by the Group to be a quality asset that will attract retail and office tenants over the long term, as it is located on a prominent street in the world-renowned cosmopolitan city.

Nos. 25-27 Oxford Street redevelopment project was completed in 2021 and is now recruiting tenants. Located in a prominent shopping hub in London, it is redeveloped into a nine-storey retail and office building with a GFA of approximately 19,300 sq. ft.

Summary information in relation to completed investment properties

The table below sets forth the information of the Group's major investment properties for lease as at 30 September 2021:

| <u>Location</u> | <u>Purpose</u> | <u>Approximate GFA (sq. ft.)</u> | <u>Approximate book value as at 30 September 2021 (HK\$' million)</u> |
|--|----------------------------|--|---|
| Hong Kong | | | |
| Various shops and commercial/office units of Emperor Group Centre, 288 Hennessy Road, Hong Kong | Commercial and Office | 217,000 | 3,095 |
| Basement, The Whole of Lower and Upper Ground Floors, Second Floor and Third Floor, Fitfort, No. 560 King's Road, North Point, Hong Kong | Commercial | 134,400 | 2,867 |
| China Huarong Tower, No. 60 Gloucester Road, Wanchai, Hong Kong | Commercial and Office | 110,500 | 2,500 |
| Emperor Commercial Centre, Nos. 39-41 Des Voeux Road Central, Central, Hong Kong | Commercial and Office | 39,400 | 1,709 |
| Shops 1, 2, 3 and 5 on Ground Floor, the whole of 1st, 2nd and 3rd Floors, the External Walls of Ground Floor to 3rd Floor, the Flat Roof on 5th Floor and Parapet Walls enclosing the Flat Roof on 5th Floor and Lift No. L-1, "No. 8 Russell Street" No. 8 Russell Street, Causeway Bay, Hong Kong | Commercial | 27,000 | 1,266 |
| Lane Up, No. 4 Kin Fat Lane, Tuen Mun, Hong Kong | Commercial and Office | 178,800 | 1,130 |
| Nos. 22-24 Russell Street, Causeway Bay, Hong Kong | Commercial | 8,000 | 1,120 |
| The Pulse, No. 28 Beach Road, Repulse Bay, Hong Kong | Commercial | 167,200 | 1,029 |
| Sui Wo Court Commercial and carpark complexes, Nos. 5-19 & 6-12 Sui Wo Road, Shatin, New Territories, Hong Kong | Commercial | 93,000 | 837 |
| Ground Floor, Mezzanine Floor, Flats A, B and C including the flat roofs on 1st Floor, Flats A, B and C on 2nd to 5th Floor, Roof Nos. 54-56 Russell Street, Causeway Bay, Hong Kong | Commercial and Residential | 5,200 | 691 |

| <u>Location</u> | <u>Purpose</u> | <u>Approximate GFA (sq. ft.)</u> | <u>Approximate book value as at 30 September 2021 (HK\$' million)</u> |
|--|--------------------------|--|---|
| Hong Kong | | | |
| CentreHollywood, No. 151 Hollywood Road, Hong Kong | Commercial and Office | 41,000 | 538 |
| Shops A & B on Ground Floor, Offices A & B on 1st to 3rd Floor, Tak Fat Building, Nos. 50-52 Russell Street, Causeway Bay, Hong Kong | Commercial and Office | 6,700 | 522 |
| 12 Shops located at Ground Floor and Lower Ground Floor, Fairview Height, No. 1 Seymour Road, Hong Kong | Commercial | 13,000 | 500 |
| Nos. 13-15 San On Street, Tuen Mun, N.T., Hong Kong | Industrial | 90,000 | 490 |
| New Town Commercial Arcade (Level 3), No. 2 Tuen Lee Street, Tuen Mun, Hong Kong | Commercial | 38,500 | 350 |
| Ground Floor, No. 76 Percival Street, Hong Kong | Commercial | 600 | 243 |
| Shops A, D2 and E2 on Ground Floor, Harilela Mansion, No. 81 Nathan Road, Tsimshatsui, Hong Kong | Commercial | 3,100 | 220 |
| Ground Floor and 2nd Floor, No. 20 Russell Street, Causeway Bay, Hong Kong | Commercial | 1,800 | 214 |
| Ground Floor and 1st Floor, No. 523 Lockhart Road, Causeway Bay, Hong Kong | Commercial | 1,900 | 165 |
| Ground Floor, No. 507 Lockhart Road, Hong Kong | Commercial | 1,000 | 155 |

| Location | Purpose | Approximate GFA (sq. ft.) | Approximate book value as at 30 September 2021 (HK\$' million) |
|---|-----------------------|--|---|
| Hong Kong | | | |
| Shop C, G/F Daily House, Nos. 35-37 Haiphong Road, Kowloon, Hong Kong | Commercial | 800 | 155 |
| Shop B, G/F, Nos. 25-29 Hankow Road, Kowloon, Hong Kong | Commercial | 800 | 49 |
| PRC | | | |
| Emperor Group Centre Beijing, Ding 12 Jianguomen Avenue, Chaoyang District Beijing, the PRC | Commercial and Office | 1,062,000 | 8,109 |
| Macau | | | |
| Emperor Nam Van Centre No. 71, Avenida do Infante D. Henrique; Nos. 514-540, Avenida da Praia Grande, Macau | Commercial | 30,000 | 1,495 |
| Retail and commercial units, Grand Emperor Hotel, Macau | Commercial | 50,000 | 454 |
| Basement Floor, Ground Floor, 1st, 2nd, 3rd and 4th Floors, Block A, Avenida de Almeida Ribeiro Nos. 201, 205, 209, Patio das Esquinas Nos. 1, 3, Macau | Commercial | 15,800 | 251 |
| Commercial units, Inn Hotel Macau | Commercial | 24,300 | 191 |
| UK | | | |
| Ampersand Building, Nos. 111-125 Oxford Street, London W1F 8ZZ, UK | Commercial and Office | 113,000 ⁽¹⁾ | 2,557 |
| Nos. 25-27 Oxford Street, London W1D 2DW, UK | Commercial and Office | 19,300 | 371 |
| Nos. 181-183 Oxford Street, London W1D 2JT, UK | Commercial and Office | 19,900 | 312 |

Note:

(1) For commercial and office portions only.

Summary information in relation to investment properties under development

Set out below is a summary of the Group's major investment properties under development as at 30 September 2021:

| Location | Description | Approximate book value as at 30 September 2021 (HK\$' million) |
|--|---|---|
| Emperor Star City located in Yu Yuan, Huang Pu District, Shanghai, the PRC | This prime site is planned to be developed into a shopping arcade and hotel or service apartment complex, which is adjacent to the new Shanghai M10 subway route. Its foundation and basement excavation work for the development has been completed. The whole body of the complex will be a multi-storey shopping arcade with an expected total gross area of approximately 1,300,000 sq. ft. | 1,474 |
| No. 81 Lockhart Road, Wanchai, Hong Kong | Two adjacent buildings were demolished and redeveloped into a prime office building with a GFA of 126,600 sq. ft. Occupation permit was obtained in October 2021 and the property is currently at the stage of recruiting tenants. | 2,611 |

Property Development

The Group's property development portfolio spans across Hong Kong. The residential projects are one of the Group's more vibrant areas of business and the Group has been actively developing a number of residential properties in Hong Kong over the years.

The table below sets forth certain information in relation to the Group's major development properties as at 30 September 2021:

| <u>Location</u> | <u>Actual unsold/ expected GFA of property (est. sq. ft.)</u> | <u>Nature of property</u> | <u>Target year of construction completion</u> | <u>Approximate book value as at 30 September 2021 (HK\$' million)</u> |
|--|---|-------------------------------|---|---|
| Central 8, No. 8 Mosque Street, Mid-levels, Hong Kong | 14,000 | Residential | Completed | 321 |
| Seaside Castle, No. 9 Ching Lai Road, Castle Peak Road, Tai Lam, Tuen Mun, N. T., Hong Kong | 29,000 | Residential | Completed | 653 |
| No. 15 Shouson Hill Road West, Hong Kong | 88,000 | Residential | Completed | 1,834 ⁽¹⁾ |
| Nos. 24-26A Davis Street, Kennedy Town, Hong Kong | 20,600 | Residential and Commercial | 2022 | 392 |
| Nos. 20-26 Old Bailey Street and No. 11 Chancery Lane, Hong Kong | 29,700 | Residential | 2023 | 558 |
| No. 1 Wang Tak Street, Happy Valley, Hong Kong | 58,000 | Residential | 2024 | 435 |
| Nos. 24-30 Bonham Road, Mid-levels West, Hong Kong | 105,500 | Residential | 2024 | 2,093 |
| Nos. 72-80 Old Main Street Aberdeen, Aberdeen, Hong Kong | 50,200 | Residential and Commercial | 2024 | 621 |
| No. 127 Caine Road, Mid-levels, Hong Kong | 25,000 | Residential and Commercial | 2025 | 403 |

Notes:

(1) The Group holds 40% equity interest in the project company.

Central 8, No. 8 Mosque Street, Mid-levels, Hong Kong

This is a 29-storey (including lower ground floor) luxury residential tower comprising 99 units. Adjacent to SOHO area and Lan Kwai Fong, it is in close proximity to the Central Mid-levels Escalator with convenient access to Central commercial district area. It is also located at a traditional luxury residential area on Hong Kong Island, which is in line with the Group's strategic focus. Pre-sale was launched in May 2020. As at 30 September 2021, 58 out of 99 units of Central 8 have been contracted, amongst which 56 units were handed over with the relevant sales amount expected to be approximately HK\$464.0 million.

Seaside Castle, No. 9 Ching Lai Road, Tai Lam, New Territories

This prime residential site has been developed into eight luxurious detached houses with sea views, encompassing a GFA of approximately 29,000 sq. ft. With close proximity to new transportation infrastructure such as Hong Kong-Shenzhen Western Corridor, the Hong Kong-Zhuhai-Macau Bridge and the future Tuen Mun-Chek Lap Kok Link, the project has convenient access to the cities in the Greater Bay Area. It is also close to the prestigious Harrow International School. Occupation permit and certificate of compliance have been obtained. Sales was launched in July 2021. As at 30 September 2021, one house was contracted and the remaining houses will be launched to the market according to the market condition.

No. 15 Shouson Hill Road West, Hong Kong

This is a luxury residential site located at the junction of Shouson Hill Road West and Wong Chuk Hang Path with a GFA of approximately 88,000 sq. ft. It is a development comprising 15 low-density luxury houses with comprehensive auxiliary facilities. Leveraging its unique location and prestigious design, this project is expected to become one of the Group's most opulent residential developments in Hong Kong. Occupation permit and certificate of compliance have been obtained and the project has been completed and the project will soon be launched to the market.

Nos. 24-26A Davis Street, Kennedy Town, Hong Kong

This site was successfully acquired in May 2018 and will be redeveloped into a 22-storey composite retail and residential building with a GFA of approximately 20,600 sq. ft. Kennedy Town became a popular urban district in Hong Kong Island benefitting from the extension of the MTR Island Line to Kennedy Town. This project is expected to be completed in 2022.

Nos. 20-26 Old Bailey Street and No.11 Chancery Lane, Hong Kong

This site is planned to be redeveloped into a 26-storey boutique luxury residential tower with a GFA of 29,700 sq. ft. It is located adjacent to the SOHO area and Lan Kwai Fong within walking distance to the Central Mid-levels Escalator and convenient access to the Central commercial district area. This project is expected to be completed in 2023.

No. 1 Wang Tak Street, Happy Valley, Hong Kong

This site, previously the Emperor (Happy Valley) Hotel, is planned to be redeveloped into a 27-storey residential tower with a GFA of approximately 58,000 sq. ft. The site has convenient access to Hong Kong Jockey Club and Hong Kong Sanatorium & Hospital. Foundation works are in progress and the project is expected to be completed in 2024.

Nos. 24-30 Bonham Road, Mid-levels West, Hong Kong

Planned for redevelopment into a 27-storey residential tower with a GFA of approximately 105,500 sq. ft. This site has close proximity to the Sai Ying Pun MTR station. This project is expected to be completed in 2024.

Nos. 72-80 Old Main Street Aberdeen, Aberdeen, Hong Kong

Amalgamation of this site was successfully completed in 2021 and it is expected to be redeveloped into a 23-storey residential/retail building with a GFA of approximately 50,200 sq. ft. This project is expected to be completed in 2024.

No. 127 Caine Road, Mid-levels, Hong Kong

This site is planned for redevelopment into a 23-storey residential and retail tower with a GFA of approximately 25,000 sq. ft. The site is within 3-minute and 5-minute walk from PMQ and SOHO, respectively, and offers convenient access to various leisure spots and multinational restaurants at Mid-levels. Redevelopment is expected to be completed in 2025.

Hotels and Hotel Related Operations

Emperor E Hotel owns two hotels in Macau, namely Grand Emperor Hotel and Inn Hotel Macau. During the six months ended 30 September 2021, Emperor E Hotel acquired one hotel – The Emperor Hotel, and two serviced apartments – The Unit Serviced Apartments and MORI MORI Serviced Apartments in Hong Kong from a subsidiary of the Company. As a result, the entire hospitality business segment operated by the Group, covering three hotels and two serviced apartments, is unified under Emperor E Hotel, and the recurring income from such business segment continues to be consolidated into the Group.

Hong Kong

About The Emperor Hotel

The Emperor Hotel, a 29-storey hotel in Wan Chai, is the Group's signature project in Hong Kong. It offers 299 guest rooms together with leisure, dining and parking facilities, with a gross floor area of approximately 115,000 sq. ft. The Emperor Hotel creates a comfortable experience, catering to the lifestyles of both leisure and business travellers. Golden Valley, a Cantonese & Sichuan cuisine within the hotel, had been rated as a Michelin 1-star restaurant.

About The Unit Serviced Apartments

The Unit Serviced Apartments, a 21-storey, 68-unit block in Happy Valley, is a highly sought-after residence given its ease of access to the central business district. The area is vibrant, conveniently located near Hong Kong's commercial districts, and affords easy access to the shopping districts in Causeway Bay, Hong Kong Jockey Club and Hong Kong Stadium for international sports events, and Hong Kong Sanatorium & Hospital for medical check-ups, helping to ensure solid short-term leasing demand.

About MORI MORI Serviced Apartments

MORI MORI Serviced Apartments, situated at the vibrant junction of Wan Chai and Causeway Bay, MORI MORI Serviced Apartments provides 18 stylish serviced apartments for expats, MICE visitors, business travellers and overseas professionals, on short-and long-term leases. With state-of-the-art facilities and professional customer services, MORI MORI Serviced Apartments redefines the contemporary way of life.

Macau

Opened in 2006, Grand Emperor Hotel is situated in the heart of downtown Macau and offers fine dining, quality accommodation as well as a wide range of gaming and entertainment facilities. Since its opening, the hotel has been recognised with a number of awards. Such recognitions demonstrated that its team outperformed across the industry, in terms of proficiencies and service excellence.

The architecture of Grand Emperor Hotel is influenced by European royal palaces. Upon entering the hotel, visitors are welcomed by a golden pathway in the lobby. The golden pathway is created with pure gold bars. Each gold bar weighs 1 kilogramme meter and is embossed with a unique number. Another attraction of the hotel is an antique gold carriage that is on display, which exhibits the fine craftsmanship of 18th century Europe. In addition, the daily ceremony of changing of the guards, which is held at the hotel entrance, serves as a photo attraction to most of its guests.

Emperor Palace Casino occupies six floors. The Slot Hall is located on the 1st floor. The Mass Market Hall which occupies the 1st to the 4th floors provides a variety of Chinese and Western casino games and the Premium Hall on the 5th and 6th floors offers superior services to gaming patrons in an imperial ambiance. The Grand Emperor VIP Club on the 5th floor is a private and exclusive area that offers gambling to VIP gaming patrons without any distractions. The hotel offers 311 spacious guest rooms, including the Emperor Suite, Royal Suite, Queen Suite, Executive Suite, Executive Studio and Executive, Deluxe and Superior Rooms, all fully equipped with amenities, furnishings and fittings for the comfort and luxurious living of guests. Apart from dining and entertainment facilities, there are also luxury shops, including Emperor W&J shops, a banquet room and a business centre to cater to the needs of different types of visitors.

Assisted by the brand and reputation of “Emperor” and its quality services, Grand Emperor Hotel in Macau is popular with both Hong Kong and mainland Chinese visitors.

Inn Hotel Macau is a 17-storey hotel with total GFA of approximately 209,000 sq. ft. and 287 guest rooms. Through extending coverage from the Peninsula to Taipa, the Group can fully capture the potential of Macau’s hospitality market.

Mass Market Hall

The Group enlarged its mass market hall by converting its previously leased-out VIP rooms into gaming area to increase its appeal to the mass market in 2009. The Group further increased the number of gaming tables from 63 in 2011 to 67 tables in 2018. Nevertheless, in line with the market downturn, the Group recorded a decrease in revenue over the past few years and a substantial decrease in 2020 due to travel restrictions and health quarantine arrangements imposed with a view to controlling the spread of COVID-19. With the relaxation of travel restriction between Macau and Mainland China, revenue from mass market hall increased in the six months ended 30 September 2021 as compared to the six months ended 30 September 2020. The following table sets out the number of gaming tables and the revenue derived from the Group’s mass market hall for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| Financial Year | No. of Gaming Tables | Revenue (HK\$' million) | Percentage of the Group's Total Revenue | Change in revenue compared to preceding year/period |
|--------------------------------------|-----------------------------|--------------------------------|--|--|
| <i>Year ended 31 March</i> | | | | |
| 2020 | 67 | 623.2 | 26.4% | -6.3% |
| 2021 | 67 | 138.0 | 10.5% | -77.9% |
| <i>Six months ended 30 September</i> | | | | |
| 2020 | 67 | 37.2 | 5.8% | -90.2% |
| 2021 | 67 | 108.6 | 7.8% | +191.9% |

Slot Machines

The revenue from this segment is relatively less significant compared to the mass market hall segment. It only accounted for approximately 0.7% of the Group's total revenue for the six months ended 30 September 2021. The following table sets out the number of slot seats and the revenue derived from the Group's slot machines for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| Financial Year | No. of Slot Seats | Revenue (HK\$' million) | Percentage of the Group's Total Revenue | Change compared to preceding year/period |
|--------------------------------------|--------------------------|--------------------------------|--|---|
| <i>Year ended 31 March</i> | | | | |
| 2020 | 180 | 35.7 | 1.5% | -16.2% |
| 2021 | 180 | 15.5 | 1.2% | -56.6% |
| <i>Six months ended 30 September</i> | | | | |
| 2020 | 180 | 7.9 | 1.2% | -62.4% |
| 2021 | 180 | 9.5 | 0.7% | +20.3% |

VIP Room

The Group manages a VIP room with 10 tables. Despite the high transaction amount and high profitability of the VIP room, the Group has tightened its corporate policy in relation to credit control to limit the risk of bad debt, so as to minimise risk and maintain a healthy financial position. The following table sets out the number of tables and the revenue derived from the Group's VIP room for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021:

| Financial Year | No. of Tables | Revenue (HK\$' million) | Percentage of the Group's Total Revenue | Change compared to preceding year/period |
|--------------------------------------|----------------------|--------------------------------|--|---|
| <i>Year ended 31 March</i> | | | | |
| 2020 | 10 | 267.9 | 11.3% | -37.6% |
| 2021 | 10 | 55.6 | 4.2% | -79.2% |
| <i>Six months ended 30 September</i> | | | | |
| 2020 | 10 | 6.0 | 0.9% | -96.3% |
| 2021 | 10 | 31.6 | 2.3% | +426.7% |

Hotel Business

Apart from the revenue derived from the gaming operations, the Group also generates income from hotel rooms, the sale of food and beverages and leasing of sauna, spa, night club and retail space and others, in The Emperor Hotel, Grand Emperor Hotel and Inn Hotel Macau. For the year ended 31 March 2021, these three hotels recorded a total revenue of HK\$140.2 million (2020: HK\$307.3 million) comprising a revenue of HK\$50.7 million (2020: HK\$151.5 million) from hotel rooms, HK\$74.8 million (2020: HK\$129.7 million) from food and beverages, and HK\$14.7 million (2020: HK\$26.1 million) from leasing of sauna, spa, night club, retail space and others.

For the six months ended 30 September 2021, these three hotels recorded a total revenue of HK\$76.3 million (2020: HK\$64.2 million) comprising a revenue of HK\$27.3 million (2020: HK\$26.0 million) from hotel rooms, HK\$43.1 million (2020: HK\$30.3 million) from food and beverages and HK\$5.9 million (2020: HK\$7.9 million) from leasing of sauna, spa, night club, retail space and others.


Employees

As at the date of this Offering Circular, the Group had 1,200 employees responsible for its core businesses. The following table provides a breakdown of employees by business segment as at the date of this Offering Circular:

| | <u>Number of employees</u> |
|--|----------------------------|
| Real estate investment and development | 331 |
| Hotel and hotel related operations | <u>869</u> |
| Total | <u><u>1,200</u></u> |

Employee's remuneration is determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical and life insurance, retirement benefits and other competitive fringe benefits.

Intellectual Property Rights

As at the date of this Offering Circular, the Group has registered or has applied for the registration of the trademarks, “英皇”, “” and “EMPEROR” under various categories in Hong Kong and the PRC. The Group also owns the domain name “www.EmperorInt.com”.

Insurance

Consistent with what the Group believes to be industry practice in the property industry in Hong Kong, Macau, the PRC and the UK, the Group is covered by insurance policies on its investment properties, properties under construction, third party liabilities and employers' liabilities.

Related Party Transactions

The Group and its affiliates engage in a broad range of related party transactions. For details of significant related party transactions, see note 49 to the annual report of the Company for the year ended 31 March 2021.

Environmental and Safety Matters

The Group is subject to certain Hong Kong, Macau, the PRC and the UK environmental laws and regulations as well as regulations promulgated by the PRC local governments. These include regulations relating to air pollution, noise emissions and water and waste discharge. It is believed that the Group is in compliance in all material respects with all applicable environmental regulations in Hong Kong, Macau, the PRC and the UK. The Company is not aware of any environmental proceedings or investigations to which it is or might become a party.

Litigation

As at the date of this Offering Circular, the Group was not involved in any litigation which would have a material adverse effect on the business or financial position of the Group.

Outlook

With the “Early Vaccination for All” campaign rolled out by the Hong Kong government and the stabilised COVID-19 situation in Hong Kong, Macau and Mainland China, the Return2hk Scheme has resumed, and the Come2hk Scheme has been launched in Hong Kong. All the governments within the region are striving towards the goal of achieving economic recovery and resuming normal life. The improved consumption sentiment in Hong Kong has provided a favourable operating environment for retailers and landlords.

Several rental properties redevelopment projects, including No. 81 Lockhart Road and Lane Up in Hong Kong and Nos. 25-27 Oxford Street in London have been completed. They will enable the Group to expand the rental income base and diversify business risks. The Group will continue to source quality and upscale investment properties with growth potential in Hong Kong, other areas of Greater China and in major cities worldwide, to enhance its investment property portfolio and lay a solid foundation for expanding recurrent rental income in the long-run.

In addition, the Group has established a solid development properties pipeline, which will add growth momentum to the Group’s performance. Central 8, Seaside Castle and the soon-to-launch Shouson Hill project will anchor the property sales in the near future. With a limited land supply in Hong Kong, the Group will adopt various approaches to enrich its land bank, including participation in redevelopment projects as well as public tender of the government and urban renewal projects. Considering the ongoing tremendous housing demand, the Group remains cautiously optimistic about the local residential property market outlook in the long term.

In the meantime, with the expansion of the middle-income group in Mainland China, more comprehensive transportation linkages, plus further integration into the Greater Bay Area, Macau's position as a global leisure and tourism hub and Hong Kong's position as a popular shopping destination and international finance centre will be reinforced. These will benefit the entertainment and hospitality services sectors in Macau and Hong Kong, given that travellers invariably include both cities in a single itinerary, due to their close proximity while having distinct characteristics yet complementary positioning. With the Group strategically owning several hotels and serviced apartments in Hong Kong and Macau, it will be able to adopt a comprehensive marketing strategy for its hospitality business as a whole, and deliver unparalleled services to travellers visiting both these cities.

Amid the uncertainties caused by COVID-19, the Group will continue to closely monitor the pandemic situation and adjust its strategies as and when appropriate. The Group will continue to adopt a proactive approach to establish a balanced investment property portfolio to diversify risk, launch the property development projects according to the market situation, and strive to stay competitive in the hospitality sector in order to reap the greatest benefits when the market revives.

BOARD OF DIRECTORS

Set forth below are the names of the directors of the Company (the “**Directors**”) and their position within the board of the Company:

Non-Executive Director

Ms. Luk Siu Man, Semon (*Chairperson*)

Executive and Managing Directors

Mr. Wong Chi Fai (*Managing Director*)

Ms. Fan Man Seung, Vanessa (*Managing Director*)

Mr. Cheung Ping Keung

Mr. Yeung Ching Loong, Alexander

Independent Non-Executive Directors

Mr. Wong Tak Ming, Gary

Mr. Chan Hon Piu

Mr. Chu Kar Wing

The biographies of the Directors as at the date of this Offering Circular are as follows:

Ms. Luk Siu Man, Semon, aged 65, is the Chairperson of the Company. She joined the Company in June 1999. Ms. Luk is also the non-executive director and chairperson of Emperor E Hotel, a subsidiary of the Company. She is the mother of Mr. Yeung Ching Loong, Alexander, an Executive Director of the Company. Ms. Luk worked in the banking industry for almost 10 years. She graduated from The University of Toronto with a Bachelor’s Degree in Commerce.

Mr. Wong Chi Fai, aged 65, is the Managing Director of the Company. Mr. Wong joined the Company in 1991 and has been responsible for the Group’s strategic planning, business growth and development as well as overseeing the financial management of the Group. Currently, he is also the Chairman of the Executive Committee of the Company and a member of the Remuneration Committee of the Company as well as a director of certain subsidiaries of the Company. He is also a director of four listed companies in Hong Kong, namely Emperor E Hotel, Emperor W&J, Emperor Culture and Ulferts, all being listed members under Emperor Group. Having over 30 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from property investment and development to manufacturing, hotel and hospitality, retailing of watch and jewellery, cinema development and operation, wholesaling and retailing of furniture, financial and securities services, artiste management, entertainment production and investment as well as media and publication. Mr. Wong is a Certified Public Accountant of HKICPA and a fellow of the Association of Chartered Certified Accountants.

Ms. Fan Man Seung, Vanessa (Former Name: Fan Man Seung), aged 58, is the Managing Director of the Company. Ms. Fan joined the Company in 1990. She has been responsible for the Group's strategic planning, business growth and development as well as overseeing different functions within the Group. She is also the Chairperson of the Corporate Governance Committee and a member of Executive Committee of the Company as well as a director of certain subsidiaries of the Company. Currently, Ms. Fan is also a director of four listed companies in Hong Kong, namely Emperor E Hotel, Emperor W&J, Emperor Culture and Ulferts. Having over 32 years of corporate management experience, she possesses diversified experience in different businesses ranging from property investment and development to hotel and hospitality, retailing of watch and jewellery, cinema development and operation, wholesaling and retailing of furniture, financial and securities services, artiste management, entertainment production and investment as well as media and publication. She is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master's Degree in Business Administration.

Mr. Cheung Ping Keung, aged 66, joined the Company in 2005 and was appointed as an Executive Director of the Company in February 2007. He is a member of the Executive Committee and a director of certain subsidiaries of the Company. Mr. Cheung is currently responsible for overseeing the Group's property investment, development and management businesses. During the period from 1997 to 2005, Mr. Cheung was an executive director of Henderson Investment Limited (Stock Code: 97). He has over 40 years of experience in professional general practice surveying as well as property development and marketing in Hong Kong, Macau, the PRC and Canada. He graduated from University of London with a Bachelor's Degree (Hons) in Arts. He is a Chartered Valuation Surveyor and a Fellow of both the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors.

Mr. Yeung Ching Loong, Alexander, aged 35, joined the Group in 2009 as Corporate Executive and was appointed as Executive Director of the Company in May 2018. He is a member of the Executive Committee and Nomination Committee and a director of certain subsidiaries of the Company. Mr. Yeung has been involving in the management of the overall business of the Group. Over the past decade, he has undertaken responsibility in evaluating new business opportunities and strategic planning of the Group and actively participated in various projects including a diverse portfolio of residential projects, industrial and commercial buildings, shopping malls, street level retail premises, hotels as well as co-working space. With a comprehensive expertise in real estate-related fields, Mr. Yeung has introduced a number of innovative ideas to the business, and has taken advantage of the opportunities to actively expand the property portfolio in Greater China and overseas, including but not limited to mega commercial complex in China's capital city, the largest beach-front lifestyle shopping complex in Hong Kong, single-block and luxury residential property development, revitalized commercial complex, and transitional housing project, etc. Mr. Yeung has also actively developed smart facility solutions for the Group's projects, combining cutting-edge trends and innovative technologies to assist the Group in expanding the business market. Apart from the above property-related experience, Mr. Yeung has been involving in the management of other business segments under the Emperor Group, namely financial and securities services, retailing of watch & jewellery, entertainment production and investment, artiste management, film investment and distribution, cinema development and operation, media and publication, furniture and furnishing, etc. Mr. Yeung acts as a board member of the Emperor Foundation, promoting voluntary work across the Emperor Group, and he is committed to providing charitable sponsorship and supports in the areas of youth and child development, elderly care, education, culture and environmental protection. Mr. Yeung is a member of the 13th Political Consultative Conference of Beijing City and was a member of the 5th Political Consultative Conference of Shenzhen, Guangdong Province. He is particularly concerned about youth affairs and has participated extensively in public services in Mainland China and Hong Kong, including Committee Member of All-China Youth Federation; Vice Chairman of Beijing Youth Federation; Executive Vice Chairman of Hong Kong United Youth Association; Chairman

of Brightway Charitable Foundation, etc. Mr. Yeung cares for the society and the community, and his philanthropic footprint extends to Hong Kong, Macau and Mainland China. Mr. Yeung is also an executive director of Emperor Culture, also a listed member under Emperor Group. He is the son of Ms. Luk Siu Man, Semon, being the Chairperson and a Non-executive Director of the Company.

Mr. Wong Tak Ming, Gary, aged 46, was appointed as Independent Non-executive Director of the Company in August 2013. He is the Chairman of the Audit Committee as well as a member of the Nomination Committee and the Corporate Governance Committee of the Company. He now runs a professional accountancy firm in Hong Kong and has over 20 years of experience in the field of auditing and accounting. Mr. Wong was previously an independent non-executive director of Century Legend (Holdings) Limited (Stock Code: 79), a listed company on the Main Board of HKSE until 26 May 2017. Mr. Wong is a Certified Public Accountant (practising), a fellow member of the Institute of Chartered Accountants in England and Wales, HKICPA and the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong.

Mr. Chan Hon Piu, aged 61, was appointed as Independent Non-executive Director of the Company in August 2015. He is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Corporate Governance Committee of the Company. Mr. Chan has been admitted as a solicitor in Hong Kong since 1991 and is now a partner of a law firm in Hong Kong. Mr. Chan graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences. He also obtained the Certificate of Education and a Master's Degree in Laws from The University of Hong Kong.

Mr. Chu Kar Wing, aged 64, was appointed as an Independent Non-executive Director of the Company in August 2021. He is the Chairman of the Nomination Committee as well as a member of the Audit Committee and Remuneration Committee of the Company. Mr. Chu is currently an independent non-executive director of Emperor Capital Group (Stock Code: 717). He was previously an independent non-executive director of another company, China Power Clean Energy Development Company Limited whose shares under Stock Code 735 were delisted on 19 August 2019. He has extensive experience in the banking and finance sector for several well-known corporations. Moreover, he is now the President of Canada-China Culture and Education Association. Mr. Chu holds a Bachelor's Degree of Social Sciences majoring in Economics.

DIRECTORS' AND OTHER PERSONS' INTERESTS IN SECURITIES

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at the date of this Offering Circular, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and HKSE pursuant to the Model Code for Securities Transactions by Directors adopted by the Company were as follows:

(a) Long position interests in the Company

(i) Ordinary shares of HK\$0.01 each of the Company (the "Shares")

| Name of Director | Capacity/ Nature of interests | Number of issued Shares held | % of issued voting Shares |
|--|---|------------------------------------|---------------------------------|
| Ms. Luk Siu Man, Semon ("Ms. Semon Luk") | Interest of spouse | 2,747,610,489 <i>(Note)</i> | 74.71% |
| Mr. Yeung Ching Loong, Alexander ("Mr. Alex Yeung") | Eligible beneficiary of a private discretionary trust | 2,747,610,489 <i>(Note)</i> | 74.71% |
| Ms. Fan Man Seung, Vanessa | Beneficial owner | 10,500,000 | 0.29% |

Note:

These Shares were held by Emperor International Group Holdings Limited ("**Emperor International Group Holdings**"), a wholly-owned subsidiary of Albert Yeung Holdings Limited ("**AY Holdings**"). AY Holdings is held by First Trust Services AG (formerly known as First Trust Services GmbH) ("**First Trust**") in trust for a private discretionary trust set up by Dr. Yeung. Dr. Yeung, as founder of such trust, had deemed interests in the said Shares held by Emperor International Group Holdings. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in the same Shares whereas Mr. Alex Yeung also had deemed interests in the same Shares by virtue of being one of the eligible beneficiaries of the private discretionary trust.

(ii) Debentures

| Name of Director | Capacity/Nature of interests | Amount of debentures held |
|------------------|------------------------------------|------------------------------|
| Mr. Wong Chi Fai | Interest of controlled corporation | HK\$2,000,000 |

(b) **Long position interests in associated corporations of the Company**

| Name of Director | Name of associated corporation | Capacity/ Nature of interests | Number of issued shares held | % of issued voting shares |
|-------------------------|---------------------------------------|---|-------------------------------------|----------------------------------|
| Ms. Semon Luk | Emperor E Hotel | Interest of spouse | 851,352,845 | 71.11% |
| | Emperor W&J | Interest of spouse | 4,298,610,000 | 63.41% |
| | Emperor Culture | Interest of spouse | 2,371,313,094 | 73.80% |
| | Ulferts | Interest of spouse | 600,000,000 | 75.00% |
| Mr. Alex Yeung | Emperor E Hotel | Eligible beneficiary of a private discretionary trust | 851,352,845 | 71.11% |
| | Emperor W&J | Eligible beneficiary of a private discretionary trust | 4,298,610,000 | 63.41% |
| | Emperor Culture | Eligible beneficiary of a private discretionary trust | 2,371,313,094 | 73.80% |
| | Ulferts | Eligible beneficiary of a private discretionary trust | 600,000,000 | 75.00% |

Note:

Emperor E Hotel, Emperor W&J, Emperor Culture and Ulferts are companies with their shares listed on the HKSE. These shares were ultimately owned by the respective private discretionary trusts which are also founded by Dr. Yeung. By virtue of being the spouse of Dr. Yeung, Ms. Semon Luk had deemed interests in the same shares whereas Mr. Alex Yeung also had deemed interests in the same shares by virtue of being one of the eligible beneficiaries of such private discretionary trusts.

Save as disclosed above, as at the date of this Offering Circular, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN SECURITIES

So far as is known to any Director or chief executives of the Company, as at the date of this Offering Circular, the persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long position in the Shares

| Number of Shareholder | Capacity/ Nature of interests | Number of issued Shares interested | % of issued voting Shares |
|------------------------------|--|---|--------------------------------------|
| AY Holdings | Interest in a controlled corporation | 2,747,610,489 | 74.71% |
| First Trust | Trustee of a private discretionary trust | 2,747,610,489 | 74.71% |
| Dr. Yeung | Founder of a private discretionary trust | 2,747,610,489 | 74.71% |

Note: These Shares were the same Shares as those set out under the Section (a)(i) of "Directors' and Chief Executives' Interests in Securities" (of which Ms. Semon Luk and Mr. Alex Yeung had deemed interests).

Save as disclosed above, as at the date of this Offering Circular, the Directors or chief executives of the Company were not aware of any other person or corporation (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

TAXATION

The following summary of certain Bermuda and Hong Kong tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of the Notes should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

Bermuda

In Bermuda there are no taxes on profits, income or dividends, nor is there any capital gains tax, estate duty or inheritance tax. Profits can be accumulated and it is not obligatory for a company to pay dividends. The Company is required to pay an annual government fee, or the Government Fee, which is determined on a sliding scale by reference to a company's authorised share capital and share premium account, with the minimum fee being BD\$2,095 and the maximum fee being BD\$32,676 (the Bermuda dollar is treated at par with the U.S. dollar). The Government Fee is payable at the end of January in every year and is based on the authorised share capital and share premium account as they stood at 31 August in the preceding year.

The Bermuda government has enacted legislation under which the Minister of Finance of Bermuda is authorised to give an assurance to an exempted company or a partnership that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to such entities or any of their operations. In addition, there may be included an assurance that any such tax shall not be applicable to the shares, debentures or other obligations of such entities. This assurance has been obtained by the Company and is effective until 31 March 2035 but this assurance will not prevent the imposition of Bermuda tax payable in relation to any land in Bermuda leased or let to the Company or to persons ordinarily resident in Bermuda.

Hong Kong

Withholding tax

Under existing Hong Kong law, payments of principal and interest in respect of the Notes may be made without withholding for or on account of any Hong Kong taxes. In addition, no tax is required to be withheld in Hong Kong in respect of any gains arising from resale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets). Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap.112) of Hong Kong (“**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes may be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes may be subject to Hong Kong profits tax.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any sale and purchase or charge in beneficial ownership of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

With effect from 1 August 2021, if stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.26% (of which 0.13% is payable by the seller and 0.13% is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the British Virgin Islands, Bermuda and Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, subject to some exceptions, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Holders may be required to provide to the Issuer information for identifying any direct or indirect U.S. ownership. Such information may potentially be disclosed to the U.S. Internal Revenue Service.

Common Reporting Standard (“CRS”)

CRS is an internationally agreed standard for the automatic exchange of financial account information (“**AEOI**”) between jurisdictions for tax purposes. Many jurisdictions (including the British Virgin Islands and Hong Kong) implement AEOI under CRS through their domestic laws. The regime for AEOI requires specific information to be reported in respect of account holders and controlling persons of certain account holders who are identified by financial institutions as reportable persons. Financial institutions must report the required information of reportable persons to the tax authority of the jurisdiction where the financial institutions are resident, and the relevant tax authority would generally send this information to the tax authorities of the jurisdictions of residence of the reportable persons. The information that may be reported by the Issuer and/or the Guarantor and/or their authorized person(s) in respect of a reportable person includes (but is not limited to) the following: (a) name; (b) address; (c) TIN(s); (d) date of birth (for individuals); (e) place of birth (for individuals); (f) jurisdiction(s) to which the information is reportable; (g) the account number (or a functional equivalent in the absence of an account number); (h) the name and identifying number of the reporting financial institution; (i) the account balance or value as at the end of the calendar year or other appropriate period. Holders may be required to provide to the Issuer and/or the Guarantor and/or their authorized person(s) information, certifications, and documentary evidence that the Issuer and/or the Guarantor need in order to satisfy the applicable AEOI due diligence and reporting obligations. Such information could be disclosed to tax authorities, including the Inland Revenue Department of the Hong Kong, which may send this information to tax authorities of other jurisdictions. Holders should consult with their own tax advisors regarding how these rules may affect them.

SUBSCRIPTION AND SALE

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in the Programme Agreement dated 17 December 2014 (as amended, supplemented, acceded to and/or restated as at the Issue Date, the “**Programme Agreement**”) between the Issuer, the Joint Arrangers and the Permanent Dealers, the Notes may be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers may terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Other Relationships

Each Dealer or its affiliates may purchase the Notes for its own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swap relating to the Notes at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each of the Dealers and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries from time to time. Each Dealer has received customary fees and commissions for these transactions. Each Dealer or certain of its affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. In addition to the transactions noted above, each Dealer and its affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its respective subsidiaries in the ordinary course of their business. In addition, each Dealer and certain of its subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisors.

Affiliates of the Issuer and the Dealers may purchase the Notes and such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that a limited number of investors, may purchase a significant proportion of the Notes. If this is the case, liquidity of trading in the Notes may be constrained and such holder(s) of the Notes may therefore be able to exercise certain rights and powers on its/their own which will be binding on all holders of the Notes. Additionally, this may reduce the liquidity of the Notes in the secondary trading market. The Issuer and the Dealers are under no obligation to disclose the extent of the distribution of the Notes between themselves nor among individual investors.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Arrangers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular, any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, by the Issuer or the Dealers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Dealers.

United States

The Notes has not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will offer and sell the Notes only in accordance with Regulation S under the Securities Act, except as permitted by the Programme Agreement.

The Notes are being offered and sold outside the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that each issuance of commodity- or currency- linked Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

UK

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

People’s Republic of China

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau or Taiwan), except as permitted by the securities laws of the PRC.

Hong Kong

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong other than with respect to the Notes which are or are intended to be disposed of (a) only to persons outside Hong Kong or (b) only to “professional investors” as defined in the SFO and any rules made under the SFO or (c) as otherwise permitted under the securities laws of Hong Kong.

Singapore

Each of the Dealers has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor under Section 274 of the SFA,
- (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased by (i) an institutional investor under Section 274 of the SFA, or (ii) a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, the Notes may only be sold or transferred: (a) at any time, to an institutional investor under Section 274 of the SFA; (b) at any time, to a relevant person defined in Section 275(2) of the SFA or to any person pursuant to an offer referred to in Section 275(1A) of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") – the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any Notes will only be offered in The Netherlands to Qualified Investors (as defined in the EU Prospectus Regulation), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948) (as amended) (the "FIEA") and disclosure under the FIEA has not been, and will not be, made with respect to the Notes. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA, and other relevant laws and regulations of Japan.

Bermuda

The Notes may not be sold or transferred in Bermuda to or between any person, firm or company regarded as a resident of Bermuda for exchange control purposes.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

Pricing Supplement dated [•]

Emperor International Holdings Limited
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [•]
under its Medium Term Note Programme

[Notification under Section 309B(1)(c) under the SFA: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)⁽¹⁾

[PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; [or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS –

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; [or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”)]. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[The following language applies if the Notes are to be listed on The Stock Exchange of Hong Kong Limited.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Professional Investors”)) only.

The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

This document (read together with the Offering Circular) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [•]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [•] [and the Supplemental Offering Circular dated [•]], save in respect of the Conditions which are extracted from the Offering Circular dated [•] and are attached hereto.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

| | | |
|---|--|---|
| 1 | Issuer: | Emperor International Holdings Limited |
| 2 | [(i)] Series Number: | [•] |
| | [(ii)] Tranche Number: | [•] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] | |
| 3 | Specified Currency or Currencies: | [•] |
| 4 | Aggregate Nominal Amount: | |
| | [(i)] Series: | [•] |
| | [(ii)] Tranche: | [•] |
| 5 | [(i)] Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)] |
| | [(ii)] Net proceeds: | [•] (Required only for listed issues)] |
| 6 | (i) Specified Denominations: | [•] ⁽²⁾⁽³⁾⁽⁴⁾ <i>[If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination)]]</i> |
| | (ii) Calculation Amount: | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note: There must be a common factor in the case of two or more Specified Denominations]</i> |
| 7 | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [•] |
| 8 | Maturity Date: | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] ⁽⁵⁾ |

² Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). Add appropriate provisions to terms and conditions if included.

³ If the specified denomination is expressed to be €50,000 (or €100,000, to the extent that Directive 2010/73/EU has been implemented in the relevant Member State) or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording set out in the Guidance Note published by ICMA in November 2006 (or its replacement from time to time) as follows: “€50,000 (or €100,000, to the extent that Directive 2010/73/EU has been implemented in the relevant Member State) and integral multiples of [€1,000] in excess thereof up to and including [€99,000]/[€199,000]. No notes in definitive form will be issued with a denomination above [€99,000]/[€199,000]”.

⁴ Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HK\$500,000 (or equivalent in other currencies).

⁵ Note that Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

- 9 Interest Basis: [[•] per cent. Fixed Rate] [[specify reference rate [+/- [•] per cent. Floating Rate] [Zero Coupon] [Other (specify)] (further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par] [Dual Currency] [Partly Paid] [Instalment] (Other (specify))
- 11 Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
- 12 Put/Call Options: [Put] [Call] [(further particulars specified below)]
- 13 [(i)] Status of the Notes: Senior
- 14 Listing: [Hong Kong/Other (specify)/None] (For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes)
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Note Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with *specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount⁽⁶⁾
- (iv) Broken Amount: [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [•] (*Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in U.S. dollars or Hong Kong dollars, unless the client requests otherwise*)
- (vi) Determination Date(s): [•] in each year. [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]⁽⁷⁾
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

⁶ For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

⁷ Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA.

| | | |
|----|---|---|
| 17 | Floating Rate Provisions | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph.) |
| | (i) Interest Period(s): | [•] |
| | (ii) Specified Period: | [[Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”]] |
| | (iii) Specified Interest Payment Dates: | [[Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”]] |
| | (iv) [First Interest Payment Date]: | [•] |
| | (v) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)] |
| | (vi) Business Centre(s): | [•] |
| | (vii) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/Screen Rate Determination (SOFR)/ISDA Determination/other (<i>give details</i>)] |
| | (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): | [•] |
| | (ix) Screen Rate Determination (Condition 4(b)(iii)(B)): | |
| | – Reference Rate: | [•] |
| | – Interest Determination Date: | [[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]] |
| | – Relevant Screen Page: | [•] |
| | – Relevant Time: | [For example, 10.00 a.m. London time/Brussels time] |
| | – Relevant Financial Centre: | [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)] |
| | (x) Screen Rate Determination (SOFR) (Condition 4(b)(iii)(C)): | |
| | – Reference Rate: | SOFR Benchmark – [Simple SOFR Average/Compounded Daily SOFR/SOFR Compounded Index] |

- Compounded Daily SOFR Method: [Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout – *used for Compounded Daily SOFR only*]
 - Interest Determination Date(s): [The [•]U.S. Government Securities Business Day prior to the last day of each Interest Accrual Period – *only applicable in the case of Simple SOFR Average/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout/SOFR Compounded Index*]
[The Interest Period Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Accrual Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date – *only applicable in the case of SOFR Payment Delay*]
 - Lookback Days: [[•] U.S. Government Securities Business Days – *used for SOFR Lag only*]/[Not Applicable]
 - SOFR Observation Shift Days: [[•]U.S. Government Securities Business Days – *used for the SOFR Observation Shift or SOFR Compounded Index only*]/[Not Applicable]
 - SOFR Rate Cut-Off Date: [The date falling [•] Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the date fixed for redemption, as applicable – *used for only Simple SOFR Average (if applicable), Compounded Daily SOFR (if applicable) – SOFR Payment Delay or SOFR Lockout only*]/[Not Applicable]
 - Interest Payment Delay Days: [•] Business Days – *used for SOFR Payment Delay only*]/[Not Applicable]
- (xi) ISDA Determination (Condition 4(b)(iii)(A)):
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (xii) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (xiii) Margin(s): [+/-] [•] per cent. per annum
- (xiv) Minimum Rate of Interest: [•] per cent. per annum
- (xv) Maximum Rate of Interest: [•] per cent. per annum

| | | |
|----|---|--|
| | (xvi) Day Count Fraction: | [•] |
| | (xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: | [Benchmark Event/Benchmark Event (SOFR)/specify if fallback provisions different from those set out in the Conditions] |
| 18 | Zero Coupon Note Provisions | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) Amortisation Yield | [•] per cent. per annum |
| | (ii) Day Count Fraction: | [•] |
| | (iii) Any other formula/basis of determining amount payable: | [•] |
| 19 | Dual Currency Note Provisions | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) Rate of Exchange/Method of calculating Rate of Exchange: | [Give Details] |
| | (ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): | [•] |
| | (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | [•] |
| | (iv) Person at whose option Specified Currency(ies) is/are payable: | [•] |
| | (v) Day Count Fraction: | [•] |

PROVISIONS RELATING TO REDEMPTION

| | | |
|----|---|---|
| 20 | Call Option | [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) |
| | (i) Optional Redemption Date(s): | [•] |
| | (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] per Calculation Amount |
| | (iii) If redeemable in part: | |
| | (a) Minimum Redemption Amount: | [•] per Calculation Amount |
| | (b) Maximum Redemption Amount: | [•] per Calculation Amount |
| | (iv) Notice period: | [•] |

- 21 Put Option [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) Notice period: [•]
- 22 Final Redemption Amount of each Note: [•] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) [Payment Date]: [•]
 - (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
 - (viii) Maximum Final Redemption Amount: [•] per Calculation Amount
- 23 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, change of control or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable (If both the Early Redemption Amount (Tax), Early Redemption Amount (Change of Control) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax), the Early Redemption Amount (Change of Control) and/or the Early Termination Amount if different from the principal amount of the Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

| | | |
|----|---|---|
| 24 | Form of Notes: | |
| | (i) Temporary or permanent Global Note: | <p>Bearer Notes: [temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]⁽⁸⁾</p> <p>[permanent Global Note/Global Certificate exchangeable for Definitive Notes/Certificates in the limited circumstances specified in the permanent Global Note/Global Certificate]</p> <p>Registered Notes: [Global Note exchangeable for Definitive Notes in the limited circumstances described in the Global Note]</p> |
| | (ii) Applicable TEFRA exemption: | [C Rules/D Rules/Not Applicable] |
| 25 | Financial Centre(s) (Condition 6(h)) or other special provisions relating to payment dates: | [Not Applicable/Give details. <i>Note that this item relates to the date and place of payment, and not interest period end dates, to which item 16(ii), 17(iv) and 19(vii) relate</i>] |
| 26 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| 27 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/give details] |
| 28 | Details relating to Instalment Notes: | [Not Applicable/give details] |
| | (i) Instalment Amount(s): | [•] |
| | (ii) Instalment Date(s): | [•] |
| | (iii) Minimum Redemption Amount: | [•] |
| | (iv) Maximum Instalment Amount: | [•] |
| 29 | Redenomination, renominatisation and reconventioning provisions: | [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply] |
| 30 | Consolidation provisions: | [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply] |

⁸ If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: [€50,000]/[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]/[€199,000] the Temporary Global Note shall not be exchangeable on [•] days' notice.

31 Other terms or special conditions: ⁽⁹⁾ [Not Applicable/give details]

DISTRIBUTION

32 (i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]

(iii) Dealer's Commission: [•]

33 If non-syndicated, name of Dealer: [Not Applicable/give name]

34 U.S. Selling Restrictions: Reg. S Category [1/2]; (In the case of Bearer Notes) – [TEFRA C/TEFRA D/TEFRA not applicable] (In the case of Registered Notes) – Not Applicable

35 Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

36 ISIN Code: [•]

37 Common Code: [•]

38 CMU Instrument Number: [•]

39 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg, the CMU Service and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

40 Delivery: Delivery [against/free of] payment

41 The Agents appointed in respect of the Notes are: [•]

GENERAL

42 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 12(a): [Not Applicable/give details]

43 The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [•], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/[U.S.\$] [•]]

44 In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong: [•]

45 In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than Hong Kong: [•]

⁹ If full terms and conditions are to be used, please add the following here:

“The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary.”

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

[USE OF PROCEEDS

Give details if different from the “Use of Proceeds” section in the Offering Circular.]

[LISTING APPLICATION

This Pricing Supplement includes the final terms required to list the issue of Notes described herein pursuant to the [insert Programme Amount] Medium Term Note Programme of Emperor International Holdings Limited.

[STABILISING

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

[MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer or of the Group since [insert date of last audited financial statements or interim financial statements (if later)] and no material adverse change in the financial position or prospects of the Issuer or of the Group since [insert date of last published annual financial statements.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the Hong Kong Stock Exchange] of the Notes described herein pursuant to the [insert Programme Amount] Medium Term Note Programme of Emperor International Holdings Limited.

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes. Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the Supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of Emperor International Holdings Limited:

By: _____
Duly authorised

GENERAL INFORMATION

- Listing:** Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued during the 12 months after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the date of listing of the relevant Notes. Notes issued under the Programme to Professional Investors to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HK\$500,000 (or equivalent in other currencies).
- Clearing Systems:** Notes may be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The appropriate Common Code and ISIN for each Series of Notes will be set out in the relevant Pricing Supplement. The Issuer may also apply to have Bearer Notes or Registered Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. The ISIN and common code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.
- Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue and performance of the Notes. The listing of the Programme and issue of Notes was authorised by resolutions of the board of directors of the Issuer passed on 15 December 2021.
- Legal Entity Identifier:** The Legal Entity Identifier of the Issuer is 3003002GET5X9UP2V860.
- No Material Adverse Change:** There has been no material adverse change in the financial or trading position or prospects of the Group since 30 September 2021.
- Litigation:** Neither the Issuer nor any of its subsidiaries is involved in any litigation or arbitration proceedings that the Issuer believes are material in the context of the Programme nor is the Issuer aware that any such proceedings are pending or threatened.
- Available Documents:** Copies of the Programme Agreement, the Agency Agreement and the Deed of Covenant will be available for inspection for so long as Notes may be issued pursuant to this Offering Circular, at the principal place of business of the Issuer at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong during normal business hours, so long as any of the Notes is outstanding.
- Consolidated Financial Statements:** The consolidated financial statements of the Group as at and for the years ended 31 March 2020 and 2021, which are incorporated by reference in this Offering Circular, have been audited by Deloitte Touche Tohmatsu, the Group's independent auditor, as stated in their reports incorporated by reference herein. The Group's unaudited condensed consolidated financial statements as at and for the six months ended 30 September 2020 and 2021, which are incorporated by reference in this Offering Circular have not been audited or reviewed by the Group's independent auditor.

ISSUER

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CMU LODGING AND PAYING AGENT AND CMU REGISTRAR

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Hong Kong Branch**
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