

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

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

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities referred to herein (the “Securities”) have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state of the United States or other jurisdiction. The Securities are being offered and sold outside the United States in reliance on Regulation S under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from the registration requirements of the Securities Act. No public offering of the Securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.*

*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 (the “Listing Rules”) 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 referred to herein) 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 (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws 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 the Laws of Hong Kong).*

**Notice to Hong Kong investors: The Issuer and the Guarantor (as defined below) confirm that the Notes (as defined in the offering circular appended hereto) are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) (the “Professional Investors”) only and the Programme (as defined below) has been, and the Notes to be listed on The Stock Exchange of Hong Kong Limited will be, listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.**

## PUBLICATION OF OFFERING CIRCULAR



**WHARF**

*Established 1886*

**Wharf REIC Finance (BVI) Limited**  
*(incorporated in the British Virgin Islands with limited liability)*  
**(the “Issuer”)**

**U.S.\$5,000,000,000**  
**Medium Term Note Programme**  
**(the “Programme”)**

guaranteed by

**Wharf Real Estate Investment Company Limited**  
**九龍倉置業地產投資有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**Stock Code: 1997**  
**(the “Guarantor”)**

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to the offering circular dated 6 July 2023 (the “**Offering Circular**”) appended hereto in relation to the Programme. As disclosed in the Offering Circular, the Notes are intended for purchase by Professional Investors only and the Programme has been, and the Notes to be listed on The Stock Exchange of Hong Kong Limited will be, listed on The Stock Exchange of Hong Kong Limited 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, and no such inducement is intended. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group (as defined in the Offering Circular) and the terms of the offering, including the merits and risks involved.

7 July 2023

*As at the date of this announcement, the directors of the Issuer are Mr. Stephen T. H. Ng, Mr. Horace W. C. Lee and Mr. Peter Z. K. Pao.*

*As at the date of this announcement, the directors of the Guarantor are Mr. Stephen T. H. Ng, Mr. Paul Y. C. Tsui, Ms. Y. T. Leng and Mr. Horace W. C. Lee, together with eight Independent Non-executive Directors, namely Mr. Alexander S. K. Au, Mr. Tak Hay Chau, Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh.*

## **TABLE OF CONTENTS**

APPENDIX - OFFERING CIRCULAR DATED 6 JULY 2023

**APPENDIX - OFFERING CIRCULAR DATED 6 JULY 2023**

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN 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 REFERRED TO IN THE OFFERING CIRCULAR (THE “**NOTES**”) 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 NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING IS MADE SOLELY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE APPLICABLE PRICING SUPPLEMENT (AS DEFINED IN THE OFFERING CIRCULAR) AND TERMS AND CONDITIONS OF THE NOTES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE OFFERING CIRCULAR.

**Confirmation of your Representation:** In order to be eligible to view the Offering Circular or make an investment decision with respect to the Notes, investors must not be a U.S. Person and must not be located in the United States. 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 Wharf REIC Finance (BVI) Limited (the “**Issuer**”), Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司 (the “**Guarantor**”), The Hongkong and Shanghai Banking Corporation Limited (the “**Arranger**”), Bank of China (Hong Kong) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Mizuho Securities Asia Limited and SMBC Nikko Securities (Hong Kong) Limited (collectively, the “**Dealers**”) that you are not a U.S. Person (as defined in Regulation S) or acting for the account or benefit of a U.S. Person and that the electronic mail address that you gave the Issuer, the Guarantor, the Arranger or the Dealers and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular (or any amendment or supplement 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. You should not reply by e-mail to this document, and you may not purchase any Notes by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

The materials relating to the offering of the Notes 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 of the Notes be made by a licensed broker or dealer and the underwriters or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer 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 Guarantor, the Arranger, the Dealers or any of the agents (the “**Agents**”) referred to in the Offering Circular nor any person who controls any of the Arranger, the Dealers or the Agents nor any director, officer, employee, representative nor any agent or adviser of the Issuer, the Arranger, the Dealers, the Agents or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealers.

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.

# Offering Circular



## WHARF

Established 1886

### Wharf REIC Finance (BVI) Limited

(incorporated in the British Virgin Islands with limited liability)  
(as Issuer)

### Wharf Real Estate Investment Company Limited

九龍倉置業地產投資有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1997

(as Guarantor)

U.S.\$5,000,000,000

### Medium Term Note Programme

Under the U.S.\$5,000,000,000 Medium Term Note Programme described in this Offering Circular (the "Programme"), Wharf REIC Finance (BVI) Limited (the "Issuer") may from time to time issue medium term notes (the "Notes") subject to compliance with all relevant laws, regulations and directives, to be guaranteed (the "Guarantee") by Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司 (the "Guarantor"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies) calculated as described in the Dealer Agreement (as defined in "Subscription and Sale") subject to increase as described herein. Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes").

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The Guarantor has been rated "A2" by Moody's Investors Service ("Moody's"). Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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 Directive 2014/65/EU (as amended, "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 neither the Arranger nor the Dealers nor 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 neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPS REGULATION — PROHIBITION OF SALES TO EEA RETAIL INVESTORS — If the Pricing Supplement (as defined in "Summary of the Programme") in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", such 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 (the "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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 (as amended, 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.

UK PRIIPS REGULATION — PROHIBITION OF SALES TO UK RETAIL INVESTORS — If the Pricing Supplement (as defined in "Summary of the Programme") in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", such 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 "United Kingdom" or 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 (the "UK MiFIR"); 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.

Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, 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 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).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer (other than in respect of an admission to trading on any market in the EEA or in the UK which has been designated as a regulated market for the purposes of the Prospectus Regulation or the UK Prospectus Regulation, respectively). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Application has been made to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the listing of the Programme by way of debt issues to Professional Investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("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 Professional Investors only.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes, to the extent that such Notes are to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm 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 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 or 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, the Guarantor or the Group (as defined below), or the 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.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "Terms and Conditions of the Notes") and each term therein, a "Condition" of Notes will be set out in the relevant Pricing Supplement which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange on or before the date of issue of the Notes of such Tranche.

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 any other stock exchange).

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold or, in the case of Bearer Notes, delivered, in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) absent registration or an exemption from registration under the Securities Act.

Investing in the Notes involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement, and the merits and risks of investing in a particular issue of Notes, in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under "Risk Factors".

Each Series (as defined herein) 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, save as provided in the Conditions (as defined herein). Global Notes and Global Certificates (as defined in "Summary of 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") or with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the "HKMA") (the "CMU"). 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".

Arranger for the Programme

HSBC

Dealers

Bank of China (Hong Kong)

DBS Bank Ltd.

HSBC

Mizuho

SMBC Nikko

Dated 6 July 2023

The Issuer (as to itself) and the Guarantor (as to itself and the Group (as defined below)), having made all reasonable enquiries, confirm that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Guarantor together with its subsidiaries taken as a whole (the “Group”), the Programme, the Guarantee and the Notes that is material in the context of the issue and offering of the Notes (including all information which is required by applicable laws and the relevant rules and regulations imposed by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the information which, according to the particular nature of the Issuer, the Guarantor, the Group, the Guarantee or the Notes, is necessary to enable investors and their investment advisers to make an informed assessment of the activities, assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Group, the Guarantee and the rights attaching to the Notes and the Guarantee), (ii) the statements contained in it relating to the Issuer, the Guarantor and the Group are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor, the Group and the Guarantor’s affiliates are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuer, the Guarantor, the Guarantor’s affiliates, the Group, the Guarantee or the Notes the omission of which would, in the context of the issue and offering of the Notes and the giving of the Guarantee, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the Issuer, the Guarantor, the Group or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Dealers or the Arranger. Neither the delivery of this Offering Circular nor any Pricing Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Guarantor or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantor or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each Tranche of 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 any amendments or supplements hereto and with any information incorporated by reference herein (see “*Documents Incorporated by Reference*”) and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the Securities Act and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or

to, or for the account or benefit of, U.S. persons (as defined in Regulation S). For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular and any Pricing Supplement, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the EEA (each, a “Relevant State”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the pricing supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor, the Arranger or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Offering Circular has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in the UK of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the pricing supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor, the Arranger or any Dealer to publish a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000 (the “FSMA”) or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

**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 Directive 2014/65/EU (as amended, “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 neither the Arranger nor the Dealers nor 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 neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

#### **PRIIPs REGULATION — PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

— If the Pricing Supplement in respect of any Notes includes a legend entitled “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 (the “**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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 (as amended, 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.

**IMPORTANT — UK RETAIL INVESTORS** — If the Pricing Supplement in respect of any Notes includes a legend entitled “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 (the “**UK MiFIR**”); 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.

Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, 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 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).

#### **Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to the Programme, each such offering, a “**CMI Offering**”, including

certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it

being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Dealers or the Arranger (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) to subscribe for, or purchase, any Notes. This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKSE Rules”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept 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 their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Admission to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Programme, the Notes, the Issuer, the Guarantor or the Group. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in Notes.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular Tranche (as defined in “*Summary of the Programme*”). Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular Tranche of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Issuer, the Guarantor, the Arranger, the Dealers or the Agents (as defined below) their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision.

To the fullest extent permitted by law, none of the Dealers, the Arranger, the Agents nor their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statements, made or purported to be made by the Dealers, the Arranger, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or on their behalf, in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Notes. Each of the Arranger, the Dealers and the Agents and their respective affiliates, directors, officers, employees, agents, representatives and advisers 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. Neither this Offering Circular nor any other information provided in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger, the Dealers or the Agents nor their respective affiliates, directors, officers,

employees, agents, representatives or advisers that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger, the Agents nor their respective affiliates, directors, officers, employees, agents, representatives or advisers undertakes to review the prospects, results of operations, financial condition or affairs of the Issuer or the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or prospective investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger, the Agents or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of any Stabilisation Manager) 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 assurance that the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) 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 relevant Tranche of 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s)) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## WARNING

The contents of this Offering Circular have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of any Notes. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “**Hong Kong**” or “**Hong Kong SAR**” are to the Hong Kong Special Administrative Region of the People’s Republic of China, to “**GFA**” are to gross floor area, to “**PRC**” or “**Mainland China**” are to the People’s Republic of China (for the purposes of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan), to “**United States**” or “**U.S.**” are to the United States of America, to “**HK\$**” are to the lawful currency of Hong Kong, to “**CNY**”, “**Renminbi**” or “**RMB**” are to the lawful currency of the People’s Republic of China, to “**yen**” or “**JPY**” are to the lawful currency of Japan, to “**U.S.\$**” are to the lawful currency of the United States, to “**sterling**” or “**£**” are to the currency of the UK and to “**euro**” or “**€**” are to the lawful currency of member states of the European Union (the “**EU**”) that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time.

## U.S. INFORMATION

**The Notes and the Guarantee 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 and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).**

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Circular, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

Notes in bearer form 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 United States persons, 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 the regulations promulgated thereunder.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

## **FORWARD-LOOKING STATEMENTS**

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical facts included in this Offering Circular, including but not limited to those regarding the respective financial positions of the Issuer, the Guarantor or the Group, their respective business strategies, plans and objectives of management for future operations (including their respective development plans and objectives relating to their businesses), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, the Guarantor or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s, the Guarantors’ or the Group’s present and future business strategies and the environment in which the Issuer, the Guarantor and/or the Group will operate in the future. Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”. These forward-looking statements speak only as at the date of this Offering Circular. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited annual consolidated financial statements and any unaudited interim consolidated financial statements published subsequently to such annual financial statements of the Issuer and the Guarantor from time to time (if any), in each case with the report of the auditors in connection therewith (if any), 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.

Copies of the Guarantor’s published audited annual consolidated financial statements and its unaudited interim consolidated financial statements may be downloaded free of charge from the websites of the Guarantor and the Hong Kong Stock Exchange at [www.wharfrec.com](http://www.wharfrec.com) and [www.hkexnews.hk](http://www.hkexnews.hk).



As at the date of this Offering Circular, the Issuer has not published and does not propose to publish any financial statements. The Guarantor has produced annual audited consolidated financial statements for each of its financial years ended 31 December 2021 and 31 December 2022, which are incorporated by reference in this Offering Circular. The financial statements of the Guarantor were prepared in conformity with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). See “*General Information*” for a description of the financial statements currently published by the Guarantor.

Any documents themselves incorporated by reference in the annual audited consolidated financial statements for each of the financial years ended 31 December 2021 and 31 December 2022 of the Guarantor shall not form a part of this Offering Circular. The documents incorporated by reference herein are current only as at the date of such document and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Group since the date thereof or that the information contained therein is current as at any time subsequent to its date.

## **SUPPLEMENTAL OFFERING CIRCULAR**

Each of the Issuer and the Guarantor has undertaken to the Dealers in the Dealer Agreement to publish a supplement to this Offering Circular or a new offering circular upon becoming aware that there is a significant change affecting any matter contained in this Offering Circular the inclusion of which, having regard to the particular nature of the Issuer, the Guarantor, the Programme and the Notes is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities and financial position of each of the Issuer, the Guarantor and their respective subsidiaries and their respective profits and losses and of the rights attaching to the Notes and the Guarantee.

## GLOSSARY

The glossary contains explanations and definitions of certain terms used in this Offering Circular in connection with the Issuer and/or the Guarantor and/or the Group and their businesses. The terms and their meaning may not correspond to meanings or usage of these terms as used by others.

- “average occupancy rate”**
- (i) in the case of the Guarantor’s retail premises or office premises at any investment property, the average monthly area leased divided by the average monthly LFA of the relevant premises, where **“average monthly area leased”** means the sum of the amounts equal to the total area leased at the end of each month in a given period divided by the number of months in that period and **“average monthly LFA”** means the sum of the amounts equal to the total LFA (excluding areas which are undergoing material renovation or conversion and areas which are self-used by it) at the end of each month in a given period divided by the number of months in that period;
  - (ii) in the case of hotels and serviced apartments, the total number of room nights sold divided by the total number of available room nights in a given period; or
  - (iii) in the case of serviced apartments, the total number of units occupied under a Letting Document divided by the total number of units available for lease in a given period
- “GFA”**
- (i) in the case of any building in Hong Kong:  
  
the area contained within the external walls of the building measured at each floor level (including any floor below ground level) including the overall area of any balcony and the thickness of the external walls of the building, which in general excludes any area which has been disregarded as constituting gross floor area by the BA
  - (ii) in the case of any building in Mainland China:  
  
the area contained within the external walls of the building measured at each floor level (including any floor below ground level) including the thickness of the external walls of the building. For above-ground areas, this generally includes mechanical and electrical service rooms, refuse rooms, water tanks and car-parking floors. For underground areas, this generally excludes mechanical and electrical service rooms, refuse rooms, water tanks and car-parking floors

<b>“Grade A”</b>	modern offices with high quality finishes, flexible layout, large floor plates, spacious, well decorated lobbies and circulation areas, effective central air-conditioning, good lift services zoned for passengers and goods deliveries, professional management and parking facilities normally available
<b>“Group”</b>	the Guarantor and its subsidiaries (including the HCDL Group)
<b>“HCDL”</b>	Harbour Centre Development Limited, a company incorporated under the laws of Hong Kong with limited liability on 16 July 1965, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 51) and which is a subsidiary of the Guarantor
<b>“HCDL Group”</b>	HCDL and its subsidiaries
<b>“Letting Document”</b>	lease, underlease, tenancy, licence or other agreement in writing giving rise to rights of occupation and enjoyment (in each case as amended) to which any of the Guarantor’s property or premises is subject
<b>“LFA”</b>	<p>(i) in the case of office premises:</p> <p>(a) in respect of a unit occupying an entire floor, the floor area exclusively allocated to that unit including toilets and lift lobbies but excluding common areas such as staircases and smoke lobbies, lift shafts and plant rooms; and</p> <p>(b) in respect of a unit which is one of several units making up an entire floor, the floor area exclusively allocated to that unit plus a proportionate share of the communal toilets, lift lobbies and passageways among the units on that floor such that the aggregate lettable floor areas of all subdivided units on the floor shall equal the lettable floor area of the floor if occupied as one single unit</p> <p>(ii) in the case of retail premises:</p> <p>(a) in respect of a unit occupying an entire floor, the floor area available for the exclusive use of the occupier as if the whole floor is taken up as a single unit i.e. including toilets and passageways but excluding common areas such as lift shafts, stairs, plant rooms and smoke lobbies; and</p>



	(b) in respect of a unit which is one of several units making up an entire floor, the floor area exclusively allocated to that unit, being the area which is measured up to the centre line of the wall separating adjoining units, and the full thickness of the external walls and walls separating the units from common areas
	(iii) in the case of a serviced apartment, its GFA
<b>“mixed-use integrated complex”</b>	a complex with more than one type of premises, such as retail, office, serviced apartments, hotels and club
<b>“sq.ft.”</b>	square feet. Where an area in square metres is converted into square feet, it is converted at the ratio of 1 square metre: 10.764 square feet
<b>“tenant(s)”</b>	a person(s) who occupies any of the Guarantor’s properties under a Letting Document
<b>“Wharf”</b>	The Wharf (Holdings) Limited, a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 4) and which is a subsidiary of WAC
<b>“Wharf Group”</b>	The Wharf (Holdings) Limited and its subsidiaries
<b>“Wharf Hotels”</b>	Wharf Hotels Management Limited, a subsidiary of The Wharf (Holdings) Limited
<b>“WAC”</b>	Wheelock and Company Limited, a company incorporated under the laws of Hong Kong with limited liability
<b>“WAC Group”</b>	WAC and/or certain subsidiary(ies) and/or associate(s) of WAC

## TABLE OF CONTENTS

	<u>Page</u>
Summary of the Programme .....	13
Terms and Conditions of the Notes .....	19
Summary of Provisions relating to the Notes while in Global Form .....	49
Risk Factors .....	56
Use of Proceeds .....	84
Wharf REIC Finance (BVI) Limited .....	85
Wharf Real Estate Investment Company Limited .....	86
Directors and Management .....	99
Summary Financial Information .....	105
Capitalisation and Indebtedness of the Group .....	106
Taxation .....	107
PRC Currency Controls .....	112
Clearance and Settlement .....	116
Subscription and Sale .....	119
Transfer Restrictions .....	132
Form of Pricing Supplement .....	133
General Information .....	146

## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular.*

Issuer:	Wharf REIC Finance (BVI) Limited.
Guarantor:	Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司.
Description:	Medium Term Note Programme.
Size:	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may from time to time increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement.
Arranger:	The Hongkong and Shanghai Banking Corporation Limited.
Dealers:	Bank of China (Hong Kong) Limited DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited Mizuho Securities Asia Limited SMBC Nikko Securities (Hong Kong) Limited  The Issuer and the Guarantor 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 (as defined below) or in respect of the whole Programme. References in this Offering Circular to “ <b>Permanent Dealers</b> ” 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 “ <b>Dealers</b> ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Paying Agent, Calculation Agent, Transfer Agent, CMU Lodging and Paying Agent and Registrar for CMU Notes:	Deutsche Bank AG, Hong Kong Branch.
Registrar for non-CMU Notes and CDP Paying Agent:	Deutsche Bank AG, Singapore Branch.
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 issue price and 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 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:

The Notes may be issued in bearer form only (“**Bearer Notes**”), in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) or in registered form only (“**Registered Notes**”).

Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “*Summary of the Programme — Selling Restrictions*”), otherwise such Tranche will be represented by a permanent Global Note.

Registered Notes will be represented on issue by a global unrestricted Certificate (a “**Global Certificate**”).

Individual definitive Notes or Certificates will only be available in certain limited circumstances as described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

Clearing Systems:

The CMU, Clearstream, Euroclear, CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

**Initial Delivery of Notes:** The Global Note representing Bearer Notes or Exchangeable Bearer Notes and the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream or with CDP or with a sub-custodian for the CMU. Global Notes or Global Certificates may also be deposited with 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, the Fiscal Agent, and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Interests in Notes which are represented by a Global Note or a Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the relevant clearing systems.

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor, the Fiscal Agent and the relevant Dealer(s).

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).

**Denomination:** Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Notes:** Fixed interest 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.;
- (ii) by reference to HIBOR, LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin; or

(iii) on such other basis as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes: Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption: The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments: The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Other Notes: Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes and Guarantee:	The Notes constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Guarantor under the Guarantee shall at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and/or the Guarantor, all as described in “ <i>Terms and Conditions of the Notes — Status of Notes and Guarantee</i> ”.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and/or the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under “ <i>Risk Factors</i> ”.
Negative Pledge:	See “ <i>Terms and Conditions of the Notes — Negative Pledge</i> ”.
Cross Default:	See “ <i>Terms and Conditions of the Notes — Events of Default</i> ”.
Early Redemption:	Except as provided in “ <i>Optional Redemption</i> ” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “ <i>Terms and Conditions of the Notes — Redemption, Purchase and Options</i> ”.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the British Virgin Islands or the Cayman Islands, as the case may be, subject to customary exceptions, all as described in “ <i>Terms and Conditions of the Notes — Taxation</i> ”.
Governing Law:	English law.
Listing:	<p>Application has been made for the listing of the Programme, under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only or as otherwise specified in the relevant Pricing Supplement. Separate application will be made for the listing of, and permission to deal in, the Notes on the Hong Kong Stock Exchange. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.</p> <p>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).</p>

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 unlisted, listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

Rating:

The Guarantor has been rated “A2” by Moody’s. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

United States, United Kingdom, British Virgin Islands, Cayman Islands, PRC, Hong Kong, Japan, Singapore, European Economic Area, Italy, the Netherlands and such other restrictions as may be applicable in connection with the offering and sale of a particular Tranche of Notes. See “*Subscription and Sale*”.

The Notes in bearer form will be issued in compliance with rules substantially in the form of 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 rules substantially in the form of 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.

Transfer Restrictions:

There are restrictions on the transfer of Notes sold pursuant to Regulation S prior to the expiration of the relevant distribution compliance period. See “*Transfer Restrictions*”.



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme and to “hereon” are to the relevant Pricing Supplement.*

This Note is one of a series (“**Series**”) of Notes issued by Wharf REIC Finance (BVI) Limited (the “**Issuer**”) pursuant to the Agency Agreement (as defined below). The Notes will be guaranteed by Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司 (the “**Guarantor**”).

The Notes are issued pursuant to an amended and restated agency agreement dated 6 July 2023 (and as may be further amended, supplemented, replaced and/or restated from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, Hong Kong Branch as fiscal agent, as lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), as calculation agent, as transfer agent and as registrar for Notes to be held in the CMU, Deutsche Bank AG, Singapore Branch as lodging and paying agent for Notes to be cleared through the computerised system (the “**CDP System**”) operated by The Central Depository (Pte) Limited (“**CDP**”) and as registrar for Notes which are not held in the CMU and the other agents named in it and with the benefit of an amended and restated deed of covenant dated 9 July 2020 (and as may be further amended, supplemented, replaced and/or restated from time to time, the “**Deed of Covenant**”) executed by the Issuer in relation to the Notes and, in relation to Notes to be cleared through the CDP System, an amended and restated deed of covenant dated 9 July 2020 (and as may be further amended, supplemented, replaced and/or restated from time to time) executed by the Issuer and an amended and restated deed of guarantee dated 9 July 2020 (and as may be further amended, supplemented, replaced and/or restated from time to time, the “**Deed of Guarantee**”) executed by the Guarantor in relation to the Notes. The fiscal agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrar, 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 “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. Where used in these terms and conditions (the “**Conditions**”), the term “**Principal Agent**” means the Fiscal Agent. 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, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. 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 CDP System, be deemed to be a reference to the CDP 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, talons for further Coupons (the “**Talons**”) and the holders of the receipts for the payment of instalments of principal (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.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection during usual business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

## **1 FORM, DENOMINATION AND TITLE**

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case in the Specified Denomination(s) shown hereon.

*Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption 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 hereon.

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.

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.

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 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 (as defined below) 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.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and (where appropriate) the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**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), “**Receiptholder**” means the bearer of any Receipt and “**Couponholder**” means the bearer of any Coupon, and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 EXCHANGES OF EXCHANGEABLE BEARER NOTES AND TRANSFERS OF REGISTERED NOTES**

### **(a) Exchange of Exchangeable Bearer Notes**

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and

upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. 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 that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

**(b) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes (the “**Regulations**”), the initial form of which is scheduled to the Agency Agreement. The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current Regulations will be made available by the Registrar to any Noteholder upon request.

**(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 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) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) Exchange Free of Charge**

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(f) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

**3 GUARANTEE AND STATUS**

**(a) Guarantee**

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes, Receipts and Coupons. Its obligations in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee.

**(b) Status of Notes and Guarantee**

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and/or, as the case may be, the Guarantor, present and future.

**4 NEGATIVE PLEDGE**

The Issuer agrees, and the Guarantor has agreed in the Guarantee, that so long as any of the Notes remains outstanding neither the Issuer, the Guarantor nor any Principal Subsidiary (as defined in Condition 10) will create or permit to arise or subsist or have outstanding any encumbrance on or over its present or future assets or revenues to secure the repayment or payment of principal, premium or interest of or on any Securities or to secure any guarantee, indemnity or surety given in respect of the repayment or payment of principal, premium or interest of or on any Securities without at the same time or previously either securing the Notes equally and rateably therewith or providing for the Notes such other security as shall have been approved for the purposes by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Condition 4:

- (a) “**outstanding**” has the meaning ascribed to it in the Agency Agreement;

- (b) any reference to an “**encumbrance**” is to a mortgage, charge, pledge, lien or other encumbrance; and
- (c) any reference to a “**Security**” is to any indebtedness in the form of or 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 a maturity of more than one year.

## 5 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 5(h).

### (b) Interest on Floating Rate Notes and Index Linked Interest Notes

#### (i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest 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 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, “**Interest Payment Date**” shall mean each date which falls the number of months or other period shown hereon as the Interest 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 hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified hereon 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 sub-paragraph (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 hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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*

- (x) Where Screen Rate Determination is specified hereon 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. (London time in the case of LIBOR or 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 hereon as being other than LIBOR or EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.



- (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 LIBOR, the principal London office of each of the Reference Banks or, 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 if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), 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 LIBOR, at approximately 11.00 a.m., London time 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 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 LIBOR, the London inter-bank market or, 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 LIBOR, at approximately 11.00 a.m., London time 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 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 LIBOR, the London inter-bank market or, 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).

*(iv) Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

**(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 6(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 a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

**(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 hereon.

**(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 5 to the Relevant Date (as defined in Condition 8).

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

- (i) If any Margin is specified hereon (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 hereon, 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 hereon, 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 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 Principal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority 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, in the case of notification to such exchange of a Rate of Interest and Interest Amount, 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 5(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 10, 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 the Issuer, the Guarantor and the Noteholders.

**(j) Benchmark Discontinuation**

Where this Condition 5(j) is specified as applicable hereon:

**(i) *Independent Adviser***

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (if any, in accordance with Condition 5(j)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(j)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith and in a commercially reasonable manner 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, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(j).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(j)(i) prior to the date which is five business days 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, the first paragraph of this Condition 5(j)(i).

**(ii) *Successor Rate or Alternative Rate***

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original 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 5(j)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original 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 5(j)).

**(iii) *Adjustment Spread***

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser, following consultation with the Issuer, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

*(iv) Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(j) and the Independent Adviser determines (A) 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 (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(j)(v), 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.

Notwithstanding any other provision of this Condition 5(j), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(j) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, 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 Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

For the avoidance of doubt, the Fiscal Agent and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(j)(iv). Noteholders’ consent shall not be required in connection with effecting of the Successor Rate or the Alternative Rate (as applicable), any Adjustment Spread, Benchmark Amendments or such other changes, including the execution of any documents or any steps by the Fiscal Agent and Paying Agent (if required).

In connection with any such variation in accordance with this Condition 5(j)(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.

*(v) Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(j) will be notified at least five business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent and the Paying Agents. In accordance with Condition 14, notice shall be provided to the Noteholders as soon as practicable thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Notwithstanding any other provision of this Condition 5(j), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(j), the Calculation Agent shall promptly notify the Issuer in writing thereof and the Issuer shall within three business days of receipt of the Calculation Agent’s written notification direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not provided with such direction within the prescribed time frame, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall as soon as reasonably practicable notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vi) ***Survival of Original Reference Rate***

Without prejudice to the obligations of the Issuer under Conditions 5(j)(i), 5(j)(ii), 5(j)(iii) and 5(j)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii) will continue to apply unless and until a Benchmark Event has occurred.

For the purposes of this Condition 5(j):

**“Adjustment Spread”** means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser (in consultation with the Issuer) determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied);
- (iii) the Independent Adviser (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) determines in accordance with Condition 5(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

**“Benchmark Amendments”** has the meaning given to it in Condition 5(j)(iv).

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate);
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued;
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes;

- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and notified to the Fiscal Agent, the Calculation Agent and the Paying Agents as soon as reasonably practicable. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

“**Independent Adviser**” means an independent financial institution of international or national repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(j)(i).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates; (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); (c) a group of the aforementioned central banks or other supervisory authorities; or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(k) **Definitions**

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

“**Business Day**” means:

- (i) 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
- (ii) in the case of euro, a day on which the T2 is operating (a “**TARGET Business Day**”); and/or
- (iii) 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 in Hong Kong; and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**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**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, 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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30.

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>2</sub>** will be 30.

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;



“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” 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 D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” 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 D<sub>2</sub> will be 30.

- (vii) if “**Actual/Actual — ICMA**” is specified hereon,
- (a) 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 (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) 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.

where:

“**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 as such hereon or, if none is so specified, the Interest Payment Date;

“**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;

“**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:

- (i) 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 hereon, shall mean the Fixed



Coupon Amount (or, if the Notes are in more than one Specified Denomination, the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination) or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; or

- (ii) 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 hereon;

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon 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 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 hereon;

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

**“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 hereon;

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, 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 Calculation Agent or as specified hereon;

**“Reference Rate”** means the rate specified as such hereon;

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon;

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

**“T2”** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**(1) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon 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 (acting through its principal Hong Kong office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **6 REDEMPTION, PURCHASE AND OPTIONS**

### **(a) Redemption by Instalments and Final Redemption**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. 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 hereon 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 an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (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 hereon, 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 6(c) or upon it becoming due and payable as provided in Condition 10 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 5(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 hereon.

*(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 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

**(c) Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer or the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of payment by the Issuer) or the Cayman Islands (in the case of payment by the Guarantor) or any political subdivision thereof 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 (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Agent a certificate signed by any one Director of the Issuer (or the Guarantor, as the case may be) 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 an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

If Call Option is specified hereon, 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 hereon) 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 hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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.

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

If Put Option is specified hereon, 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 hereon) 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 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 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.

**(f) 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 hereon.

**(g) Purchases**

The Issuer, the Guarantor and any of their respective subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

**(h) Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Principal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## **7 PAYMENTS AND TALONS**

**(a) Bearer Notes**

- (i) In relation to Bearer Notes not held in the CMU, payments of principal, premium (if any) and interest in respect of Bearer Notes not held in the CMU 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, premium (if any) and, in the case of interest, as specified in Condition 7(e)(vi) or Coupons (in the case of interest, save as specified in Condition 7(e)(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.
- (ii) In this Condition 7, “**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 T2.
  - (iii) In relation to Bearer Notes held in the CMU, payments of principal, premium (if any) and interest in respect of Bearer Notes held in the CMU 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 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 in a relevant CMU Issue Position Report (as defined in the Agency Agreement) or any other relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU (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, the Guarantor in respect of that payment.

*Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

**(b) Registered Notes**

- (i) In relation to Registered Notes not held in the CMU, payments of principal (which for the purposes of this Condition 7(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 Registrar and in the manner provided in paragraph (ii) below.
- (ii) In relation to Registered Notes not held in the CMU, interest (which for the purpose of this Condition 7(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 or (iii) in the case of Registered Notes to be cleared through the CDP System, on the fifth CDP Business Day before the due date for payment thereof (in each case, the “**Record Date**”). Payments of interest on each Registered Note shall be made:
  - (A) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank; and

- (B) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “**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, and “**CDP Business Day**” means any day on which CDP is open for business.

- (iii) In relation to Registered Notes held in the CMU, payments of principal and interest in respect of Registered Notes held in the CMU 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 in accordance with the CMU Rules at the relevant time.

*Payments of principal and interest in respect of Registered Notes held in the CMU 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 in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer 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**

Save as provided in Condition 8, payments will be subject in all cases to any other applicable fiscal and other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor or any of the Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. 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, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, the CMU Lodging and Paying Agent, the CDP Paying 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 Principal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Notes accepted for



clearance through the CDP System, and (vi) one or more Calculation Agent(s) where the Conditions so require, (vii) such other agents as may be required by any stock exchange on which the Notes may be listed.

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 or Index linked 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 or Index Linked 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 Principal 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) Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

**8 TAXATION**

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee 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 within or on behalf of the British Virgin Islands or the Cayman Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the British Virgin Islands or the Cayman Islands other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Declaration of non-residence:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon to the extent such holder would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption or reduction to the relevant tax authority or under an applicable tax treaty or otherwise if, after having been requested to make such a declaration or claim, such holder fails to do so (provided, however, that, in the case of a Bearer Note, such holder may not be required to make such a declaration or claim in a form which reveals the identity of such holder to the relevant tax authority); or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.



As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 PRESCRIPTION

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 EVENTS OF DEFAULT

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Principal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest (if applicable) to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Principal Agent:

- (a) **Non-Payment:** there is a failure to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or, is not remedied within 30 days after notice of such default shall have been given to the Principal Agent at its specified office by any Noteholder; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any of the Principal Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or the Guarantor or any of the Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Issuer or the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 30 business days; or
- (e) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer or the Guarantor or any Principal Subsidiary and such possession or appointment is not discharged or stayed within 30 business days; or
- (f) **Insolvency:** any of the Issuer or the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of the Principal Subsidiaries; or
- (g) **Winding-up:** an order is made in the British Virgin Islands, the Cayman Islands or such other relevant jurisdiction where any Principal Subsidiary is located or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of the Principal Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of the Principal Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries; or
- (i) **Ownership:** the Issuer ceases to be wholly-owned and controlled by the Guarantor; or
- (j) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and/or the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under or in respect of the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Deed of Covenant, the Deed of Guarantee and the Register admissible in evidence in the courts of the British Virgin Islands or the Cayman Islands (as relevant), is not taken, fulfilled or done; or

- (k) **Illegality:** it is or will become unlawful for the Issuer and/or the Guarantor under the laws of the British Virgin Islands or the Cayman Islands (as relevant) to perform or comply with any one or more of its obligations under any of the Notes; or
- (l) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or
- (m) **Guarantee:** the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

For the purposes of this Condition 10:

“**Principal Subsidiary**” means at any time a Subsidiary of the Guarantor:

- (i) whose profit (after taxation and before asset revaluation surplus/deficit and impairment provision) attributable to the Guarantor (as relevant) represents at least 25 per cent. of the consolidated profit (after taxation and before asset revaluation surplus/deficit and impairment provision) of the Guarantor and its consolidated Subsidiaries or whose total net assets attributable to the Guarantor exceed 25 per cent. of the consolidated total net assets of the Guarantor and its consolidated Subsidiaries, all as calculated by reference to the then latest audited financial statements (consolidated or unconsolidated, as the case may be or where no audited consolidated accounts are available calculated by reference to the consolidated management accounts applicable to such Subsidiary as certified as being true and accurate by a director of the Guarantor) of such Subsidiary and the then latest audited or unaudited consolidated financial statements of the Guarantor; or
- (ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary,

and for such purpose, a certificate prepared by a director of the Guarantor certifying that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders; and

“**Subsidiary**” means a subsidiary of the Guarantor, and “**subsidiary**” has the meaning given to it by Section 15 of the Companies Ordinance (Cap. 622) of Hong Kong).

## 11 MEETING OF NOTEHOLDERS AND MODIFICATIONS

### (a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes of the relevant Series held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any

Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes of the relevant Series for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed), on all holders of Receipts and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in nominal amount of the Notes of the relevant Series outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

#### **(b) Modification of Agency Agreement**

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## **12 REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS**

If a Note, Certificate, Receipt, Coupon or Talon is mutilated or defaced or alleged to be lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

## **14 NOTICES**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Hong Kong. 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. The Issuer (failing whom, the Guarantor) shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or other relevant authority on which the Notes are for the time being listed. 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 date of the first publication as provided above.

Receiptholders and 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.

## **15 CURRENCY INDEMNITY**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **17 GOVERNING LAW AND JURISDICTION**

### **(a) Governing Law**

The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

**(b) Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**(c) Service of Process**

Each of the Issuer and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited of Eighth Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## **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 depositary for Euroclear and Clearstream (the “**Common Depositary**”) or CDP or a sub-custodian for the HKMA as operator of the CMU or registration of Registered Notes in the name of (i) any nominee for the Common Depositary or for Euroclear or Clearstream (as the case may be) (ii) CDP and/or (iii) the HKMA and delivery of the relative Global Certificate to the Common Depositary or CDP or the sub-custodian for the HKMA as operator of the CMU (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 Depositary 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, CDP 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, CDP or such clearing system (as the case may be) for his share of each payment made by the Issuer or the Guarantor (as the case may be) 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, CDP or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor (as the case may be) 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 or the Guarantor (as the case may be) 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 or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or in the case of Registered Notes, directed or deemed by the CMU 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 in respect of each amount so paid. Each of the persons shown in the records of the CMU, 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 for his share of each payment so made by the Issuer or the Guarantor (as the case may be) 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 “*Summary of the Programme — Selling Restrictions*”), 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 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 the records of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

### 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 or, in the case of (i) below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Principal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; or
- (ii) (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream or the CMU 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 (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Principal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) of its election for such exchange; or
- (iii) if the permanent Global Note is cleared through the CDP and (a) an Event of Default (as defined in the Conditions) has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no Alternative Clearing System is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in a master depository services agreement made or to be made between the Issuer and CDP, as amended, varied or supplemented from time to time, and no Alternative Clearing System is available.

## **Global Certificates**

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the Global Certificate is held in Euroclear, Clearstream, the CMU or an Alternative Clearing System (other than the CDP) and 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) (if the Global Certificate is cleared through the CDP) an Event of Default (as defined in the Conditions) has occurred and is continuing; or
- (v) (if the Global Certificate is cleared through the CDP) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
- (vi) (if the Global Certificate is cleared through the CDP) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
- (vii) (if the Global Certificate is cleared through the CDP) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in a master depository services agreement made or to be made between the Issuer and CDP, as amended, varied or supplemented from time to time, and no alternative clearing system is available,

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.

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.

## **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 (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) 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 Principal Agent (or, in the case of Notes cleared through the CDP System, the CDP Paying Agent,

or, in the case of Notes lodged with the CMU, 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 Note 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 or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. 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. 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 an exchange for Registered Notes five 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 Principal 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) 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 Principal 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 7(f) will apply to the Definitive Notes only. For the purposes of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 7(h).

In respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU), all payments will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the payment record date, being the Clearing

System Business Day immediately prior to the date for payment, where “*Clearing System Business Day*” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, 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 the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, “**Clearing System Business Day**” means a day on which the CMU is operating and open for business.

### **Prescription**

Claims against the Issuer and/or the Guarantor 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 ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

### **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 or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

### **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 or by a Global Certificate may only be purchased by the Issuer, the Guarantor or any of their respective 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 or by a Global Certificate 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, the CMU, CDP 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 Principal 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 Principal Agent, or to a Paying Agent acting on behalf of the Principal Agent, for notation.

## **Events of Default**

Each Global Note or Global Certificate 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 10 by stating in the notice to the Principal Agent the nominal amount of such Global Note or Global Certificate 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 under the terms of the Amended and Restated Deed of Covenant executed as a deed by the Issuer on 9 July 2020, as amended, varied or supplemented from time to time, to come into effect in relation to the whole or a part of such Global Note or Global Certificate in favour of the persons entitled to such part of such Global Note or Global Certificate, as the case may be, as accountholders with a clearing system. In respect of Notes cleared through the CDP System, following the giving of the default notice, the relevant accountholder with CDP may elect for direct enforcement rights against the Issuer under the terms of the CDP deed of covenant executed as a deed by the Issuer, as amended, varied or supplemented from time to time, to come into effect in respect of a nominal amount of Notes, up to the aggregate nominal amount in respect of which such default notice has been given. 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 Bearer Notes or Registered 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.

## **Notices**

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or any other clearing system (except as provided in (ii) and (iii) 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 Global Certificate or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU or (iii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CDP 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 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.

## RISK FACTORS

*Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and neither the Issuer, the Guarantor nor the Group is in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuer, the Guarantor or the Group or which the Issuer, the Guarantor or the Group currently deems to be immaterial, may affect the Group's business, financial condition or results of operations or the Issuer's and/or the Guarantor's ability to fulfil its/their respective obligations under the Notes and/or the Guarantee (as the case may be).*

### RISKS RELATING TO THE ISSUER

#### **The Issuer is a special purpose vehicle.**

The Issuer was established specifically for the purpose of raising finance through the issuance of the Notes and intends to on-lend the net proceeds from the issuance of the Notes to the Group for the purpose of financing or refinancing the Group's general corporate funding requirements, unless otherwise specified in the relevant Pricing Supplement. The Issuer has limited assets as recourse for Noteholders. Apart from the arrangements with respect to the Programme, the issuance of Notes and the on-lending of proceeds thereof to the Group, the Issuer has not undertaken any business activities since the date of its incorporation, and its ability to make payments under the Notes will depend on its receipt of timely remittance of funds from the Guarantor and/or its subsidiaries.

The insolvency laws of the British Virgin Islands may differ from the insolvency laws in jurisdictions with which the holders of the Notes are familiar. As the Issuer is incorporated under the laws of the British Virgin Islands, an insolvency proceeding relating to the Issuer may involve the insolvency laws of the British Virgin Islands, the procedural and substantive provisions of which may differ from comparable provisions of jurisdictions with which the holders of the Notes are familiar. As a result, Noteholders may not have the same level of protection as may be available under the laws of other jurisdictions with which the holders of the Notes are familiar.

### RISKS RELATING TO THE GROUP'S BUSINESS

**The Hong Kong retail and hospitality industries have been, and will continue to be, significantly impacted by tourists' desire and willingness to travel to and stay in Hong Kong. Any further reduction in the number of tourists, particularly Mainland China tourists, to Hong Kong could affect the retail and hospitality industries.**

The Group's business is heavily concentrated in Hong Kong. The Hong Kong retail and hospitality industries have been, and will continue to be, significantly impacted by the desire and willingness of tourists, particularly those from Mainland China, to travel to and stay in Hong Kong and their activities in Hong Kong. There has been a decrease in the number of Mainland China visitors in recent years, which could have been caused by a number of factors, such as the implementation of the "one trip per week" policy by the PRC government, the depreciation of the RMB, the changes in the social, political and economic landscape in Hong Kong and the impact of the COVID-19 pandemic on Hong Kong, Mainland China and globally. In addition, any other restrictions on Mainland China and international tourists visiting Hong Kong, any reduction in taxation on luxury goods in Mainland China, appreciation of the Hong Kong dollar against the RMB or other currencies, increases in transportation or fuel costs, labour disputes or strikes in the transportation industry, natural disasters, terrorists' acts, civil unrest or commotions, epidemic and/or pandemic of infectious or contagious disease or adverse weather conditions may also deter



Mainland China and international tourists from visiting Hong Kong. Any further reduction in the number of tourists, particularly Mainland China tourists, to Hong Kong and any of the above factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. See "*— Risks relating to the Property and Hospitality Industry — The Group's business performance is influenced by macro economic conditions and may be affected by any significant change in general economic, social and political conditions, consumer demand or commercial market sentiment or changes in Hong Kong or the political and economic policies and conditions in Mainland China*" for further information.

**The Group derives a significant portion of its revenue from its investment property portfolio, the performance of which depends on a number of factors, including changes in market rental levels, competition for tenants and rental collection and renewal.**

Leasing of its investment properties constitutes a very important part of the Group's business. The Group is subject to risks incidental to the ownership and operation of commercial properties, such as volatility in market rental rates and occupancy rates, competition for tenants, costs resulting from ongoing maintenance and repair and the inability to collect rent from tenants or renew leases with tenants due to bankruptcy, insolvency, financial difficulties or other reasons. In addition, the Group may not be able to renew leases with its tenants on terms acceptable to it, or at all, upon the expiration of the existing terms. The Group's rental income may experience more frequent adjustments resulting from competition arising from an oversupply in retail and office areas. Furthermore, rental levels may also be impacted by external economic and market conditions, including but not limited to the fluctuations in general supply and demand, performance in stock markets and financial volatility, any of which may indirectly affect the revenue and profitability of the Group's investment properties. Any downturn in the rental market for retail and/or office premises in general could adversely affect the demand for the Group's rental properties and revenue. If any of the above occurs, there may be a material adverse effect on the Group's business, financial condition, results of operations and prospects. See "*— Risks relating to the Property and Hospitality Industry*" for further information about the risks relating to the property market in general.

**A significant portion of the Group's revenue is derived from its investment properties at Harbour City and Times Square. Any event which partially or entirely affects its operations at these two locations may materially and adversely affect the Group's business, financial condition, results of operations and prospects.**

Revenue from the Group's investment properties at Harbour City and Times Square accounts for a significant portion of the Group's revenue. The profitability of the Group's investment property portfolio, and in particular its investment properties at Harbour City and Times Square, is dependent on its tenants' business performance, which is beyond the Group's control. There is no assurance that the Group's tenants will continue to lease the properties from the Group on terms acceptable to the Group, or at all. Should the revenue from the Group's investment properties at Harbour City or Times Square decrease significantly or should a large number of tenants at Harbour City or Times Square cease to lease premises from the Group or refuse to renew their leases, the Group may experience a significant loss in revenue and incur additional costs to look for new tenants. Factors such as increasing market competition, economic slowdown, political conditions, epidemic and/or pandemic of infectious or contagious disease and natural disasters would materially and adversely affect the Group's business, financial condition, results of operations and prospects. See "*— Risks relating to the Property and Hospitality Industry*" for further information about the risks relating to the property market in general.

Furthermore, the land on which Ocean Terminal and The Pacific Club in Harbour City are situated is held under government leases. The lease of Ocean Terminal will expire in June 2033 while the lease of The Pacific Club expired in November 2021 and is currently on holding over pending lease renewal. The Group is negotiating the renewal of the government lease in respect of

the land on which The Pacific Club is situated with the Hong Kong SAR Government. The relevant government leases do not include an option or right of renewal, and renewal will therefore be subject to the prevailing laws and policies of the Hong Kong SAR Government. Accordingly, there is no assurance that the Group will be able to renew such government leases on terms acceptable to it, or at all. Any failure to renew such government leases on commercially satisfactory terms may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In accordance with the terms of a deed of grant of rights of way executed in favour of the Hong Kong SAR Government on 12 June 2012, Harbour City Estates Limited and Wharf Realty Limited, both of which are subsidiaries of the Guarantor, (together as grantors) have agreed to grant or assign to the Hong Kong SAR Government certain portions of their respective land or rights of way over such land (“**Relevant Areas**”) in connection with or as are otherwise necessary for the purposes of Ocean Terminal which the Hong Kong SAR Government may demand at any time during or on expiry of the lease term of Ocean Terminal. The portions of land which are subject to the Hong Kong SAR Government's rights are, in all material respects, the same as those which were subject to similar rights under a previous deed of grant executed on 12 July 1966, on which the Hong Kong SAR Government had not exercised its rights pursuant to the previous deed of grant. The Relevant Areas are mostly used as rights of way, passageways and/or pedestrian concourse and do not form any part of the retail or other major operation area within Harbour City. If the above occurs, the value and enjoyment of the Relevant Areas may be affected, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**Due to the limited supply of sizable plots of land for investment properties and hotels in Hong Kong and the unique market position, substantial scale and strategic locations of Harbour City and Times Square, the Group's growth may be limited if it is not able to locate suitable land on commercially viable terms.**

The Group's ability to secure suitable and sizable plots of land for investment properties and hotels on commercially viable terms will be crucial to its growth. In Hong Kong, plots of land of significant size for development are not easy to obtain due to competition from other property owners and operators and the limited amount of land supply, which has driven up the price of land for commercial properties in Hong Kong in recent years. Other than the acquisition of the former Murray Building, Crawford House and the Group's premises at Wheelock House in 2013, 2014 and 2016, respectively, the Group's portfolio of principal properties in Hong Kong has remained unchanged since 1999. The Group may encounter difficulties in replicating the success of Harbour City and Times Square due to their unique market position, substantial scale and strategic locations, and the Group's prospects may be limited if it is not able to locate suitable plots of land for investment properties and hotels on commercially viable terms.

Given the rarity of land at prime and convenient locations in Hong Kong for commercial property development and the premium it typically commands, there is no assurance that the Group will be able to secure such desirable land on terms acceptable to it, or at all. Failure to successfully locate plots of land for the development of investment properties and hotels at desirable locations, on terms acceptable to the Group or at all may adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group's revenue and profit are affected by its ability to continue to attract and retain quality tenants.**

The Group's investment properties compete for tenants with other properties on the basis of, among other things, location, quality, maintenance, property management, rent levels and other lease terms. There is no assurance that existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which compete with the Group's

investment properties would increase the competition for tenants and, as a result, the Group may have to reduce rent or incur additional costs to make its properties more attractive. If the Group is not able to retain its existing tenants or attract new tenants to replace those that have left or to lease its new properties, occupancy rates of the Group's properties may decline. If the Group is unable to attract renowned brands as tenants or retain existing tenants that bring in renowned brands to its properties, its investment properties may become less attractive and less competitive. The occurrence of any of these events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group incurs maintenance and operating costs and these costs may increase.**

Operating investment properties and hotels involves significant fixed costs, including maintenance costs as well as employee salaries and expenses. These fixed costs limit the Group's ability to respond to adverse market conditions through cost containment initiatives. In addition, these fixed costs may have an adverse impact on the Group's profitability when its property rental and hotel businesses experience a downturn and may exacerbate the impact of a decline in occupancy rates, rental rates or room rates of the Group's properties and hotels. There is no assurance that labour costs will be stable at all times. If the Group's labour costs increase significantly, and the Group cannot offset such increase by reducing other costs or cannot pass on such increase to its tenants, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Moreover, the Group's properties consume utilities such as water and electricity. The Group is not able to influence the prices charged by utility providers, nor can the Group easily switch to different utility providers. Any price increase or change in pricing structure from these utility providers could have an adverse effect on the Group's operating costs. In addition, increases in the prices of other products and services which the Group procures to maintain its properties and provide services to its tenants and guests could increase the Group's operating costs.

If the Group is not able to pass on any significant increase in maintenance and operating costs to its customers, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group's properties may encounter temporary closures, reduced revenue or lower occupancy rates as a result of maintenance, repairs, refurbishment, redevelopment or renovation.**

The Group's investment properties and hotels may require repairs which may involve significant capital expenditures. The Group's investment properties and hotels may also need to undergo maintenance, refurbishment, redevelopment or renovation works from time to time to retain their attractiveness and competitiveness. Such maintenance, repairs, refurbishment, redevelopment or renovation of the Group's investment properties and hotels may impact its ability to attract tenants to its investment properties and guests to its hotels and facilities. In some circumstances, such maintenance, repairs, refurbishment, redevelopment or renovation may require the temporary closure of the related facilities within the relevant investment property or hotel. As a result, during periods of any such maintenance, repairs, refurbishment, redevelopment or renovation, the Group may experience a reduction in occupancy rates and/or room rates of the relevant investment property or hotel.

Furthermore, buildings in the vicinity of any of the Group's investment properties and hotels may be demolished or redeveloped for alternative uses, which may cause disruption to the operations of the Group's investment properties and hotels. This may in turn negatively impact the revenue and valuation of the Group's investment properties and hotels.

The occurrence of any of the above may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**There is no assurance that third-party contractors will always meet the quality standards of the Group and provide services in a timely manner.**

The Group employs third-party contractors to carry out various works, including design, construction, structural engineering, internal decoration, landscaping, electrical and mechanical engineering and lift installation. Despite the Group's project management, there is no assurance that such third-party contractors will always provide satisfactory services. In addition, the Group may not be able to engage third-party contractors with the appropriate experience and on favourable terms. Moreover, as is common in the property industry, completion of the required property development, maintenance, repairs, refurbishment, redevelopment and/or renovation may be delayed and the Group may incur additional costs due to a contractor's financial or operational difficulties. The Group's contractors may undertake projects for others thereby diverting resources, engage in risky undertakings or otherwise encounter financial or other difficulties, any of which may cause delays in the completion of the Group's projects and increase its costs. The services rendered by independent contractors may not always meet the quality standards of the Group. Any of these factors could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The profit level and margin of the Group are affected by its revenue mix and there is no assurance that the Group will be able to sustain its existing level of profit.**

The Group's operating profit margin may be affected by a number of factors, including, among other things, (i) a change in the mix of its revenue sources, for example, revenue from its investment properties and sale of its development properties, (ii) increased market competition and (iii) decreased rental reversion rates and/or occupancy rates. There is no assurance that the Group can always maintain or increase its operating profit margin. In the event that the Group is unable to maintain or increase its operating profit margin, its profitability may be negatively impacted, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**Investment properties and hotels are generally illiquid and cannot be readily converted to alternative uses. Accordingly, the Group's ability to respond to any adverse changes in the performance of its investment properties and hotels may be limited.**

As investment properties and hotels in general are relatively illiquid, the Group's ability to liquidate one or more of its properties may be limited or it may be required to discount property prices significantly to ensure a timely sale in case of any market downturn if the Group is not able to satisfy its obligations from its cash and bank balances, committed undrawn banking facilities or from the capital markets.

Investment properties and hotels cannot be readily converted to alternative uses, as such conversion requires extensive governmental approvals and involves substantial capital expenditures and time for refurbishment and renovation. There is no assurance that the Group will obtain the necessary approvals and sufficient funds to carry out such conversion. These factors and any other factors that would impede the Group's ability to respond to adverse changes in the performance of its investment properties and hotels could affect the Group's ability to compete against its competitors. The occurrence of any of the above events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**Accidents, injuries, prohibited activities or other incidents in the Group's investment properties, development properties and hotels may materially and adversely affect its reputation and subject the Group to liability.**

There are inherent risks of accidents, injuries, prohibited activities and other incidents, such as theft, taking place in public places, such as shopping malls and hotels, from time to time. Such

accidents, injuries, prohibited activities and other incidents may expose the Group to liability or other claims by its customers and other third parties. The occurrence of such accidents, injuries, prohibited activities or other incidents at any of the Group's investment properties, construction sites or hotels could adversely affect the Group's reputation among shoppers, tenants of its properties and hotel guests (as applicable), harm the Group's brand, decrease its overall rents and occupancy rates and increase its costs by requiring the Group to implement additional safeguard measures. In addition, if accidents, injuries, prohibited activities or other incidents occur at any of the Group's investment properties, construction sites or hotels, the Group may be held liable for costs, damages and fines and there is also a risk that the Group's operations may be suspended as a result. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents, injuries, prohibited activities or other incidents which are not covered by these arrangements could occur. The occurrence of any such accidents, injuries, prohibited activities or other incidents which are not covered by insurance and the resulting payment the Group may be required to make to cover any losses, damages or liabilities could adversely affect the Group's business, financial condition, results of operations and prospects. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

**The Group is subject to risks associated with the title of its properties.**

In Hong Kong, structural alterations of properties are subject to prior approval by the Building Authority of the Hong Kong SAR Government (the "BA"). The BA may issue warning notices and/or building orders in relation to certain parts of a property or the common areas of a building if there are alteration works carried out without the required permits or consents. If the subject matter as stated in the warning notice is not rectified within the specified period, the BA may issue a building order which may constitute title defects in respect of the relevant property, unless and until the relevant requirements as set out in the building order have been duly complied with. The works required to comply with warning notices and/or building orders may involve substantial costs to be borne by the owners. Under Hong Kong law, the existence of these title defects and other title issues do not prevent the relevant properties from being sold, purchased, or being suitable for acceptance by banks as security for granting mortgages. Nevertheless, any title defect on any property may have adverse effect on the value of such property. If such property has been contracted for sale with a prospective purchaser, such title defect may entitle the prospective purchaser to refuse completion of the sale and purchase transaction.

There is no assurance that the Group's properties held for investment purposes or the common areas of the building in which such properties are situated will not be subject to any warning notice or building order. If any warning notice or building order is issued against the Group's properties and the subject matter cannot be rectified by the Group and/or other owners of the building in a timely manner, or at all, the sale of the Group's properties may be affected, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group may suffer losses arising from uninsured risks.**

The Group has insurance in place in relation to its investment properties, hotels and its properties under development. The Group's insurance may not fully indemnify it for all potential losses, damages or liabilities related to its properties. This is because there are certain exposures which may be excluded under some of the Group's insurance policies or for which insurance is not available on what the Group considers to be reasonable commercial terms. Such exposures include potential losses which may arise as a result of war, civil disorder, acts of terrorism, pollution, fraud, professional negligence and acts of God. Insurers may also exclude certain risks when the Group renews its insurance policies as a result of large losses sustained by the international insurance market. Furthermore, the Group's insurers may become impaired and find themselves financially unable to meet claims.



In addition, where insurance is taken out in relation to properties which are owned by a joint venture or an associate in which the Group is interested, there is no assurance that such properties are insured in accordance with the same standards which the Group applies when taking out insurance in respect of its own properties.

If the Group suffers from any losses, damages or liabilities in the course of its operations arising from events for which it does not have any or adequate insurance cover, the Group may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. The occurrence of any of the above events and the resulting payment the Group may be required to make to cover any losses, damages or liabilities could adversely affect the Group's business, financial condition, results of operations and prospects.

**The completion and delivery of the Group's Mainland China property development projects depend on various factors, including the timing of obtaining necessary licences, permits, certificates or other approvals from governments and necessary financing. There is no assurance that the Group will be able to complete or deliver its Mainland China property development projects on time, within budget or at all. Some of the Group's property development projects are undertaken through joint ventures.**

Sales of the Group's properties developed in Mainland China accounted for a portion of the Group's total revenue. The progress and costs of a development project can be adversely affected by many factors, including delays in obtaining necessary licences, permits, certificates or other approvals from governments, delays in obtaining necessary financing, shortages of materials, equipment, contractors or skilled labour, labour disputes or strikes, construction accidents, natural catastrophes, epidemic and/or pandemic of infectious or contagious disease, adverse weather conditions and changes in government policies, relevant laws or regulations or economic conditions.

Construction delays or failure to complete the construction of a project according to the Group's planned specifications, schedule or budget as a result of any of the above factors may adversely affect the Group's financial condition, results of operations and reputation. There is no assurance that the Group will not experience any significant delays in the completion or delivery of its projects, or that it will not be subject to any liabilities to its tenants, any purchasers or relevant government authorities for any such delays. Liabilities arising from any delay in the completion or delivery of the Group's projects could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In particular, the Group has invested in joint ventures and an associate to develop some of its development properties in Mainland China. The Group does not have control over the day to day management of its joint ventures or associate. Certain corporate actions of these joint ventures and the associate require approval from all partners or other shareholders in the Group's associate. If the Group's joint venture partners or other shareholders in the Group's associate act in a manner contrary to the Group's interests, or if there are any significant disputes or issues with respect to its joint venture partners or other shareholders in the associate which could not be resolved, they could have a material adverse effect on the success of these development properties and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The operation of hotels requires hotel licences, and any failure to obtain or renew such licences may adversely affect the Group's hotel operations.**

The Group owns and operates four hotels in Hong Kong and a hotel in Mainland China. The operation of hotels is generally subject to local laws and regulations.

The operation of hotels in Hong Kong is subject to a range of laws and regulations, including the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) of Hong Kong, under which a hotel licence is required to operate a hotel in Hong Kong, and any person who operates a hotel without a valid licence commits an offence and is subject to fines and imprisonment. In addition, hotel licences in Hong Kong have a validity period and renewal is subject to approval by the Hotel and Guesthouse Accommodation Authority. In the event that the application for subsequent renewal of a hotel licence for any of the Group's hotels in Hong Kong is rejected, the relevant hotel may be required to suspend its operations. Any changes in such laws and regulations may also have an adverse impact on the business of the Group's hotels and may result in higher costs of compliance. Any inability to comply with new or revised laws and regulations could result in the imposition of fines or other penalties by the relevant authorities or the suspension or non-renewal of a hotel licence.

The operation of the hotel in Mainland China is subject to the Decisions of the State Council to Implement Administrative License on Items Necessary to be Retained for Administrative Examination (國務院對確需保留的行政審批項目設定行政許可的決定) and security control regulations including the Measures for Control of Security in the Hotel Industry (旅館業治安管理办法). Under PRC laws and regulations, enterprises engaging in hotel operation in Mainland China shall be examined and approved by a local public security authority and obtain a special industry licence from the local public security authority prior to the commencement of the hotel operations. Any suspension or non-renewal of a hotel licence for any of the Group's hotels may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group appoints a connected hotel management company to manage the day-to-day operations of its hotels pursuant to the hotel management agreements.**

Pursuant to the hotel management agreements between the Group and Wharf Hotels, Wharf Hotels supervises the day-to-day operations and marketing of the Group's hotels in operation. If Wharf Hotels is unable to maintain the quality and adequate supply of hotel management personnel and services, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected. If any of the hotel management agreements are terminated prior to their expiration, the Group may experience disruption to its hotel operations while it seeks to replace the relevant hotel management service provider. In addition, the relevant hotel would need to be rebranded, which would likely involve a substantial initial outlay for the marketing, refurbishment, branding and hospitality items and fixtures and furniture of the hotel, and it may take several years for a successful operation to be re-established under the new brand. The disruption and costs may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**RISKS RELATING TO THE PROPERTY AND HOSPITALITY INDUSTRY**

**The Group's business performance is influenced by macro economic conditions and may be affected by any significant change in general economic, social and political conditions, consumer demand or commercial market sentiment or changes in Hong Kong or the political and economic policies and conditions in Mainland China.**

The Group derives most of its revenue from the leasing and management of commercial properties. Rent levels for such properties and the financial condition of the tenants of such properties are closely tied to general economic, social and political conditions, consumer demand and commercial market sentiment. Any change in such general economic conditions, consumer demand and commercial market sentiment can affect the overall economic outlook and investor confidence, leading to changes in the tenant mix and credit standing of tenants. Turnover rents are closely tied with spending and fluctuations in the level of disposable household income and may adversely affect the Group's relative bargaining position with its tenants in terms of lease rates, tenure and frequency of rental revisions, which in turn adversely affect the Group's revenue and materially and adversely affect the Group's business, financial condition, results of operations and prospects.



Hong Kong has been, and will continue to be, the Group's primary operating base where its investment property and hotel businesses as well as the majority of its assets are located. As leases of Hong Kong commercial properties are usually for a short duration (typically three years) compared to longer terms typical in the U.S. and some other markets, the Group's revenue from commercial properties experiences more frequent fluctuations than would be the case in other real estate markets. Furthermore, rental levels in Hong Kong are also subject to fluctuations in supply and demand, including as a result of competition from new supply in decentralised areas.

The Group generates a portion of its revenue from Mainland China. While the PRC government has been pursuing economic reforms to transform its economy from a planned economy to a market economy since 1978, a substantial part of the economy in Mainland China is still being operated under various controls of the PRC government. By imposing policies and economic measures, such as control of foreign exchange, taxation and foreign investment, the PRC government exerts considerable direct and indirect influence on the development of the economy in Mainland China. For example, the PRC government has in the past implemented a number of measures intended to slow down certain segments of the economy that the government believed to be overheating, including the real estate industry, such as raising benchmark interest rates of commercial banks, reducing currency supply and placing additional limitations on the ability of commercial banks to make loans by raising bank reserves against deposits.

The results of operations of the Group's investment property and hotel businesses also depend on the general economic climate, regulatory changes, government policies and the economic, social and political conditions and developments in both Hong Kong and Mainland China. Any changes in the real estate and property rental markets, a general economic decline or a decline in property or hotel industry conditions could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

A substantial part of the Group's operations are based in Hong Kong. Therefore, any instability in the local social, political and economic landscape which may arise from events beyond the Group's control, in particular, if significant and prolonged, may materially and adversely affect the Group's business, financial condition, results of operation and prospects. For example, civil unrest and an uncertain political environment may impact the Hong Kong economy and result in an economic slowdown. In addition, any spread of communicable diseases or public health emergencies such as the outbreak of the novel coronavirus disease, COVID-19, may cause severe disruption to business and economic activities in Hong Kong, Mainland China and globally and adversely impact consumer and investor confidence, decrease consumer spending and trading activities and affect inbound tourism to Hong Kong, all of which in turn may have a negative impact on the Hong Kong economy. While the Hong Kong SAR Government has introduced certain economic relief measures to support the Hong Kong economy, there is no assurance that such measures will have the intended effects. See "*— The Group's businesses are subject to the effects of global economic events*" and "*— The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of infectious or contagious diseases and/or other adverse public health developments, natural disasters or other catastrophic events, terrorist attacks or criminal attacks, other acts of violence or war, or social instability or public demonstrations*" for further information. Any significant or sudden economic slowdown, recession, adverse public health developments or other adverse changes or developments in the social, political and economic landscape in Hong Kong may result in a decline in the Group's profitability and materially affect the Group's business and expansion strategy, financial results and profitability.

**The Group's businesses are subject to the effects of global economic events.**

Economic events outside Hong Kong and Mainland China may adversely affect the Group's businesses. In recent years, there has been a slowdown in the overall growth of the Mainland China economy. In particular, the COVID-19 pandemic and the downturn in the real estate sector have had an adverse impact on the Mainland China economy. In Asia and other emerging markets, some countries are experiencing increasing inflationary pressure. The United Kingdom's exit from the European Union, the U.S. government's policies and its continued controversy with the PRC government over trade policies, political and other issues as well as other geopolitical events such

as the continued tensions in the Middle East and the Korean peninsula could also create uncertainties for, and significantly undermine the stability of, the global economy and financial markets. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries, such as the collapse of Silicon Valley Bank and the acquisition of Credit Suisse Group AG by UBS Group AG. In addition, the ongoing military conflict between Russia and Ukraine has been contributing to increases in the price of energy, oil and other commodities and creating volatility in the global financial markets as well as a new landscape in the international sanctions regime. There is no assurance that economic and fiscal policy measures implemented by the Hong Kong, PRC and international governments in response to global economic events will have the intended effects, that a global economic downturn will not occur or that the market volatility will not persist. Any severe or prolonged slowdown or instability in the global economy or financial markets may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, there have been significant fluctuations in market interest rates in recent years. Mismatches between the supply and demand of goods and services contributed to a rise in inflation in 2021 and the United States Federal Open Market Committee (the "FOMC") has raised its benchmark interest rates multiple times since 2022 to counteract rising inflation. Fluctuations in interest rates may result in continued and significant volatility in global capital markets and adversely affect business and consumer confidence. In particular, the interest rate environment in Hong Kong has become volatile following the rate hike cycle in the United States, which could adversely affect the Group's financial condition, liquidity and profitability.

The outlook for the global economy and financial markets remain uncertain. If economic conditions were to worsen, if economic recovery fails to continue or if an economic slowdown were to return, the Group may have difficulties accessing financial markets, which could make it more difficult or expensive to obtain funding. In addition, there is no assurance that the Group will be able to raise finance at reasonable costs, or at all. The Group may also be subject to solvency risks of banks and of its counterparties in its financial arrangements and contracts. Any or all of the above may have a material adverse effect on the operations of the Group, which in turn may materially and adversely affect the Group's business, financial condition, results of operations and prospects. See "*— The Group's business performance is influenced by macro economic conditions and may be affected by any significant change in general economic, social and political conditions, consumer demand or commercial market sentiment or changes in Hong Kong or the political and economic policies and conditions in Mainland China*" and "*— The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of infectious or contagious diseases and/or other adverse public health developments, natural disasters or other catastrophic events, terrorist attacks or criminal attacks, other acts of violence or war, or social instability or public demonstrations*" for further information.

**E-commerce may impact the business and results of operations of the Group's tenants, which in turn could materially and adversely affect the Group's revenue.**

E-commerce has developed rapidly along with the significant increase in the number of internet users. There are currently online sales platforms and online retailers catering to consumers in Hong Kong. Online retailers may sell the same products at discounted prices as they generally have lower fixed costs as compared to physical stores.

Tenants of the Group's retail premises face increasing competition from online retailers and there is no assurance that consumers will not increasingly prefer online retailers due to their pricing advantage and convenience. Tenants of the Group's retail premises may lose sales to competitors that provide online shopping platforms and/or door-to-door delivery services. Increased competition could have an adverse effect on the financial condition and results of operations of the Group's tenants. This could hinder their ability to expand or lead them to shift their focus to e-commerce, both of which would decrease their demand for physical stores and potentially drive down rental prices.

As revenue from the Group's investment properties has been the Group's main source of revenue, any potential decrease in demand for physical stores and lower rental prices may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group's prospects may be adversely affected by an outbreak, epidemic and/or pandemic of infectious or contagious diseases and/or other adverse public health developments, natural disasters or other catastrophic events, terrorist attacks or criminal attacks, other acts of violence or war, or social instability or public demonstrations.**

The Group's operations and financial condition could be materially and adversely affected by any outbreak, epidemic and/or pandemic of (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of) infectious or contagious diseases and/or other adverse public health developments in Hong Kong, Mainland China or elsewhere. In particular, the COVID-19 pandemic, as well as policies such as travel restrictions, mandatory quarantine measures, stay-at-home orders and lockdowns implemented by governments in response to the pandemic, had led to a significant decline in visitor arrivals and caused disruption to business and economic activities in Hong Kong, Mainland China and globally. The Group's business, including the operation of and demand for its investment properties and hotels, the construction, completion and sales of its development projects in Mainland China and the business operations and financial condition of its contractors, counterparties, customers and tenants, have been negatively impacted by the COVID-19 pandemic, which in turn has materially and adversely affected the Group's financial condition, results of operations and profitability.

Although control measures in response to the COVID-19 pandemic have been relaxed in phases and the labour market is gradually improving as disruption caused by the COVID-19 pandemic begins to recede, consumer confidence and sentiment remain weak due to external macro uncertainties and weaker asset prices. The gradual relaxation of travel restrictions has also created uncertainties for many economic sectors. In addition, the COVID-19 pandemic has continued to affect many countries globally and there remain significant uncertainties as to how the COVID-19 pandemic will evolve. It is difficult to predict the magnitude of the impact of the COVID-19 pandemic on the Hong Kong, Mainland China and global economy. Any changes in government policies or resurgence of the COVID-19 pandemic or emergence of an epidemic could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, all levels of business in Hong Kong, Mainland China and other Asian countries were adversely affected by the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in 2003. There have also been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. In 2009 and 2010, there were also outbreaks among humans of the A/H1N1 influenza virus. Other recent epidemics include the Middle East Respiratory Syndrome (MERS), the H7N9 avian flu, the Ebola virus disease and the Zika virus disease. The occurrence of another outbreak of SARS, the A/H1N1 influenza virus or any other highly contagious disease, epidemic and/or pandemic of infectious or contagious disease (whether known or unknown to the world) (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of infectious or contagious diseases) and/or other adverse public health developments in Hong Kong, Mainland China or elsewhere may result in another economic downturn regionally and/or globally and could materially and adversely affect the overall level of business and travel activities in the affected areas and/or globally, which in turn could have a material adverse effect on the Group's and the Group's tenants' business, financial condition, results of operations and prospects.

Moreover, natural disasters or other catastrophic events, such as earthquakes, floods and severe weather conditions affecting Hong Kong or Mainland China could, depending upon their magnitude, significantly disrupt the Group's business operations. Terrorist attacks, criminal attacks, other acts of violence or war, or social instability or public demonstrations, could also have a negative impact on economic conditions in regions where the Group operates, including with respect to travel and leisure expenditures, which could in turn disrupt the Group's operations. More specifically, an actual, threatened or potential terrorist attack, criminal attack, other social instability or public demonstration occurring in, associated with or targeted at the Group's properties or adjacent areas could deter or prevent people from using them. The occurrence of any of the above would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group faces competition in Hong Kong and Mainland China that may adversely affect its business, financial condition and results of operations.**

There are a large number of property investors, landlords, property developers and hotel operators in Hong Kong and Mainland China, who also have significant financial, managerial, marketing and other resources, as well as experience in investment property operations and management and the ownership of hotels. In recent years, a large number of property developers have begun to undertake property investment projects outside the prime central business district in Hong Kong and may compete with the Group's investment properties in Hong Kong.

Competition among landlords is intense and may result in, among other things, an oversupply of properties, an increase in land premium, a decrease in occupancy rates and difficulties in recruiting and retaining high quality contractors and qualified employees. Competition among property developers in Mainland China is also intense and may result in, among other things, an oversupply of properties, a decrease in property prices, an increase in construction costs and difficulties in recruiting and retaining high quality contractors and qualified employees.

If the Group is not able to respond to changes in market conditions at least as swiftly and effectively as its competitors do, the Group's ability to generate revenue and its business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group may be adversely affected if it fails to timely obtain any requisite governmental approvals for its property development projects.**

The real estate industry in Mainland China is heavily regulated by the PRC government. Property developers in Mainland China must comply with various requirements under the applicable laws and regulations, including the policies and procedures established by local authorities for the implementation of such laws and regulations. In order to undertake and complete a property development project, a property developer must obtain various licences, permits, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including but not limited to land use rights certificates, planning permits, construction permits and acceptance examination upon completion filing documents. Each approval is dependent on the satisfaction of certain conditions. There is no assurance that the Group will not encounter difficulties in obtaining such governmental approvals or in fulfilling the conditions required for obtaining the approvals, or that the Group will be able to comply with any new laws, regulations, policies or procedures that may come into effect with respect to its property development projects or fulfil the conditions for obtaining of such approvals. If the Group fails to obtain the relevant licences, permits, certificates or other approvals or to fulfil the conditions thereof for its property development projects, its property development projects may not proceed on schedule, and the Group's business, financial condition, results of operations and prospects may be adversely affected.

**The Group is exposed to seasonal volatility in the overall hotel industry.**

The Group derives a portion of its revenue from hotel operations. Hotel guests are short-term occupants of the hotel rooms and do not generally commit to medium- or long-term contractual rental payments. As a result, the Group's hotel performance is usually subject to a high degree of fluctuations caused by both predictable and unpredictable factors including seasonality, social stability, epidemic diseases and changes in economic conditions. Each factor, coupled with heavy reliance on tourist arrival from Mainland China, has varied the development pattern of the tourism and hospitality industry. Comparisons of results of operations between different periods within a single financial year may not be meaningful and should not be relied upon as indicators of the Group's performance. Despite the gradual relaxation of the COVID-19 control measures, the progress of full economic recovery remains uncertain. The Group's hotel segment may continue to be affected by the adverse consequences of the COVID-19 pandemic, which in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects. See "*— The Group's businesses are subject to the effects of global economic events*" and

*“— The Group’s prospects may be adversely affected by an outbreak, epidemic and/or pandemic of infectious or contagious diseases and/or other adverse public health developments, natural disasters or other catastrophic events, terrorist attacks or criminal attacks, other acts of violence or war, or social instability or public demonstrations”* for further information.

## **RISKS RELATING TO INVESTMENTS**

### **Volatility of stock market could affect the performance of the Group’s long-term investment portfolio.**

The Group holds a portfolio of long-term investments consisting of mainly blue chips listed investments. None of the investments is individually material to the Group’s total assets. Given the volatility of the stock market, the portfolio is subject to market fluctuations and may affect the net asset value and/or financial performance of the Group.

## **OTHER RISKS RELATING TO THE GROUP**

### **The Group’s indebtedness may have an adverse effect on its financial condition, diminish its ability to raise additional capital to fund its operations and limit its ability to explore business opportunities or there may be an event of default under the Group’s debt financing arrangements that entitles the lenders to terminate such financing.**

The Group’s main sources of funding are derived from its internal funds from operating activities, external funds from bank borrowings and debt financing.

The Group’s level of indebtedness, both under its current loan facilities and debt and any future financing, could have significant adverse consequences, including but not limited to the following: (i) the Group’s cash flow may be insufficient to meet its required principal and interest payments which, unless it is able to obtain alternative funding, would result in a default by the Group and all or part of the amounts borrowed under the loan facilities and debt becoming immediately due and payable, and potentially result in a cross default under any other financing arrangements the Group may enter into, (ii) the Group may be unable to borrow additional funds as needed on favourable terms, or at all, (iii) the Group may be unable to refinance its indebtedness at maturity or the refinancing terms may be less favourable than the terms of its current loan facilities and debt, (iv) the Group may default on its obligations and the lenders or mortgagees may foreclose on the mortgaged properties, or foreclose on its interests in the entities that own the mortgaged properties and require a forced sale of those entities, and the relevant entities and the Guarantor will be prohibited from declaring and making any dividend payments to their shareholders, (v) the Group is subject to restrictive covenants in the loan facilities and may be subject to similar or other restrictive covenants in future loan agreements and debt instruments, which may limit or otherwise adversely affect the operations of the members of the Group, (vi) the Group may be more vulnerable to adverse general economic or industry conditions and to increases or potential increases in interest rates, (vii) the Group’s flexibility in planning for, or reacting to, changes in its business or the industry in which it operates may be limited and (viii) the Group may be restricted from making strategic acquisitions or taking advantage of business opportunities. If any of these events were to occur, the Group’s cash flow, cash available for paying dividends and making distributions, its ability to satisfy its debt service obligations, its business, financial condition, results of operations and prospects may be materially and adversely affected.

### **If the Group is unable to collect the full amount of receivables on time from its customers, the Group’s operating results will be adversely affected.**

The Group faces the risk that payments may not be paid by its customers on time or in full. The Group’s trade receivables primarily consist of receivables from its hotel operations. The financial position of the Group’s customers is subject to general economic conditions, as well as social and political developments in Hong Kong, Mainland China and globally. There is no assurance that the financial position of the Group’s customers will remain healthy in the future and that the Group will be able to collect payments of receivables from its customers on time and in



full. If the financial position of any of the Group's major customers deteriorates in the future, the risk of default will increase and the Group may need to make additional provisions for impairment, which in turn may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group may not be able to secure sufficient debt financing and/or refinancing to fund its required capital expenditures or to support its future strategies or operations.**

Under the Group's loan facilities and debt financing arrangements that the Group has entered or may enter into, the Group will be subject to risks normally associated with debt financing and refinancing. Payments of principal and interest on borrowings may result in the Group having insufficient cash resources for its operations. In particular, the interest rates under some of the Group's current loan facilities are subject to the potential impact of any fluctuation in the Hong Kong Interbank Offered Rate (“**HIBOR**”) on interest expenses in the future. See “— *Changes in interest rates may affect the Group's cost of financing and in turn the Group's profit and results of operations*” for further information.

The Group may also need funding to support the operations, working capital and capital expenditure requirements of its investment properties and hotels, and the Group may be adversely affected if it is unable to finance its required operations, working capital or capital expenditure requirements. For example, the Group's investment properties and hotels will require periodic refurbishment, renovation and improvement to remain competitive. The Group may not be able to fund capital improvements solely from cash from its operating activities. Additional equity or debt financing, or the refinancing of any debt, is subject to prevailing conditions in the equity and credit markets, and may not be available on favourable terms, or at all. In particular, any further debt financing may be at a higher cost of funding than the Group's current loan facilities and debt financing arrangements and there is no assurance that the Group will be able to borrow funds in the amounts it requires or on terms that are favourable to it given its level of indebtedness and the security arrangements under its current loan facilities and debt financing arrangements. Therefore, the Group's future expansion or any acquisition may be dependent upon its ability to raise equity capital. Consequently, any inability to secure sufficient debt financing and/or refinancing may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**Changes in interest rates may affect the Group's cost of financing and in turn the Group's profit and results of operations.**

The Group's borrowings which are denominated in Hong Kong dollars form a major source of financing for its operations. Interest rates on some of the Group's outstanding Hong Kong dollar denominated borrowings are benchmarked to HIBOR. Any change in interest rates may affect the Group's financing costs and, ultimately, its profit and results of operations. Hong Kong is also vulnerable to any rise in U.S. interest rates given the fact that the Hong Kong dollar is pegged to the U.S. dollar. Therefore, any rise in U.S. interest rates may cause rates in Hong Kong to increase, which in turn would lead to higher borrowing costs. As HIBOR is revised on a daily basis, there is no assurance that it will not fluctuate. There is no assurance that banks or other financial institutions from which the Group borrows will not raise lending rates in the future. Any increase in these rates will increase the Group's financing costs and could materially and adversely affect the Group's business, financial condition, results of operations and prospects. See “— *Risks relating to the Property and Hospitality Industry — The Group's businesses are subject to the effects of global economic events*” for further information.

**The Group's results of operations include revaluation adjustments which are unrealised and the future fair value of its investment properties is likely to fluctuate from time to time.**

The Group has adopted a policy of measuring its investment properties at fair value, and as a result it is required under HKFRS to reassess the fair value of its investment properties at each reporting date for which it issues financial statements. Under HKFRS, the revaluation deficit or surplus arising on revaluation on investment properties is recognised as “decrease/increase in fair value of investment properties” in the consolidated statement of profit or loss in the period in which they arise.

Fair value gains or losses do not change the Group's cash position as long as the relevant investment properties are held by it and, therefore, do not increase or decrease the Group's liquidity in spite of the increased or decreased profit. Therefore, fair value gains would not generate any cash flow from which dividends could be paid. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. For the year ended 31 December 2022, the Group reported a decrease in fair value of investment properties for the year of HK\$14,913 million, which reduced the Group's profit attributable to shareholders of the Guarantor to a loss amounting to HK\$8,856 million. Given the size of the Group's investment property portfolio, any significant change in the fair value of the Group's investment properties may significantly affect the Group's financial results and may not be able to truly reflect the Group's operating performance. There is no assurance that the Group will not record decrease in fair value on the Group's investment properties in the future and any significant decrease in the fair value of the Group's investment properties in the future may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group is exposed to foreign exchange risks.**

Part of the Group's revenue is denominated in Renminbi and may be converted into U.S. dollars or other foreign currencies to pay dividends or make other payments. Under the PRC's foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade, may be made in foreign currencies without prior approval, subject to certain procedural requirements. However, foreign exchange controls are imposed on capital account transactions, including repayment of loan principal and return of direct capital investments and investments in negotiable securities. In the past, there have been shortages of U.S. dollars or other foreign currencies available for conversion of Renminbi in Mainland China, and it is possible such shortages could recur, or that restrictions on conversion could be re-imposed. A portion of the Group's revenue and associated operating costs are denominated in Renminbi. Any volatility of the Renminbi exchange rate in the future may materially affect the Group's financial condition and results of operations and any devaluation of the Renminbi against foreign currencies will increase the amount of Renminbi the Group needs to service its obligations denominated in foreign currencies.

**The Group may be involved in disputes and legal and other proceedings arising out of its operations from time to time and may face significant liabilities as a result.**

The Group may be involved in disputes arising out of the leasing, usage, development or sale of its properties with tenants, residents, residents of surrounding areas, contractors, suppliers, construction workers, co-investors, joint venture partners, purchasers or other parties. These disputes may lead to protests, legal or other proceedings and may damage the Group's reputation and divert its resources and management's attention. Significant costs may have to be incurred in defending the Group in such proceedings, whether it succeeds or not. If the Group is not successful in defending itself in such proceedings, it may be liable for damages, the amount of which may be significant. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings or unfavourable decrees that may result in liabilities and cause delays to its property development projects. The Group may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of its projects. Any of the above could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Furthermore, the Group has endeavoured to structure its business in a tax efficient manner. If any of the Group's arrangements is successfully challenged by the relevant tax authorities, it may incur additional tax liabilities, which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group is exposed to various types of taxes in the jurisdictions in which it operates or has a presence.**

As the Group's operations are primarily based in Hong Kong and Mainland China, the income and gains derived by the Group are primarily exposed to tax laws in Hong Kong and Mainland China. In addition, the current PRC tax system has been reformed such that the business tax, which is a tax on revenue without accounting for input tax credits, has been replaced by



value-added tax. Pursuant to the Notice on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (關於全面推開營業稅改徵增值稅試點的通知) (Cai Shui [2016] No. 36) issued on 23 March 2016 (“Circular 36”) by the Ministry of Finance of the PRC and the State Administration of Taxation of the PRC, effective from 1 May 2016, PRC tax authorities have started imposing value-added tax on revenues from all business tax payers including those in the construction industry, real estate industry, finance industry and consumer service industry, replacing the business tax. Since the issuance of Circular 36, a series of tax circulars to clarify the uncertain treatments relating to different industries concerned have been issued subsequently. While the Group intends to manage its tax situation in these jurisdictions efficiently and to ensure compliance with the applicable tax laws and regulations, there is no assurance that the estimated tax outcome will be achieved. In addition, the level of taxation in these jurisdictions is subject to changes in laws and regulations as well as changes in the application of existing laws and regulations by tax authorities, and such changes may lead to an increase in the Group’s effective tax rates. The Group will also be subject to taxes in any new jurisdictions in which it acquires and/or develops properties, and similar risks will apply in respect of such taxes. All of these factors may materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

**Any adverse media reports about the Group or its properties, whether substantiated or not, may cause harm to the Group’s reputation.**

As a major property owner in Hong Kong, information about the Group or its projects appears frequently in various media outlets. Some of these media reports contain inaccurate information about the Guarantor and the Group’s projects. There is no assurance that there will not be false, inaccurate or adverse media reports about the Group or its projects in the future. In particular, the Group may be required to respond or take defensive and remedial actions with regard to such inaccurate or adverse media reports, which may adversely divert its resources and management’s attention and may materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

**Failures or breakdowns in the Group’s information and technology systems may interrupt its business operations.**

The Group uses modern information and technology systems to control and manage its operations. These information and technology systems are intended to enable the Group to improve efficiency and monitor and control its operations and are fundamental to ensuring that the Group maintains its competitiveness in its industry. The Group’s information systems are vulnerable to damage or interruption from circumstances beyond its control, including but not limited to fire, power loss, hardware failure, software programme error, back-up data failure, telecommunications failure, computer viruses, human error, hacking and break-in and other similar events. Any failure or breakdown in these systems could interrupt the Group’s normal business operations and result in a significant decrease in operational and management efficiency during such failure or breakdown. Recovery from such disasters may result in lost data as a result of such malfunction and disruption. In addition, precautionary measures may only be partly, if at all, successful. Any prolonged failure or breakdown could significantly impact the Group’s ability to manage its properties and offer services to its customers, which may materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

**The Group’s success depends on the continued services of its directors, its senior management team and personnel.**

The Group’s success depends on the continued services provided by its directors, senior management team and other personnel. Competition for experienced and suitable personnel is intense in the property sector. If members of the Group’s core management team resign and the Group is unable to find suitable replacements, the Group’s business could be adversely affected. In addition, as the Group continues to expand its business, the Group will need to employ, train and retain more personnel. If the Group cannot attract, train and retain experienced and suitable personnel, the Group’s business, financial condition, results of operations and prospects may be materially and adversely affected.

## **The Group is exposed to environmental, social and governance risks.**

Given climate change is a globally recognised environmental urgency faced by any business, and failure to build climate resilience can negatively impact the Group's real estate portfolio, the Group carried out a climate risk mapping exercise with reference to Task Force on Climate-related Financial Disclosures (TCFD)'s recommendations. Climate scenario analysis was conducted to understand the impact at different climate landscapes and time frames, and significant physical and transition risks and opportunities were identified.

In addition, the global pandemic and regional competition for skilled professionals have made talent attraction and retention a social risk to the Group.

As a sizable organisation with complex structure, the Group encounters governance risks that could result in significant financial losses and damage to the Group's reputation.

## **RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME**

### **The Notes may not be a suitable investment for all investors.**

Each prospective investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective 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 prospective 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 and appropriate addition of risk to the investor's overall portfolios. A prospective investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with 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 such investment will have on the prospective 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 prospective investor should consult its own legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the 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 own legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**Credit Ratings may not reflect all risks and any credit rating of the Notes may be downgraded or withdrawn.**

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above, and other factors that may affect the value of the Notes. As at the date of this Offering Circular, the Guarantor has been assigned a rating of “A2” by Moody’s. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Each Tranche of Notes may be rated or unrated, as specified in the applicable Pricing Supplement. The rating represents the opinion of the relevant rating agency and its assessment of the ability of the Issuer to perform their respective obligations under the Notes, and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities. The rating can be lowered or withdrawn at any time. The Issuer is not obligated to inform holders of the Notes if a rating is lowered or withdrawn. A reduction or withdrawal of a rating may adversely affect the market price of the Notes.

**The Notes are subject to modification and waivers.**

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. 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. There is a risk that the decision of the majority Noteholders may be adverse to the interests of individual Noteholders.

In addition, the Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

**A change in English law which governs the Notes may adversely affect Noteholders.**

The Conditions are governed by English law in effect as at the date of issue of the relevant Notes. There is no assurance as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

**The Notes may be represented by Global Notes or 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 Global Certificates. Such Global Notes or Global Certificates may be deposited with a common depositary for Euroclear and Clearstream, with CDP or lodged with the CMU (each of Euroclear, Clearstream, CDP and the CMU, 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, 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 and/or the Guarantor will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream or to CDP for distribution to their account holders or, in the case of Notes cleared through the CMU, to the holders shown in a CMU Issue Position Report on the relevant record date. A holder of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of the relevant Clearing System(s) or, in the case of Notes cleared through the CMU, to such holders shown in such CMU Issue Position Report to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates to the extent payments are made as described above.

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

**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 a 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 announces an intention permanently to cease business or does in fact do so. 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 and/or the Guarantor (including rights to receive principal or interest or to vote) in respect of such Notes.

#### **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 prospective investors. Set out below is a description of certain such features:

##### **Risks related to Notes which are linked to “benchmarks”.**

The Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rate or other types of rates and indices which are used to determine the amounts payable under financial instruments or the value of such financial instruments and are deemed to be “benchmarks” have, in recent years, been 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 emergence of alternatives to such benchmarks or the manner of administration of benchmarks may change, with the result that they may perform differently than in the past or could be eliminated entirely, or there could be other consequences which cannot be predicted.

As an example of such benchmark reforms, 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 London Interbank Offered Rate (“**LIBOR**”) benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Subsequently, the publication of 24 LIBOR settings (as detailed in the FCA announcement) ceased after 31 December 2021; (ii) the publication of the overnight and 12- month U.S. dollar LIBOR settings ceased after 30 June 2023; (iii) after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings are not representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA has required the Intercontinental Exchange Benchmark Administration (the “**IBA**”) to continue to publish these settings on a synthetic basis, which are not representative of the underlying market and economic reality they are intended to measure, for a further period after 31 December 2021) and (iv) after 30 June 2023, the 1-month,

3-month and 6-month U.S. dollar LIBOR settings are not representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will require the IBA to continue publishing these settings on a synthetic basis, which are not representative of the underlying market and economic reality they are intended to measure, for a further period after 30 June 2023).

It is not possible to predict with certainty whether, and to what extent, LIBOR and/or EURIBOR and/or other benchmark rates will continue to be supported going forwards. This may cause LIBOR and/or EURIBOR and/or other benchmark rates to perform differently than they have done in the past and may have other consequences which cannot be predicted. The elimination of LIBOR, EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes referencing such benchmark. Any such change or consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Bonds provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent or the Issuer by reference to quotations from banks communicated to the Calculation Agent or the Issuer. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser (in consultation with the Issuer), the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser (in consultation with the Issuer), the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser (in consultation with the Issuer) and applied to such Successor Rate or Alternative Rate.



The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser (in consultation with the Issuer) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser (in consultation with the Issuer) determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser (in consultation with the Issuer) may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to (in consultation with the Issuer) determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to (in consultation with the Issuer) determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to (in consultation with the Issuer) determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

**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 Series of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or the Guarantor 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 within or on behalf of the British Virgin Islands or, as the case may be, the Cayman Islands 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.

A particular Series of Notes may be subject to other redemption rights exercisable by the Issuer as 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 exercise its rights 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 effective interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

**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. Prospective 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 a subsequent instalment of partly-paid Notes may result in an 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 instalments 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 then prevailing rates on the 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 may lose part or all of their investment in any index-linked Notes or variable redemption amount Notes.**

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

**RISKS RELATING TO RENMINBI-DENOMINATED NOTES**

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

**Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and out of Mainland China which may adversely affect the liquidity of the RMB Notes.**

Renminbi is not freely convertible at present. The PRC government 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 the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi into and out of Mainland China for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or

filings with the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in Mainland China on the remittance of Renminbi into and out of Mainland China for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and the People's Bank of China (the "PBoC") and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot 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 have the effect of restricting or eliminating the remittance of Renminbi into or outside Mainland China. In the event that any regulatory restrictions inhibit the ability of the Issuer or the Guarantor to repatriate funds outside the PRC to meet its obligations under the RMB Notes, the Issuer or the Guarantor will need to source Renminbi offshore to finance such obligations under the relevant RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Holders of beneficial interests in the RMB Notes 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 Hong Kong.

**There is only limited availability of Renminbi outside Mainland China, which may affect the liquidity of RMB Notes and the Issuer's or the Guarantor's ability to source Renminbi outside Mainland China to service such RMB Notes.**

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside Mainland China is limited. While the PBoC has entered into agreements on the clearing of Renminbi business (the "Settlement Arrangements") with financial institutions in a number of financial centres and cities (each, a "Renminbi Clearing Bank"), including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "Settlement Arrangements"), the current size of Renminbi-denominated financial assets outside Mainland China remains limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with enterprises in Mainland China. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBoC to square 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, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore 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 Mainland China. The limited availability of Renminbi outside Mainland China may affect the liquidity of the RMB Notes. To the extent the Issuer or the Guarantor is required to source Renminbi outside Mainland China to service the RMB Notes, there is no assurance that the Issuer or the Guarantor will be able to source such Renminbi on satisfactory terms, if at all.

**Remittance of proceeds into or outside of the PRC in Renminbi may be difficult.**

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer or the Guarantor subsequently is not able to repatriate funds outside the PRC in Renminbi, the Issuer or the Guarantor will need to source Renminbi outside the PRC to finance its respective obligations under the RMB Notes, and their ability to do so will be subject to the overall availability of Renminbi outside the PRC.

**Investment in RMB Notes is subject to exchange rate risks.**

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in Mainland China and international political and economic conditions as well as other factors. In August 2015, the PBoC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBoC's reference rates to consider the previous day's closing spot rate, foreign exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect the actual economic performance of Mainland China. However, the volatility in the value of the Renminbi against other currencies still exists. The Issuer and the Guarantor will make all payments of interest and principal with respect to the RMB Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

**Investment in RMB Notes is subject to interest rate risks.**

The value of Renminbi payments under the RMB Notes, may be susceptible to interest rate fluctuations occurring within and outside Mainland China, including Mainland China Renminbi repo rates and/or the Shanghai inter-bank offered rate. 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 Mainland China may significantly deviate from the interest rate for Renminbi in Mainland China as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of the RMB Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

**Payments in respect of RMB Notes may be made only in the manner designated in such RMB Notes.**

All payments to investors in respect of RMB Notes will be made solely:

- (i) for so long as RMB Notes are represented by global notes or global certificates held with the common depository for Euroclear and Clearstream or any alternative clearing system, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing Euroclear and Clearstream rules and procedures or those of such alternative clearing system;
- (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing CMU rules and procedures; or
- (iii) for so long as RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing rules and regulations.

Neither the Issuer nor the Guarantor can 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 Mainland China).

**There may be PRC tax consequences with respect to investment in the RMB Notes.**

In considering whether to invest in the RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the RMB Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

**RISKS RELATING TO THE MARKET GENERALLY**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

**Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and forms a single series with a Series of Notes which is already issued). In particular, one or more initial investors in the Notes may purchase a significant portion of the aggregate principal amount of the Notes pursuant to an offering. The existence of any such significant Noteholder(s) may reduce the liquidity of Notes in the secondary trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. In addition, one or more initial investors in the Notes may purchase a significant portion of the aggregate principal amount of the Notes pursuant to the offering. The existence of any such significant Noteholder(s) may reduce the liquidity of the Notes in the secondary trading market.

Although an application has been made to the Hong Kong Stock Exchange for the listing of the Programme on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular, 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. In addition, the market for investment grade and crossover grade debt has been subject to disruption that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruption will not occur, for any particular Tranche of Notes.

**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 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.

**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.

**The credit ratings assigned to the Notes may not reflect all risks.**

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

**The liquidity and price of the Notes may be volatile.**

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There is no assurance that these developments will not occur in the future.

**Developments in other 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 world economic conditions. The market for the Notes will, to varying degrees, be influenced by economic, political, social and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including Hong Kong and Mainland China. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. In particular, the COVID-19 pandemic has caused stock markets worldwide to lose significant value since February 2020. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

## **USE OF PROCEEDS**

The net proceeds of any Notes issued under the Programme shall be used by the Group for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.



## **WHARF REIC FINANCE (BVI) LIMITED**

The Issuer was incorporated on 28 September 2017 in the British Virgin Islands with limited liability with BVI company number 1956513.

The Issuer is a special purpose financing vehicle and an indirect wholly-owned subsidiary of the Guarantor. The Issuer is a wholly-owned subsidiary of Wharf REIC Corporate Limited, which is in turn a wholly-owned subsidiary of Wharf REIC Holdings Limited. Wharf REIC Holdings Limited is a wholly-owned subsidiary of the Guarantor. The Issuer's sole purpose and activity is to issue debt securities and on-lend proceeds to the Group for the purpose of financing or refinancing the Group's general corporate funding requirements, unless otherwise specified in the relevant Pricing Supplement. Apart from the arrangements with respect to the Programme, the issuance of Notes and the on-lending of proceeds thereof to the Group, the Issuer has not undertaken any business activities since the date of its incorporation. The Issuer does not sell any products or provide any services.

The registered office address of the Issuer is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

The Issuer is authorised to issue a maximum of 50,000 shares of a single class each with a par value of U.S.\$1. Its issued share capital is U.S.\$500, consisting of 500 shares of U.S.\$1 each, all of which are fully paid up.

As at 31 December 2022, the Issuer had debt securities outstanding in an aggregate principal amount of HK\$28,574 million. Under the laws of the British Virgin Islands, the Issuer is not required to publish any of its financial statements. The Issuer is, however, required to file an annual financial return (applicable to the financial year ended 31 December 2023 and afterwards) and to keep proper books of account as necessary or desirable in order to show and explain its transactions and reflect the financial position of the Issuer with reasonable accuracy.

### **BOARD AND MANAGEMENT**

The management of the Issuer is vested in the board of directors, which comprises:

Stephen Tin Hoi Ng, Director  
Horace Wai Chung Lee, Director  
Peter Zen Kwok Pao, Director

Stephen Tin Hoi Ng is the Chairman and Managing Director of the Guarantor and the Chairman and Director of HCDL, Horace Wai Chung Lee is a Director of the Guarantor and Peter Zen Kwok Pao is a Director of HCDL. None of the members of the Issuer's board of directors holds any share in the Issuer, nor any option to purchase or subscribe for, or other beneficial interests in, shares in the Issuer.

The business address of each member of the Issuer's board of directors is 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong.

**WHARF REAL ESTATE INVESTMENT COMPANY LIMITED**  
**九龍倉置業地產投資有限公司**

**HISTORY AND DEVELOPMENT**

The Guarantor was incorporated in the Cayman Islands on 13 April 2017 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The Guarantor's shares (stock code: 1997) are listed on the Main Board of the Hong Kong Stock Exchange.

The Guarantor is an investment holding company. The Group is principally engaged in development, ownership and operation of properties and hotels in Hong Kong for investment purposes.

**OVERVIEW**

The Group is an owner and operator of premium quality properties which it holds for investment purposes. Harbour City and Times Square, the Group's flagship properties, are strategically located in Tsim Sha Tsui and Causeway Bay, respectively. These iconic properties with substantial scale in two of the most popular shopping destinations and busiest business districts in Hong Kong attract constant flows of local shoppers and tourists. They occupy leading market positions among commercial properties in Hong Kong.

Harbour City, strategically located at the harbour front and in close proximity to the Tsim Sha Tsui MTR station and Star Ferry pier, is a mixed-use integrated complex comprising various towers and premises for retail, office, serviced apartments, hotels and a club and includes one of the largest shopping malls in Hong Kong. Times Square is a mixed-use integrated complex directly connected to the Causeway Bay MTR station, comprising two office blocks of 33 and 26 storeys each over a 20-storey commercial/car parking podium. Given their strategic locations, Harbour City and Times Square provide a showcase for internationally renowned brands, attracting a diversified mix of tenants. The Group's tenants in the properties comprise leading international corporations, well-known brands and retailers across a wide variety of industries and trades.

The Group also owns and operates other premium quality properties in Hong Kong and Singapore which it holds for investment purposes. In Hong Kong, those properties comprise Crawford House and Wheelock House in Central, the prime central business district in Hong Kong, as well as Plaza Hollywood, a leading shopping mall in Kowloon East. In Singapore, those properties comprise Wheelock Place and Scotts Square mall in the heart of the popular Orchard Road belt for retail, hotels and offices.

HCDL, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 51), is indirectly owned as to approximately 72% by the Guarantor. The HCDL Group owns Marco Polo Hongkong Hotel in Harbour City, The Murray, Hong Kong, a Niccolo Hotel ("**The Murray**") in Central, Niccolo Suzhou and certain property interests in Mainland China.

The Group also operates Star Ferry, which provides a ferry service between Central/Wanchai and Tsim Sha Tsui.

## COMPETITIVE STRENGTHS

The Group believes its key competitive strengths include the followings:

**The Group's flagship properties, Harbour City and Times Square, are iconic properties in Hong Kong that command leading market positions, possess substantial scale and occupy strategic locations in Hong Kong.**

The Group's iconic flagship properties, Harbour City and Times Square, occupy commercially strategic locations and leading market positions among commercial properties in Hong Kong. Located in Tsim Sha Tsui and Causeway Bay, respectively, which are among the most popular shopping destinations and busiest business districts in Hong Kong, they possess substantial scale and are heavily sought after by tenants. These mixed-use integrated commercial complexes comprise primarily retail and office premises and offer a wide range of shopping, dining and entertainment to local shoppers and tourists. Given the strategic locations of Harbour City, which is at the harbour front and in close proximity to the Tsim Sha Tsui MTR station and Star Ferry pier, and Times Square, which is directly connected to the Causeway Bay MTR station, they provide a showcase for internationally renowned brands, attracting a diversified mix of tenants. The Group's tenants in the properties comprise leading international corporations, well-known brands and retailers across a wide variety of industries and trades.

The Group believes that the strategic locations and substantial scale of its flagship properties are very difficult to be replicated in Hong Kong, and their leading market positions and substantial scale enable the Group to maintain its well-established reputation as a property owner and operator and build strong relationships with a diverse base of tenants, including internationally renowned retail brands.

**The Group benefits from economies of scale and synergies from its substantial investment property portfolio.**

The Group's business is focused on the ownership and operation of investment properties in Hong Kong. Revenue from the Group's investment properties amounted to 85% of the Group's revenue for the year ended 31 December 2022.

The Group's flagship investment properties are complemented by its other diversified properties, comprising office and retail premises of its Central portfolio located at prime locations, Plaza Hollywood in Kowloon East and the Group's hotel properties which diversify its sources of revenue from its investment property portfolio. In addition, Wheelock Place and Scotts Square mall, prime commercial properties in Singapore, have further enhanced the Group's investment property portfolio.

Furthermore, the simultaneous ownership and operation of the Group's substantial investment property portfolio enables the Group to benefit from economies of scale through operational efficiencies and cost savings. This also provides the Group with useful information on a wide range of retail and office tenants, shoppers, diners and tourists, enabling the Group to better understand their preferences, tastes and behaviour, all of which are valuable inputs in formulating the Group's strategies.

**The well-established brands of the Group's shopping malls and the Group's reputation as landlord of choice create a broad, diverse and loyal tenant base.**

The Group's flagship properties, Harbour City and Times Square, have earned strong brand recognition from their market positions which enables the Group to optimise its tenant mix and establish a broad, diverse and loyal tenant base. The Group has developed long-term relationships with a significant number of tenants, including internationally renowned retail brands which in turn attract local shoppers and tourists to its premises. In respect of the Group's office premises, it believes that their prime locations and the cluster effect created by their significant scales also enable the Group to attract and retain tenants. The Group believes that its well-established relationships with tenants enhance the occupancy rate of its other commercial properties.

**The Group's asset enhancement initiatives and effective and forward-looking marketing initiatives underpin the performance of its flagship properties.**

*(i) Asset enhancement initiatives*

The Group carries out its asset enhancement initiatives at its retail premises with the aim of optimising space utilisation and shopping experience, thereby increasing their marketability and financial performance. The Group recognises the importance of asset enhancement both to retain existing tenants and to attract new tenants. The Group consistently carries out various asset enhancements or premises improvement works, including various conversion and relocation projects to (i) optimise layout and space utilisation of its premises, (ii) update and refresh the premises to maintain the quality of its properties, (iii) cater for the latest or anticipate future market trends and (iv) manage the shopper flow in its properties. The Group believes such asset enhancement initiatives improved marketability to tenants, as illustrated by the opening of the Ocean Terminal Extension in the summer of 2017 which has since established itself as a tourist icon and a photography hotspot in Hong Kong.

The Group actively manages its shopping mall space to cater for a diversified range of shoppers and tenants. The Group also strives to tap into shoppers' evolving demand by continuously optimising its tenant mix. These initiatives aim to improve the overall shopping experience, expand the Group's retail tenant mix to attract shoppers from different walks of life, strengthen Times Square's positioning as a must-visit "shoppertainment mall" on Hong Kong Island, and thereby improve its financial performance.

*(ii) Effective and forward-looking marketing initiatives*

The Group has a dedicated marketing team which places great emphasis on the design and launch of shopping centre-wide marketing campaigns to raise public awareness, generate additional footfall and enhance the overall shopping experience at the Group's retail premises. The Group has organised numerous marketing events and programmes attracting both local and overseas visitors to the Group's shopping centres. The Group's diverse marketing programmes include exhibitions by local and renowned international artists, interactive digital and electronic games as well as character themed events which aim to draw shoppers to its shopping malls and reinforce the brand awareness of the malls. With the aim to stimulate customer spending, the Group's shopping centres have also rolled out various spending campaigns comprising coupon redemption programme and discount offers to cater to the diverse interests of shoppers.

In recognition of the Group's marketing initiatives, the Group has received numerous awards and recognitions. Apart from marketing events, the Group also offers shopper service and membership programmes with an aim of increasing shopper loyalty as well as attracting new shoppers.

**BUSINESS STRATEGIES**

The Group's principal strategy is to hold and invest in premium quality commercial properties and to proactively manage its properties portfolio and any other properties it may acquire in the future, while maintaining a high level of financial discipline and financial flexibility.

The implementation of the Group's strategy can be broadly categorised into the Group's (i) asset management strategy and (ii) capital management strategy.

## **Asset Management Strategy**

The Group intends to continue managing actively its properties portfolio held for investment purposes through sustaining its occupancy rates and rental reversion rates, and maintaining a high quality tenant base. These are to be achieved through firstly proactive lease management and tenant mix optimisation, secondly continual asset enhancement and value creation, and thirdly implementation of effective and forward-looking marketing initiatives.

### ***(i) Proactive lease management and tenant mix optimisation***

The Group actively monitors and assesses its tenants' business performance, product and brand competitiveness, clientele profile and marketing strategies, with an aim of maintaining an optimal tenant mix. The Group maintains close relationships with its tenants and commence lease renewal discussions in a timely manner so as to retain quality tenants.

To stay ahead of market trends, to bring positive and regular changes to shoppers and to manage specific business sector tenancy risks, the Group also strives to refine its retail tenant mix and introduce new, aspirational and lifestyle brands. The Group also reviews and enhances the restaurant offerings at its shopping malls to offer a diverse collection of dining options. The Group's management selects its tenants based on the recommendations of the Group's leasing team, taking into consideration factors such as brand image, sales performance (for existing tenants), whether the presence of the tenant will be an attribute to the Group's properties and whether the tenant will be able to drive footfall, its shop area requirement, rental it offers, its market potential and market trends. The Group also seeks to determine tenant locations in the Group's properties based on factors such as (i) the enhanced attraction to shoppers that comes with the cluster effect of placing tenants offering similar products or services together, (ii) shopper flow management (e.g. cinemas, restaurants and banks are often placed at less convenient locations), (iii) the impact on the visual appearance and image of the shopping mall (e.g. renowned brands are generally preferred at prime locations on the lower floors of Times Square and the street level of Harbour City) and (iv) brand relationship management (e.g. the tenant's own preference as to its neighboring shops).

The Group will continue to refine and seek to attract a desirable tenant mix by attracting new tenants and providing the Hong Kong Island and/or Kowloon debuts of international and renowned brands.

### ***(ii) Continual asset enhancement and value creation***

The Group intends to continue enhancing its existing assets by refurbishment, repositioning and/or organic expansion as and when appropriate opportunities arise, with the aim to (i) update and refresh the premises to maintain the quality of its properties, (ii) cater for the latest or anticipate future market trends and (iii) manage the shopper flow in its properties. For instance, the four-storey extension building at Ocean Terminal with a LFA of approximately 94,000 sq.ft. with new food and retail offerings, together with a panoramic view of the Victoria Harbour and the Hong Kong city skyline, which opened in the summer of 2017, has successfully drawn crowds and threw a new spotlight on Harbour City, thereby further reinforcing its market position and its competitive edge. In addition, as part of the Group's value accretive initiative, one block of the Gateway Apartments has been converted into an additional 15 storeys of office space, with a total GFA of 360,000 sq.ft.

The Group will continue to identify and evaluate other asset enhancement opportunities that it believes would add value to its existing assets and provide attractive yields, stable cash flows and potential for long-term capital appreciation.

*(iii) Implementation of effective and forward-looking marketing initiatives*

Leveraging the Group's track record of marketing excellence and innovation, the Group will continue to implement property-wide marketing strategies to drive continued growth. In particular, the Group will continue to implement marketing strategies targeting both local shoppers and overseas visitors to maintain and enhance both Harbour City's and Times Square's market positioning.

**Capital Management Strategy**

It is the Group's intention that its capital structure should optimise its cost of capital while maintaining prudent and disciplined financial management and financing flexibility. In addition to cash generated from operating activities, the Group may use a combination of bank loans, bonds and other types of debt and equity instruments to fund its business in the future.

The Group will adopt a prudent liquidity risk management policy and seek to have undrawn committed lines of funding with staggered maturities to reduce refinancing risk and maintain flexibility in meeting its liquidity requirements in the short and longer term.

**PROPERTY PORTFOLIO**

The Group owns a diversified portfolio of properties in Hong Kong for investment purposes comprising retail, office, serviced apartments, hotels and a club. The Group also owns a number of properties in Mainland China through its listed subsidiary, HCDL. Such properties in Mainland China are intended for sale in the next few years. The Group also owns two prime commercial properties in Singapore, namely, Wheelock Place and Scotts Square mall.

The following table shows the GFA, gross revenue and occupancy rate of Harbour City and Times Square for the period indicated:

Harbour City: Portfolio Information

	Approximate GFA (sq.ft.)	Gross revenue for the year ended 31 December 2022 (HK\$ Million)	Occupancy rate as at 31 December 2022 (%)
Retail .....	2,117,000	4,999	94
Office .....	4,563,000	2,462	88
Others .....	1,729,000	714	N/A

Times Square: Portfolio Information

	Approximate GFA (sq.ft.)	Gross revenue for the year ended 31 December 2022 (HK\$ Million)	Occupancy rate as at 31 December 2022 (%)
Retail .....	943,000	1,134	94
Office .....	1,033,000	689	90

## Harbour City

Harbour City is one of the Group's flagship properties. It is a showcase for internationally renowned brands and an iconic complex for shoppers. Strategically located at the harbour front and in close proximity to the Tsim Sha Tsui MTR station and Star Ferry pier, Harbour City is a mixed-use integrated complex comprising various towers and premises for retail, office, serviced apartments, hotels and a club and includes one of the largest shopping malls in Hong Kong.

Details of the properties in Harbour City are set out in the table below:

Property	Details
Ocean Terminal	<ul style="list-style-type: none"> <li>• A three-storey shopping arcade with a car park and a berthing pier for cruise vessels</li> <li>• A four-storey extension building at Ocean Terminal which opened in the summer of 2017</li> </ul>
Ocean Centre	<ul style="list-style-type: none"> <li>• The property comprises a five-storey retail portion and a 13-storey office portion with a car park</li> </ul>
Wharf T&T Centre	<ul style="list-style-type: none"> <li>• The property comprises a 13-storey office block, built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium</li> </ul>
World Commerce Centre	<ul style="list-style-type: none"> <li>• The property comprises a 13-storey office/commercial block built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium</li> </ul>
World Finance Centre	<ul style="list-style-type: none"> <li>• South and North Tower, each comprising a 13-storey office building built over a six-storey (including basement level and sub-basement level) commercial/car park/mechanical floor podium</li> </ul>
Ocean Galleries	<ul style="list-style-type: none"> <li>• A portion of a six-storey (including basement level and sub-basement level) commercial/car parking/mechanical floor podium</li> </ul>
Gateway I	<ul style="list-style-type: none"> <li>• A development consisting of two 32-storey office towers over a six-storey integrated shopping centre and a car park</li> </ul>
Gateway II	<ul style="list-style-type: none"> <li>• The property comprises three towers, namely, Gateway Towers 3 (known as The Gateway Prudential Tower), 5 (known as The Gateway Sun Life Tower) and 6 of offices, with Gateway Tower 3 comprises 14 storeys of serviced apartments</li> </ul>
Commercial section of Marco Polo Hongkong Hotel	<ul style="list-style-type: none"> <li>• Marco Polo Hongkong Hotel is an 18-storey hotel/commercial/office building</li> <li>• The commercial section of the building comprises shop units, restaurants, office premises and a cinema</li> </ul>
Marco Polo Hongkong Hotel	<ul style="list-style-type: none"> <li>• Located in an 18-storey hotel/commercial/office building at Harbour City</li> <li>• 655 rooms with sizes ranging from 270 sq.ft. for a superior room to 1,615 sq.ft. for the Marco Polo suite</li> </ul>



Property	Details
Marco Polo Gateway Hotel (“ <b>Gateway Hotel</b> ”)	<ul style="list-style-type: none"> <li>• Features recreational and other facilities and amenities including a swimming pool, an in-house gym, 14 function rooms, and three restaurants and bars</li> <li>• The Continental Club at Marco Polo Hongkong Hotel offers dedicated accommodation with exclusive privileges, full business facilities and round the clock butler service</li> <li>• In the Group’s effort to continually provide a top-quality environment for its guests at Marco Polo Hongkong Hotel, an exterior upgrading programme was completed in July 2017</li> <li>• Located in a 21-storey hotel/commercial building at Harbour City</li> <li>• 400 rooms with sizes ranging from 296 sq.ft. for a superior room to 930 sq.ft. for the Gateway suite</li> <li>• Features recreational and other facilities and amenities including two restaurants and bars, access to the nearby Marco Polo Hongkong Hotel for its swimming pool and Prince Hotel (as defined below) for its gym, and four function rooms</li> </ul>
Marco Polo Prince Hotel (“ <b>Prince Hotel</b> ”)	<ul style="list-style-type: none"> <li>• Located in a 21-storey hotel/commercial building at Harbour City</li> <li>• 394 rooms with sizes ranging from 314 sq.ft. for a superior room to 601 sq.ft. for a superior suite</li> <li>• Features recreational and other facilities and amenities including a restaurant and an in-house gym, and access to the nearby Marco Polo Hongkong Hotel for its swimming pool</li> <li>• Completed renovation in 2022 with new contemporary elements. Guestrooms were partially re-opened in May 2023</li> <li>• SAVVY, a contemporary lifestyle restaurant offering culinary experience with Asian dishes alongside western and regional specialties, debuted in November 2021</li> </ul>
The Pacific Club	<ul style="list-style-type: none"> <li>• Located at Harbour City, The Pacific Club serves as a private venue for social and business events</li> </ul>

## ***Retail***

The two-million sq.ft. of mall space at Harbour City continued to provide a comprehensive range of product offerings, retained the best-in-class brands and attracted the most sought-after newcomers. The Ocean Terminal Extension was opened in the summer of 2017 and has since established itself as a tourist icon and a photography hotspot in Hong Kong. Harbour City has maintained its position as a premier shopping destination through proactive re-tenanting and innovative marketing. In 2022, Harbour City's critical mass and retail management contributed to a steady stream of leasing demand. Occupancy rate of the retail premises at Harbour City was 94% as at 31 December 2022.

Harbour City led the market to launch the "Rewarding Every Day" gamification voucher campaigns when the pandemic hit. In 2022, the coupon redemption programme and other offers continued to be popular with shoppers. Additionally, the contiguous 530-metre high fashion Canton Road frontage is fortified with new flagship openings of the best-in-class tenants.

The Group continued to adopt a rigorous tenant selection criteria to attract quality tenants. In 2022, a host of Hong Kong and Kowloon debuts further enhanced the extensive retail selection at Harbour City and a selection of new restaurants has further increased the dining options available at the mall.

## ***Office***

The Group's office premises at Harbour City are located in Ocean Centre, Wharf T&T Centre, World Commerce Centre, World Finance Centre, Gateway I and Gateway II and a portion of the commercial section of Marco Polo Hongkong Hotel. An additional 15 storeys of office space, with a total GFA of 360,000 sq.ft., has been converted from one block of the Gateway Apartments in 2019. Competitive packages were offered to tenants. Occupancy rate of the office premises at Harbour City was 88% as at 31 December 2022.

## ***Hotels and Club***

Harbour City also includes three hotels, namely, Marco Polo Hongkong Hotel, Gateway Hotel and Prince Hotel, and a club, namely, The Pacific Club. They are located within close proximity to various means of transportation, including a main bus terminal, the Star Ferry pier, the Tsim Sha Tsui MTR station and the cruise terminal, with easy access to the area's major tourist attractions such as Kowloon Park, Hong Kong Museum of Art, Hong Kong Space Museum and Hong Kong Cultural Centre. The three hotels are managed by Wharf Hotels.

During 2022, Marco Polo Hongkong Hotel and Gateway Hotel primarily focused on capturing demand from the local market with various promotions catering the needs of different customers, such as "Work from Hotel" day use packages, long-stay offers and kids-friendly staycation packages. Marco Polo Hongkong Hotel and Gateway Hotel were awarded the title of "Best Luxury Sea View Hotel" and "Best Luxury City Hotel", respectively, from the Luxury Lifestyle Awards in 2022.

Prince Hotel completed its renovations in 2022 with new contemporary elements. Guestrooms were partially re-opened in May 2023. SAVVY, a contemporary lifestyle restaurant offering culinary experience with Asian dishes alongside western and regional specialties, debuted in November 2021.

The Pacific Club was recognised as "Top 100 Platinum Clubs of the World" for 2022/23 in the City Clubs Category for its excellence in amenities and services, voted by The Club Leaders Forum Advisory Board.

## Star Ferry

The Group operates Star Ferry, which provides two inner harbour ferry services, Tsim Sha Tsui — Central and Tsim Sha Tsui — Wanchai, and a harbour tour service. The previous franchise of the two routes expired on 31 March 2018, and a new franchise for 15 years started on 1 April 2018.

## Times Square

Another of the Group's key flagship properties is Times Square, which is an iconic mixed-use integrated complex directly connected to the Causeway Bay MTR station, comprising two office blocks of 33 and 26 storeys each over a 20-storey commercial/car parking podium.

### Retail

The Group's retail premises at Times Square consist of a 20-storey (including 6 levels of basement) commercial/car parking podium with shops, restaurants and a cinema.

Occupancy rate of the retail premises at Times Square was 94% as at 31 December 2022.

Times Square has been refining its tenant mix to broaden customer base and enhancing dining offerings to provide fresh experiences. In addition to ongoing sales-driven programmes and promotions, in 2022, Times Square has staged more large-scale mall installations and art exhibitions, as well as launched various marketing campaigns to cater to the diverse interests of shoppers and drive foot traffic.

### Office

Occupancy rate of office premises at Times Square was 90% as at 31 December 2022.

## Other Properties Held for Investment Purposes in Hong Kong

The following table shows the GFA and other information of the Group's other principal properties held for investment purposes in Hong Kong as at 31 December 2022.

<u>Property</u>	<u>Location</u>	<u>Approximate GFA</u> (sq.ft.)
Crawford House .....	Central	189,000
The Group's premises at Wheelock House .....	Central	215,000
The Murray <sup>(note)</sup> .....	Central	336,000
Plaza Hollywood .....	Diamond Hill	562,000

*Note:* The Murray is owned by HCDL, which is owned as to approximately 72% by the Guarantor.

### Central Portfolio

The Group owns and operates a premium quality commercial property portfolio in Central, the central business district in Hong Kong, comprising Crawford House and Wheelock House, which are office buildings located in prime locations in Central with retail premises, as well as the former Murray Building, which has undergone conversion into a hotel, The Murray.

#### Crawford House

Crawford House is a 24-storey (including a basement) commercial/office building with retail premises in the basement and from the ground to the 5th floor and Grade A office premises from the 6th to the 23rd floor.

## Retail

Occupancy rate of the retail premises at Crawford House was 100% as at 31 December 2022.

## Office

Occupancy rate of the office premises at Crawford House was 95% as at 31 December 2022.

### *Wheelock House*

Wheelock House comprises 25 storeys of commercial/office space. The Group's premises at Wheelock House comprise 21 consecutive floors of Grade A office premises from the 3rd to the 24th floor (with the 13th floor being omitted from the floor numbering) and retail premises on the ground floor.

## Retail

Occupancy rate of the Group's retail premises at Wheelock House was 100% as at 31 December 2022.

## Office

Occupancy rate of the Group's office premises at Wheelock House was 75% as at 31 December 2022 due to the partial relocation of an anchor tenant in the second half of the year.

### *The Murray*

Located in Central, Hong Kong, the former Murray Building has been converted into The Murray, a hotel managed as a Niccolo Hotel by Wharf Hotels. The Murray became fully operational in August 2018 and is a luxury landmark hotel with a contemporary urban chic design by Sir Norman Foster. The building comprises 25 floors and the hotel features 336 suites and guest rooms, coupled with wellness facilities, five destination restaurants and bars including a rooftop bar with scenic views of Hong Kong's central business district and the Hong Kong Park. The hotel's terraces on its podium level features a garden surrounding the signature arches of the heritage building. It also has a ballroom and seven multi-function rooms. The building was constructed in 1969 and won multiple awards for its ground-breaking and energy-efficient design.

The Murray was awarded a 5-star rating in 2022, being the highest honour awarded by Forbes Travel Guide. The Murray also won the "Best City Hotel — Hong Kong" for the second time at the 31st Annual TTG Travel Awards 2022 and was named the "Best Historic Hotels Worldwide Hotel in Asia/Pacific" in Historic Hotels Worldwide Annual Awards of Excellence 2022.

### *Plaza Hollywood*

Plaza Hollywood is one of the largest shopping malls in Kowloon East. It is strategically located atop the Diamond Hill MTR station, the interchange station for Kwun Tong Line and Tuen Ma Line and an integrated public transport hub. The mall comprises eight storeys which accommodate retail shops, restaurants, cinema, a car park, a public transport terminus and ancillary recreational and public facilities. Occupancy rate of Plaza Hollywood was 97% as at 31 December 2022.

In 2022, Plaza Hollywood has further optimised its comprehensive trade mix by recruiting a variety of retail and lifestyle brands, as well as introducing new food and beverage and confectionery concepts. Various innovative marketing campaigns were rolled out to increase foot traffic. Ongoing sales-driven programmes including VIC bonus points reward, shopping promotions and cross trade promotions attracted repeat visits and purchases.

### **Singapore Assets**

The Group owns two prime assets in the heart of the renowned Orchard Road commercial and hotel belt of Singapore, namely, Wheelock Place and Scotts Square mall.

#### ***Wheelock Place***

Wheelock Place comprises seven floors of retail stores, services and dining options. Atop the retail podium is an office tower with tenants comprising top multinational companies.

##### *Retail*

Occupancy rate of the retail premises at Wheelock Place was 100% as at 31 December 2022.

##### *Office*

Occupancy rate of the office premises at Wheelock Place was 100% as at 31 December 2022.

#### ***Scotts Square***

Scotts Square mall is a residential-cum-retail development which is located in close proximity to Wheelock Place. It comprises four floors of refined shopping of designer labels, specialty services and dining selections.

##### *Retail*

Occupancy rate of the retail premises at Scotts Square was 96% as at 31 December 2022.

### **Properties Held for Investment Purposes in Mainland China**

The Group's properties held for investment purposes in Mainland China are all held by HCDL and comprise (i) Niccolo Suzhou, a hotel in Suzhou International Financial Square ("Suzhou IFS") and (ii) the Marco Polo Changzhou hotel in Changzhou (an agreement to dispose of the hotel premises was signed on 18 February 2022 and terminated in July 2022. The hotel has been closed since the end of February 2022). In light of the rapidly changing business environment, the HCDL Group has been evaluating different business options and currently intends to divest its interests in these assets if appropriate offers with acceptable commercial terms from third parties are received.

#### ***Niccolo Suzhou***

Niccolo Suzhou was opened in April 2021. Located in the prestigious Jinji lakeside precinct, the sky-high hotel features 233 spacious, chic and elegant guestrooms including 20 suites atop Suzhou IFS.

### ***Marco Polo Changzhou***

In February 2022, a binding agreement was reached to dispose Marco Polo Changzhou and the hotel was closed at the end of February 2022 to prepare for vacant possession. However, the purchaser defaulted on subsequent payments and the transaction was terminated in July 2022. The hotel remains closed as at the date of this Offering Circular.

### **Development Properties in Mainland China**

The Group's development properties in Mainland China comprise two property development projects in Suzhou and Shanghai, one of which is held by a subsidiary of HCDL, and the remaining one is held through an associate. It is intended that all completed properties in these projects will be sold. Most of the pre-sold properties had been delivered to the purchasers by the end of 2017. The Group expects that (i) the Group will not generate significant revenue from property development in Mainland China following such delivery and (ii) the unsold stock of the Shanghai South Station project (in which HCDL has a 27% interest and through which the Group has a 19% attributable interest), which will contribute to the Group's share of results after tax of its associate, will remain slow-moving. The HCDL Group has no other landbank for development and the Group understands from HCDL that it does not intend to replenish its landbank. The Group does not intend to further engage in property development in Mainland China.

### ***Suzhou IFS***

Suzhou IFS is a mixed-use integrated complex which HCDL owns an 80% interest. Located in the new central business district in Suzhou, Suzhou IFS is a 450-metre tower comprising Grade A offices, sky residences, serviced apartments and a luxury hotel, Niccolo Suzhou. Suzhou IFS, with completion by phases in 2021, has become one of the tallest buildings in Jiangsu Province. Pre-sale of the apartment units and office has commenced since late 2018 and handed over to buyers upon completion.

## **PROPERTY LEASING AND MANAGEMENT**

The Group provides property leasing and management services for all of its properties, other than (i) Crawford House and Wheelock House for which it engages WAC Group to provide property management and (ii) the Group's hotels, which are managed by Wharf Hotels. Leasing is conducted either directly by the Group's property leasing team or through the appointment of agents. The Group's principal customers are tenants of its investment properties.

### **Lease Renewal Policy**

The Group's property management system keeps track of the expiry dates of the leases of its investment properties, and the Group takes a proactive approach in discussing lease renewals with its preferred tenants, based on the tenant's track record, and (i) for retail tenants: their retail performance and whether they conform with the prevailing market trend and the Group's planned trade mix in the relevant property and (ii) for office tenants: their corporate image. The typical lease term is two to three years, but in exceptional cases such as major flagship stores or large restaurants which commit to make substantial capital expenditure investment, the Group may consider offering a longer lease term. Other factors which the Group takes into consideration in determining lease terms include the size and location of the premises, and whether any relocation or renovation of premises would be required.

## **Property Management**

The Group's property management team is committed to providing professional and quality services to tenants and visitors of its properties. While the Group's on-site staff members routinely inspect the structures and conditions of the properties to ensure cleanliness, safety and security, they also actively solicit feedback from tenants and visitors with a view to continuously improving the Group's services and standards. Routine maintenance for all facilities is carried out by the Group's staff as well as outsourced contractors to ensure smooth operations.

## **Property Maintenance, Refurbishment and Renovation**

The Group continuously carries out property maintenance and refurbishment at its investment properties as part of its property management process. Maintenance of facilities such as elevators, escalators and fire and safety equipment are conducted regularly, and in compliance with the relevant regulatory requirements where applicable. The Group frequently conducts reviews to identify any need for refurbishment and renovation for its investment properties based on the wear and tear of the premises, and as part of the Group's asset enhancement. Refurbishment and renovation works are arranged and conducted in a manner so as to minimise any disruption to the Group's tenants and the Group's retail or office operations as a whole.

## **EMPLOYEES**

As at 31 December 2022, the Group had a total of approximately 2,800 employees.

The Group offers competitive remuneration packages and medical insurance to its employees. Employees are remunerated according to their job responsibilities and market pay trends with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

In addition, the Group places great emphasis on the training and development of its employees. The Group provides its employees with appropriate job-related training and offer personal development training to its staff in managerial/supervisory roles to enhance their management and leadership abilities. The Group also offers sponsorships to eligible employees to participate in external professional or job-related seminars.

## **INSURANCE**

The Group's properties in Hong Kong are in general insured to standards in line with industry practice in Hong Kong. In addition to statutorily required insurances, the Group purchases other insurances, where considered necessary, to cover the major risks identified by it. The principal insurances in place for completed properties are property damage insurance, employees' compensation insurance and public liability insurance.

In Mainland China, the Group maintains insurance policies for completed projects including property all risks insurance, employer's liability insurance, accidents and public liability insurance.



## DIRECTORS AND MANAGEMENT

### BOARD OF DIRECTORS

The board of directors of the Guarantor comprises:

Mr. Ng Tin Hoi Stephen	<i>Chairman and Managing Director</i>
Mr. Tsui Yiu Cheung Paul	<i>Vice Chairman and Executive Director</i>
Ms. Leng Yen Thean	<i>Executive Director</i>
Mr. Lee Wai Chung Horace	<i>Director</i>
Mr. Au Siu Kee Alexander, <i>OBE*</i>	
Mr. Chau Tak Hay, <i>GBS*</i>	
Ms. Chiang Lai Yuen, <i>JP*</i>	
Hon. Leung Kwan Yuen Andrew, <i>GBM, GBS, JP*</i>	
Mr. Liu Luk Por Desmond*	
Mr. Richard Gareth Williams*	
Dr. Yee Glenn Sekkemn*	
Professor Yeoh Eng Kiong, <i>GBS, OBE, JP*</i>	

---

\* Independent Non-executive Directors

Biographical details of the directors of the Guarantor are set out below:

#### **Mr. Ng Tin Hoi Stephen, Chairman and Managing Director (Age: 70)**

Mr. Ng has been Chairman and Managing Director of the Guarantor since 2017. He also serves as chairman of Nomination Committee and a member of Remuneration Committee. Mr. Ng is primarily responsible for the overall strategic planning and major decision making for the Group and performs a leadership role in monitoring and evaluating the Group's business.

In addition, Mr. Ng serves on the boards of the following affiliated companies listed in Hong Kong: chairman of subsidiary company HCDL, chairman and managing director of Wharf and a non-executive director of Greentown China Holdings Limited. Mr. Ng also serves as the deputy chairman of WAC, which is the controlling shareholder of the Guarantor and listed in Hong Kong until July 2020.

Mr. Ng was born in Hong Kong in 1952 and grew up in Hong Kong. He attended Ripon College in Ripon, Wisconsin, U.S.A. and the University of Bonn, Germany and graduated in 1975 with a major in mathematics. He is chairman of Project *WeCan* Committee (a Business-in-Community school project).

#### **Mr. Tsui Yiu Cheung Paul, Vice Chairman and Executive Director (Age: 76)**

Mr. Tsui, *FCCA, FCPA, FCMA, CGMA, CPA, CGA*, has been Vice Chairman and an Executive Director of the Guarantor since 2018.

Mr. Tsui is vice chairman, an executive director and group chief financial officer of Wharf and is also an executive director and group chief financial officer of WAC. He joined WAC/Wharf group in 1996 and became a director of WAC in 1998. Furthermore, Mr. Tsui is a director of the Guarantor's subsidiary Wharf Estates Singapore Pte. Ltd., a director of Joyce Boutique Group Limited and vice chairman of Wheelock Properties Limited, a wholly-owned subsidiary of WAC. He formerly served as a director of HCDL until his resignation in August 2015.

Mr. Tsui is currently a general committee member of Employers' Federation of Hong Kong ("**EFHK**") and chairman of EFHK's "Property & Construction" functional group.

**Ms. Leng Yen Thean, Executive Director (Age: 51)**

Ms. Leng, *BSc(Hons), MRICS, MHKIS, RPS*, joined the Guarantor in 2017 and was appointed as an Executive Director. Amongst other subsidiaries of the Guarantor of which she serves as a director, she is the vice chairman and managing director of Wharf Estates Limited with primary responsibility for managing the Group's core investment properties in Hong Kong and Singapore.

Ms. Leng was appointed as a non-executive director of Wharf in October 2020, and has been re-designated to an executive director since August 2021. She was formerly a director of HCDL from 2012 to 2013.

Ms. Leng has extensive experience in the real estate industry, in particular, leasing and management of large scale commercial properties, and the planning, design and development of property and hotel projects. Ms. Leng obtained a bachelor's degree in Land Management from the University of Portsmouth, the United Kingdom with first class honours. She is chartered surveyor of Royal Institution of Chartered Surveyors ("**RICS**") and the Hong Kong Institute of Surveyors ("**HKIS**") as well as a registered professional surveyor.

**Mr. Lee Wai Chung Horace, Director (Age: 62)**

Mr. Lee, *CPA*, has been a Director of the Guarantor since 2021. He is also a director of certain subsidiaries of the Guarantor. Mr. Lee joined WAC in 2012 and served as a director of WAC from January 2020 to July 2021. He has over 30 years of financial management experience across different business sectors and companies.

Mr. Lee was a member of Licensing Appeals Board of Hong Kong SAR from 2014 to 2019. Currently, he is a member of The Hong Kong University of Science and Technology ("**HKUST**") Business School Accounting Advisory Board. Mr. Lee attained a Master of Business Administration degree (EMBA Programme) in 2004 from The Kellogg School of Management of Northwestern University and The HKUST Business School. Currently, Mr. Lee is also a member of HKICPA, and a member of the Chartered Institute of Management Accountants.

**Mr. Au Siu Kee Alexander, OBE, Director (Age: 76)**

Mr. Au, *FCA, FCCA, FCPA, FCIB, FHKIB*, has been an Independent Non-executive Director ("**INED**") of the Guarantor since 2017. He also serves as chairman of Remuneration Committee and a member of Nomination Committee.

A banker by profession, Mr. Au was the chief executive officer of Hang Seng Bank Limited from 1993 to 1998 and of Oversea-Chinese Banking Corporation Limited in Singapore from 1998 to 2002. Currently, Mr. Au is the chairman and non-executive director of Henderson Sunlight Asset Management Limited, manager of the publicly-listed Sunlight Real Estate Investment Trust. He is an INED of Henderson Land Development Company Limited, Henderson Investment Limited and Miramar Hotel and Investment Company, Limited, as well as a non-executive director of Hong Kong Ferry (Holdings) Company Limited, all publicly listed in Hong Kong. Mr. Au was formerly an INED of WAC from 2002 to 2012, and of Wharf from 2012 to 2017.

An accountant by training, Mr. Au is a Chartered Accountant as well as a fellow of The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants and HKICPA.

**Mr. Chau Tak Hay, GBS, Director (Age: 80)**

Mr. Chau has been an INED of the Guarantor since 2021.

Mr. Chau graduated from The University of Hong Kong with a Bachelor of Arts Degree in Economics in 1967. He served in a number of principal official positions in the Hong Kong Government between 1988 and 2002, including Secretary for Commerce and Industry, Secretary for Broadcasting, Culture and Sport, and Secretary for Health and Welfare. Mr. Chau was awarded the Gold Bauhinia Star by the Hong Kong SAR Government in 2002. He is an INED of Tradelink Electronic Commerce Limited, which is publicly listed in Hong Kong. Mr. Chau was formerly an INED of WAC from October 2012 until its delisting in July 2020, and of SJM Holdings Limited, publicly listed in Hong Kong.

**Ms. Chiang Lai Yuen, JP, Director (Age: 57)**

Ms. Chiang has been an INED of the Guarantor since October 2022.

Ms. Chiang graduated from Wellesley College in the United States with a Bachelor of Arts degree. She is currently the chairman and chief executive officer of Chen Hsong Holdings Limited, publicly listed in Hong Kong.

Ms. Chiang is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference and a member of Advisory Council on Food and Environmental Hygiene of the Hong Kong SAR Government. She is also a vice-president of China Plastics Machinery Industry Association, vice-chairman of the Federation of Shenzhen Industries, vice-president of China Shenzhen Machinery Association and vice-president of the Toys Manufacturers' Association of Hong Kong. Ms. Chiang had served as a standing committee member of the Shenzhen Committee of the Chinese People's Political Consultative Conference during 2000 to 2021. She was formerly an INED of Hang Seng Bank Limited, publicly listed in Hong Kong.

Ms. Chiang was awarded the "Young Industrialist Awards of Hong Kong" by the Federation of Hong Kong Industries in 2004. She has been appointed as Justice of the Peace by the Hong Kong SAR Government in 2012.

**Hon. Leung Kwan Yuen Andrew, GBM, GBS, JP, Director (Age: 72)**

Mr. Leung has been an INED of the Guarantor since 2018.

Mr. Leung is the President of the Seventh Legislative Council of Hong Kong and a member of the Industrial (First) Functional Constituency thereof. He is also the honorary president and a general committee member of Federation of Hong Kong Industries and an honorary chairman of Textile Council of Hong Kong Limited. He formerly served as a member of The National Committee of the Chinese People's Political Consultative Conference, a member of Competition Commission and the chairperson of the Staff Committee thereof, a director of The Hong Kong Mortgage Corporation Limited, a council member of Hong Kong Trade Development Council and a non-executive director of Mandatory Provident Fund Schemes Authority. Mr. Leung was awarded the Grand Bauhinia Medal by the Hong Kong SAR Government in 2020.

Mr. Leung is an Honorary Doctor of Business Administration, Coventry University, UK. He also holds a BSc (Hon) degree awarded by Leeds University, UK. He is also a Fellow of Textiles Institute and of Clothing & Footwear Institute. He has more than 33 years of management experience in the textile, manufacturing, wholesale and distribution businesses.

Mr. Leung is currently an INED of Dah Sing Financial Holdings Limited and China South City Holdings Limited, both being public companies listed in Hong Kong. He was formerly chairman of Sun Hing Knitting Factory Limited and an INED of publicly listed Dah Sing Banking Group Limited. Mr. Leung was also formerly an INED of HCDL from July 2012 until May 2018.

**Mr. Liu Luk Por Desmond, Director (Age: 69)**

Mr. Liu has been an INED of the Guarantor since July 2022. He also serves as chairman of Audit Committee.

Mr. Liu graduated from the International Christian University of Japan in June 1978 with a Bachelor of Arts degree and the Wharton School of University of Pennsylvania in the United States in May 1980 with a Master of Business Administration degree.

Mr. Liu's career in banking and financial institutions has spanned over 35 years. At Standard Chartered Bank (Hong Kong) Limited from 2012 to 2017, his last position was regional head, private banking, Greater China and North Asia. At The Hongkong and Shanghai Banking Corporation Limited from 2007 to 2011, he was regional head, private banking, North Asia, including Greater China and the Philippines. Previously, he was head of private banking of DBS Bank (Hong Kong) Limited and managing director and senior vice president of Dryden Wealth Management (Hong Kong) Limited (formerly known as Prudential Bache Securities, a subsidiary of Prudential Insurance Company of America). Prior to that, he also worked in Citibank and Lehman Brothers.

Mr. Liu is currently the vice chairman and executive director of Venture Smart Asia Limited as well as its responsible officer of Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "SFO"). He has been a member of the Accreditation and Exemption Committee of Private Wealth Management Association since January 2018.

Mr. Liu was a member of the Equal Opportunities Commission from May 2005 to May 2009. He was also a member and a consultant of the Examinations Committee of the Hong Kong Securities and Investment Institute ("HKSI Institute") from 2003 to 2005 and served on the Corporate Advisory Council of the HKSI Institute for three terms from 2010 to 2013.

**Mr. Richard Gareth Williams, Director (Age: 75)**

Mr. Williams has been an INED of the Guarantor since 2017. He also serves as a member of each of Audit Committee and Remuneration Committee.

Mr. Williams has over 48 years of experience in the areas of property valuation and estate agency in Hong Kong. He is the principal of Gareth Williams & Associates, which was established in January 2006 and is principally engaged in property valuation and estate agency, where he is primarily responsible for specialist property valuation and acquisitions and disposal of investment properties.

Mr. Williams was a property investment director of Wheelock Properties (Hong Kong) Limited, a subsidiary of WAC, from 2004 to 2006 where he was responsible for overseeing the property services business, and was formerly its INED until November 2017. From 2002 to 2004, he worked as the chief executive of the Hong Kong office of Knight Frank Asia Pacific Pte. Ltd., where he was responsible for its overall management. From 1979 to 2002, Mr. Williams worked for Vigers Hong Kong Limited, with his last position as the chairman and chief executive officer, where he was primarily responsible for provision of property valuation and estate agency services. From 1974 to 1979, Mr. Williams served as rating and valuation surveyor at the Rating and Valuation Department of the Hong Kong Government. He was also an INED of IBI Group Holdings Limited, a publicly listed company in Hong Kong, from September 2016 to October 2021.

Mr. Williams has been certified as a fellow of the RICS in the United Kingdom and as a fellow of the HKIS since June 1984 and December 1984 respectively. He was admitted as a member of the Chartered Institute of Arbitrators and a practising member of The Academy of Experts, both based in the United Kingdom, in December 1999 and April 2009 respectively. Mr. Williams has also been registered as a Registered Professional Surveyor (General Practice) with the Surveyors Registration Board in Hong Kong since 1 January 1993.

**Dr. Yee Glenn Sekkenn, Director (Age: 72)**

Dr. Yee has been an INED of the Guarantor since 2021.

Dr. Yee is the chairman of Oakhaven Limited, a private investment company involved in green industry and other projects. Previously he was the founder, managing director and chairman of Pacific Can China Holdings Limited (“**Pacific Can**”), which was one of the largest aluminum beverage can manufacturers in China; this business was divested in 2018. Dr. Yee obtained a B.S. in Mechanical Engineering from Worcester Polytechnic Institute (“**WPI**”) in Massachusetts, an MBA Degree from Columbia University in New York, and received an Honorary Doctor of Engineering Degree from WPI. Starting his career in General Electric Company in New York, and later joining Continental Can Company in Stamford, Connecticut, he has held senior positions in Marketing and Finance areas and became managing director of Continental Can Hong Kong Ltd in 1988. He resigned in 1991 and subsequently started Pacific Can. Dr. Yee is a Trustee Emeritus of WPI. He was formerly an INED of WAC from September 2010 until its delisting in July 2020.

**Professor Yeoh Eng Kiong, GBS, OBE, JP, Director (Age: 77)**

Professor Yeoh, *MBBS(HK), FHKAM, FHKCCM, FHKCP, FFPHM(UK), FRCP(Edin), FRCP(Lond), FRCP(Glasg), FRACMA, FRACP*, has been an INED of the Guarantor since 2017. He also serves as a member of each of Audit Committee and Nomination Committee.

Professor Yeoh obtained bachelor’s degrees in medicine and surgery from The University of Hong Kong in October 1971. He is Professor of Public Health and Director of the Centre for Health Systems and Policy Research at the Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong. His research is in health systems, services and policy with an interest in applying systems thinking in studying how the complex components of health systems interact and interrelate to improve health.

Professor Yeoh served as Secretary for Health, Welfare and Food of the Hong Kong SAR Government between 1999 and 2004. He was a director of operations from 1990 to 1993 and a chief executive from 1994 to 1999 of the Hong Kong Hospital Authority with responsibility for the management and transformation of the public hospital system. Professor Yeoh was formerly an INED of Wharf from 2012 to 2017.

Professor Yeoh is a co-chairperson of Grant Review Board Executive of the Health and Medical Research Fund, Health Bureau of the Hong Kong SAR Government. Professor Yeoh was appointed a Justice of the Peace (non-official) in 1995. In 2005, he was awarded the Gold Bauhinia Star by the Hong Kong SAR Government in recognition of his public service.

**COMPANY SECRETARY**

**Mr. Hui Chung Ying Kevin, FCCA, CPA, FCG, HKFCG**, aged 66, was appointed as the Company Secretary of the Guarantor on 8 August 2017.

An accountant by profession since 1986, Mr. Hui is presently a fellow of the Association of Chartered Certified Accountants, an associate of HKICPA and the vice president and a council member of The Taxation Institute of Hong Kong. He is also a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. In addition, he is a member of the Project *WeCan* Committee.

Mr. Hui joined WAC in 1986 and has worked for WAC Group and subsequently for Wharf group, serving as Wharf group's financial controller for years and gaining extensive experience in financial management and reporting control, auditing, taxation and corporate governance. Mr. Hui is also a director and the company secretary of Wharf, and a director of its subsidiaries Wharf Limited and Modern Terminals Limited. He was appointed as a director of WAC in January 2023. He was formerly a Director of the Guarantor from 2020 to 2021 and a director of HCDL from 2015 to 2020.

## REMUNERATION OF DIRECTORS

The Directors and senior management of the Guarantor receive remuneration from the Group in the form of salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind.

## DIRECTORS' INTERESTS IN SHARES

At 31 December 2022, Directors of the Guarantor had the following beneficial interests, all being long positions, in the shares of the Guarantor. The percentages which the relevant shares represented to the number of shares in issue of the Guarantor are also set out below:

	<u>Quantity held</u>	<u>Nature of Interest</u>
<b>Guarantor</b>		
Stephen T H Ng .....	1,435,445 (0.0473%)	Personal Interest
Paul Y C Tsui .....	300,000 (0.0099%)	Personal Interest
Andrew K Y Leung .....	6,629 (0.0002%)	Family Interest
E K Yeoh. ....	20,000 (0.0007%)	Personal Interest

Except as disclosed above, as recorded in the register kept by the Guarantor under section 352 of the SFO in respect of information required to be notified to the Guarantor and the Hong Kong Stock Exchange by the Directors and/or Chief Executive of the Guarantor pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (or any other applicable code), there were no interests, whether long or short positions, held or deemed to be interested as at 31 December 2022 by any of Directors or Chief Executive of the Guarantor in shares, underlying shares or debentures of the Guarantor and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Guarantor and its associated corporations held or deemed to be interested by any of them as at 31 December 2022.

## CONTROLLING SHAREHOLDER

WAC is a controlling shareholder of the Guarantor. WAC, together with its subsidiaries and associates, owned a total of 48.98% of the Guarantor's issued share capital as at 31 December 2022.

## SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below has been derived from the Group's audited consolidated financial statements for the years ended 31 December 2022 and 2021. The following financial information should be read in conjunction with, and is qualified in its entirety to, the information incorporated by reference into this Offering Circular.

Results	Year ended 31 December	
	2022	2021
	(HK\$ Million, except per share data)	
Revenue .....	12,459	16,043
Operating profit before depreciation, amortisation, interest and tax .....	9,121	9,394
(Loss)/profit attributable to shareholders of the Guarantor .....	(8,856)	4,391
Basic and diluted (loss)/earnings per share .....	(HK\$2.92)	HK\$1.45
Dividends per share .....	HK\$1.31	HK\$1.31
Financial Position	As at 31 December	
	2022	2021
	(HK\$ Million, except per share data and financial ratios)	
Total assets .....	255,249	272,268
Net debt .....	45,149	47,534
Shareholders' equity .....	190,364	206,106
Total equity .....	194,881	210,876
Net asset value per share .....	HK\$62.70	HK\$67.89
Net debt to total equity .....	23.2%	22.5%



## CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The following table sets forth the consolidated capitalisation and indebtedness of the Group as at 31 December 2022 and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2022.

	As at 31 December 2022 <u>(HK\$ Million)</u>
<b><i>Short-term debt</i></b>	
Bank loans and other borrowings <sup>(1)</sup> .....	<u>3,580</u>
<b><i>Long-term debt</i></b>	
Bank loans and other borrowings <sup>(1)(2)</sup> .....	<u>42,909</u>
<b><i>Capital and reserves</i></b>	
Share capital .....	304
Reserves .....	<u>190,060</u>
<b><i>Total shareholders' equity</i></b> .....	<u>190,364</u>
<b>Total capitalisation<sup>(3)</sup></b> .....	<u>236,853</u>

*Notes:*

- (1) As at 31 December 2022, banking facilities of the Group in the amount of HK\$549 million were secured by hotel and development properties in the Mainland of RMB1,318 million equivalent to HK\$1,476 million.
- (2) The Group's borrowings include U.S.\$600,000,000 3.5% Notes due 2028, U.S.\$300,000,000 2.5% Notes due 2024, U.S.\$450,000,000 2.375% Notes due 2025 and U.S.\$300,000,000 2.875% Notes due 2030, each of which are listed on the Hong Kong Stock Exchange and guaranteed by the Guarantor. The funding sourced from the Group's borrowings was mainly used to finance the Group's investment properties and general corporate purposes.
- (3) Total capitalisation is defined to be the sum of total shareholders' equity, total long-term debt and total short-term debt.

Save as disclosed above, there has been no material adverse change in the capitalisation and indebtedness of the Group since 31 December 2022.

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequence of such actions under the tax laws of those countries. It is emphasised that none of the Issuer, the Guarantor nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.*

### HONG KONG

#### Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale 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 (the “**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 in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

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 or redemption of Notes will 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 will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “**Amendment Ordinance**”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

Stamp duty will not be payable on the issue of Bearer Notes provided that 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 (the “**SDO**”)).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. 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 transfer 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 SDO).

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 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 per cent. 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.

### **PRC**

If considering whether to invest in the Notes, potential purchasers should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the New Enterprise Income Tax Law (the “**New EIT Law**”) and its implementation regulations, enterprises that are established under laws of foreign countries and

regions (including Hong Kong, Macau and Taiwan) but whose “de facto management body” are within the territory of the PRC shall be PRC tax resident enterprises for the purpose of the New EIT Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside the PRC. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of an Issuer is within the territory of the PRC, that Issuer may be held to be a PRC tax resident enterprise for the purpose of the New EIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside the PRC.

As at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that they are considered as a PRC tax resident enterprise for the purpose of the New EIT Law.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the New EIT Law and related implementation regulations in the future. If the Issuer is treated as a PRC tax resident enterprise, the interest payable by the Issuer may be considered as income sourced inside the PRC.

Pursuant to the New EIT Law and its implementation regulations, any non-resident enterprise, without an establishment in the PRC or its incomes have no actual connection to its establishment inside the PRC may be subject to enterprise income tax at the rate of 10 per cent. on the passive incomes including interest payable sourced inside the PRC. Such income tax shall be withheld at source by the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event an Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC enterprise and individual Noteholders. However, notwithstanding the potential withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

In addition, if the Issuer is treated as a PRC tax resident enterprise under the New EIT Law and related implementation regulations in the future, any gain realised by the non-resident enterprise Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax.

## **BRITISH VIRGIN ISLANDS**

The Issuer is exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands. Payments of principal, premium or interest in respect of the Notes to persons who are not resident in the British Virgin Islands are not subject to British Virgin Islands tax or withholding tax.

Capital gains realised with respect to the Notes by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable with respect to the Notes by persons who are not resident in the British Virgin Islands.

All instruments relating to transactions in respect of the Notes are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

There are currently no government or other exchange controls in the British Virgin Islands.

## FATCA WITHHOLDING

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 and the Cayman Islands) 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, 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 (including by reason of a substitution of the issuer). However, if additional notes (as described under “*Terms and Conditions — 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 advisers 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.

## CAYMAN ISLANDS

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor’s particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest and principal on the Notes will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands capital gains tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax, gift tax or withholding tax.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Guarantor has obtained an undertaking from the Governor in Cabinet:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Guarantor or its operations; and
- (2) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - (i) on or in respect of the shares, debentures or other obligations of the Guarantor; or
  - (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concession Act (As Revised) of the Cayman Islands.

The undertaking for the Guarantor is for a period of twenty years from 17 May 2017.



## PRC CURRENCY CONTROLS

*The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.*

### REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

### CURRENT ACCOUNT ITEMS

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Since July 2009, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, 24 August 2011 and 3 February 2012 respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186), the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement and the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (together the “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts was lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that the relevant provincial government has submitted to the PBoC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the “**Supervision List**”). On 12 June 2012, the PBoC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as the settlement currency for exports.

Accordingly, offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items. Renminbi remittance for exports of goods from the PRC may only be effected by (i) enterprises with the foreign trading right and incorporated in a province which has already submitted the Supervision List (for the avoidance of doubt, that PRC enterprise does not necessarily need to be included in the Supervision List) or (ii) enterprises that have been approved as a pilot enterprise for using Renminbi for exports before the Six Authorities reviewed and approved the Supervision List submitted by relevant province.

On 5 July 2013, the PBoC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知), which simplified the procedures for cross-border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for the PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow the PRC enterprises to make/receive payments under

current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

On 23 October 2019, the State Administration of Foreign Exchange of the PRC (“SAFE”) promulgated Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts (國家外匯管理局關於精簡外匯賬戶的通知(匯發[2019]29號)) (the “**Notice 29**”), which became effective on 1 February 2020. SAFE has decided to review and integrate certain foreign exchange accounts and further reduce the types of accounts in order to further intensify the reform of foreign exchange administration, simplify the relevant business operating procedures, and facilitate true and compliant foreign exchange transactions by banks, enterprises and other market participants. For example, “Current accounts — foreign currency cash account” and “current accounts — foreign exchange account under current accounts of overseas institutions” are included in “current accounts — foreign exchange settlement account”.

On the same day, the SAFE issued Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知(匯發[2019]28號)) (the “**Notice 28**”), which allows an enterprise, for revenue obtained from trade in goods, to decide on its own whether to open a to-be-inspected account for export revenue (“**to-be-inspected account**”). If an enterprise has not opened a to-be-inspected account, the examined revenue from trade in goods by the bank in accordance with the existing provisions may be directly deposited into the foreign exchange account under current accounts or used for foreign exchange settlement.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities.

Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items. 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 use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules.

## **CAPITAL ACCOUNT ITEMS**

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Prior to October 2011, capital account items of foreign invested entities were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties were also generally required to make capital item payments, including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

On 10 May 2013, the SAFE promulgated the “Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors” (the “**SAFE Provisions**”), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident within the total investment amount approved by the competent authorities (for example, MOFCOM and/or its local counterparts as well as financial regulators). Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

On 13 February 2015, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (the “**Notice 13**”), which became effective on 1 June 2015. According to the Notice 13, two administrative examination and approval items, such as the verification and approval of foreign exchange registration under domestic direct investment, and verification and approval of foreign exchange registration under overseas direct investment, shall be abolished. The Notice 13 also simplifies the procedures for handling certain foreign exchange services under direct investment.

On 30 March 2015, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-invested Enterprises (the “**Notice 19**”), which became effective on 1 July 2015. According to the Notice 19, foreign-invested enterprises shall be allowed to settle their foreign exchange capitals on a discretionary basis, which means that foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution).

On 26 January 2017, the SAFE issued the Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (匯發[2017]3號) to further advance the reform of foreign exchange administration, such as:

- settlement of domestic foreign exchange loans are allowed for export trade in goods. A domestic institution shall repay loans with the foreign exchange funds received from export trade in goods, rather than, in principle, purchased foreign exchange;
- a debtor may directly or indirectly repatriate the funds under guarantee and use them domestically by, among others, granting loans and making equity investment domestically. Where a bank performs its guarantee obligation under overseas loans with domestic guarantee, relevant foreign exchange settlement and sale shall be managed as the bank’s own foreign exchange settlement and sale;
- the deposits absorbed by a domestic bank through its principal international foreign exchange account and allowed to be used domestically are no more than 100 per cent. of the average daily deposit balance in the previous six months as opposed to the former 50 per cent.; and the funds used domestically are not included in the bank’s outstanding short-term external debt quota;
- allowing foreign exchange settlement in the domestic foreign exchange accounts of overseas institutions within pilot-free trade zones: where funds are repatriated and used domestically after settlement, a domestic bank shall, under the relevant provisions on cross-border transactions, handle such funds by examining the valid commercial documents and vouchers of domestic institutions and domestic individuals; and
- where a domestic institution grants overseas loans, the total of the balance of overseas loans granted in domestic currency and the balance of overseas loans granted in foreign currency shall not exceed 30 per cent. of owner’s equity in the audited financial statements of the previous year.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) regime and the China Interbank Bond Market (“**CIBM**”), have been further liberalised for foreign investors. The PBoC has relaxed the quota control for RQFII, initiated a bond market mutual access scheme between Mainland China and Hong Kong SAR to allow eligible investors to invest in CIBM and has also expanded the list of foreign investors eligible to directly invest in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

The interbank foreign exchange market is also opening-up. In 2018, the China Foreign Exchange Trade System further relaxed qualifications, application materials and the procedures for foreign participating banks (which are required to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

According to the Notice 29, several measures were taken to intensify the reform of foreign exchange administration. For example, “Capital accounts — special account for domestic reinvestment” is included in “capital accounts — foreign exchange capital account”.

The Notice 28 was issued to further promote the reform of “simplification of administrative procedures and decentralisation of powers, combination of decentralisation and appropriate control, and optimisation of services”. It removed restrictions on the use of funds in domestic asset realisation accounts for foreign exchange settlement and restrictions on the number of opened foreign exchange accounts under capital accounts.

The foregoing circulars, notices and measures will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules. 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.

## CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, CDP or the CMU (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but neither the Issuer nor the Guarantor nor any Dealer or the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

### THE CLEARING SYSTEMS

#### **Euroclear and Clearstream**

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

#### **CDP**

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities maintained by CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note or global certificate for persons holding the Notes in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Securities and Futures Act 2001 of Singapore to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Fiscal Agent, the CDP Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## **CMU**

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, “**CMU Instruments**”) which are specified in the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time (the “**CMU Reference Manual**”) as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU’s custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

## **BOOK-ENTRY OWNERSHIP**

### **Bearer Notes**

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU or CDP. In respect of Bearer Notes,



a temporary Global Note and/or a permanent Global Note will be deposited with a common depository for Euroclear and Clearstream or a sub-custodian for the CMU or CDP.

Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear, Clearstream or CDP. Each Global Note will, where applicable, have an International Securities Identification Number (“**ISIN**”) and/or a Common Code or a CMU Instrument Number. Investors in Bearer Notes of such Series may hold their interests in a Global Note only through Euroclear or Clearstream or the CMU or CDP, as the case may be.

### **Registered Notes**

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of Registered Notes to be represented by a Global Certificate. The Issuer may also apply to have the Registered Notes represented by a Global Certificate accepted for clearance through the CMU or CDP. Each Global Certificate deposited with a common depository for Euroclear and/or Clearstream and/or with CDP will, where applicable, have an ISIN and/or a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number. Investors in Registered Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, CDP or the CMU, as the case may be.

### **Individual Definitive Certificates**

Registration or title to Registered Notes in a name other than a depository for Euroclear and Clearstream or CDP or a sub-custodian for the CMU will not be permitted unless (i) (in the case of Registered Notes deposited with a common depository for Euroclear and Clearstream) Euroclear or Clearstream or (in the case of Registered Notes lodged with a sub-custodian for the CMU) the CMU 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) (in the case of Registered Notes cleared through the CDP) (a) an Event of Default (as defined in the Conditions) has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available, or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in a master depository services agreement made or to be made between the Issuer and CDP, as amended, varied or supplemented from time to time, and no alternative clearing system is available. In such circumstances, the Issuer will cause sufficient individual Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates.

## **TRANSFERS OF REGISTERED NOTES**

### **Transfers within Clearing System**

Transfers of interests in Global Certificates within Euroclear, Clearstream, the CMU or CDP will be in accordance with the usual rules and operating procedures of the relevant clearing system.



## SUBSCRIPTION AND SALE

### SUMMARY OF DEALER AGREEMENT

Subject to the terms and on the conditions contained in the Amended and Restated Dealer Agreement dated 6 July 2023 (and as may be further amended, supplemented, replaced and/or restated from time to time, the “**Dealer Agreement**”) between the Issuer, the Guarantor, the Permanent Dealers and the Arranger, 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 Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission (if any) as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions (if any) in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

Each of the Issuer and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

In connection with the issue of the Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager**”) or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Dealers.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services**” or “**Transactions**”). The Dealers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with the Issuer, the Guarantor and/or their respective affiliates for which they have received, or will receive, fees and expenses.

In connection with the offering of the Notes issued under the Programme, the Dealers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, the Guarantor and/or their respective affiliates, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the Notes. Accordingly, references herein to the offering of the Notes should be read as including any offering of the Notes to the Dealers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Notes may be constrained. The Issuer, the Guarantor and/or their respective affiliates and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

Some of the Dealers and their 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, the Guarantor and/or their respective affiliates. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the Dealers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Notes and could adversely affect the trading price and liquidity of the Notes. The Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the Issuer or the Guarantor.

## **SELLING RESTRICTIONS**

### **United States**

- (i) The Notes and the Guarantee have not been and will not be registered under the Securities Act and 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. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

Notes in bearer form 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 of 1986 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.

- (ii) Each Dealer has represented, warranted and agreed that it has offered and sold, and shall offer and sell, or, in the case of Notes in bearer form, deliver; the Notes of any identifiable tranche, and shall offer and sell the Notes of any identifiable tranche (1) as part of their distribution at any time and (2) otherwise until 40 days after completion of the distribution of such tranche as determined and certified to the Issuer and each relevant Dealer, by the Principal Agent or, in the case of a Syndicated Issue, the Lead Manager, only in accordance with Rule 903 of Regulation S. Each Dealer has agreed that, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and shall comply with the

offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Principal Agent or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any identifiable tranche so that the Principal Agent or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of all Notes of that tranche and notify the other relevant Dealers of the end of the distribution compliance period. Each Dealer has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and certified to the Issuer and [relevant Dealers], by [[AGENT]/[LEAD MANAGER]], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented that it has not entered and has agreed that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S under the Securities Act) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer and the Guarantor.

- (iii) In addition, unless the Purchase Information or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented, warranted and agreed in relation to each Tranche of Bearer Notes:
  - (a) except to the extent permitted under rules substantially in the form of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**D Rules**”):
    - (I) it has not offered or sold, and during a 40-day restricted period shall not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
    - (II) it has not delivered and shall not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
  - (b) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (c) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it shall only do so in accordance with the requirements of rules substantially in the form of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (x) repeats and confirms the representations contained in (a), (b) and (c) above on behalf of such affiliate or (y) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in (a), (b) and (c) above.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

- (iv) In addition, to the extent that the Purchase Information or the Subscription Agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is “C Rules”, under rules substantially in the form of U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**C Rules**”), each Dealer has represented, warranted and agreed that Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Notes in bearer form, each Dealer has represented, warranted and agreed that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions, and shall not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.
- (v) Each Dealer has represented, warranted and agreed that each issuance of index-, 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 relevant Dealer has represented, warranted and agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

This Offering Circular has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons (together with supplemental information to this Offering Circular as may be appropriate). The Issuer, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Offering Circular to any U.S. person or to any other person within the United States is prohibited, is unauthorised and any disclosure without the prior written consent of the Issuer and the Guarantor of any of its contents to any such U.S. person or other person within the United States is prohibited.

### **British Virgin Islands**

Each Dealer has represented, warranted and agreed that no invitation has been made or will be made, directly or indirectly, to any person in the British Virgin Islands or to the public in the British Virgin Islands to purchase the Notes and the Notes are not being offered or sold and may not

be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

This Offering Circular does not constitute, and there will not be, an offering of the Notes to any person in the British Virgin Islands.

### **Cayman Islands**

Each Dealer has represented, warranted and agreed that it has not made and will not make any invitation, whether directly or indirectly, to the public in the Cayman Islands to offer or sell the Notes.

### **Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations. Each Dealer has represented, warranted and agreed that it will not offer, sell or deliver the Notes or distribute copies of this Offering Circular or any other document relating to the Notes in Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined, pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the “**Prospectus Regulation**”) and applicable Italian laws; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the “**Financial Services Act**”), Article 34-*ter* of Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In addition, each Dealer has represented, warranted and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) in compliance with any other securities, tax, exchange control and other applicable laws and regulations or requirement or limitation which may be imposed from time to time by CONSOB, the Bank of Italy (including reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### **PRC**

Each Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the applicable laws of the PRC.

## Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented, warranted and agreed 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 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 Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## 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 “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed 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 re-sale, 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 Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 or 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 (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.



Where 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 Section 2(1) of 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, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) 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.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, 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 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).

#### **Prohibition of Sales to EEA Retail Investors**

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (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; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Public Offer Selling Restrictions under the Prospectus Regulation**

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

## Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (a) 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 EUWA;
  - (b) a customer within the meaning of the provisions of 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 UK MiFIR;
  - (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## Public Offer Selling Restriction under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “UK Prospectus Regulation” means the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

### **Other Regulatory Restrictions in the United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 or the Guarantor; 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 any Notes in, from or otherwise involving the UK.

### **The Netherlands**

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither the Offering Circular nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation (as defined under “Public Offer Selling Restrictions under the Prospectus Regulation” above), provided that these parties acquire the Notes for their own account or that of another qualified investor. However, the Notes may be offered in the Netherlands free of any restrictions provided that each such Notes has a minimum denomination in excess of €100,000 (or the equivalent thereof in non-Euro currency) and subject to compliance with the relevant requirements under Regulation (EU) No 1286/2014.

## **SFC Code of Conduct – Important Notice to CMIIs (including private banks)**

This notice to CMIIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including private banks). Certain CMIIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

## **GENERAL**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuers in such jurisdiction.

Each Dealer has represented, warranted and agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement, in all cases at its own expense, and none of the Issuer, the Guarantor nor any other Dealer shall have responsibility therefor.

## TRANSFER RESTRICTIONS

Each purchaser of Notes prior to the expiration of the distribution compliance period (defined as 40 days after completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Principal Agent, or in the case of an issue of Notes issued on a syndicated basis, to the Issuer and the Principal Agent by the relevant Dealers), by accepting delivery of this Offering Circular and agreeing to purchase such Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer, the Guarantor or a person acting on behalf of such an affiliate.
- (2) It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that the Issuer, the Guarantor, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer.
- (4) It understands that the Notes, unless otherwise agreed by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THIS NOTE NOR ANY PORTION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.



## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

### Pricing Supplement dated [●]

#### WHARF REIC FINANCE (BVI) LIMITED

*(incorporated in the British Virgin Islands with limited liability)*  
(the “**Issuer**”)

Issue of

[Aggregate Nominal Amount of Tranche] [Title of Notes]  
(the “**Notes**”)

Guaranteed by

#### WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

九龍倉置業地產投資有限公司

*(incorporated in the Cayman Islands with limited liability)*  
(the “**Guarantor**”)

Under the

#### U.S.\$5,000,000,000 MEDIUM TERM NOTE PROGRAMME

(the “**Programme**”)

#### [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**”); 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 (“**COBS**”), 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 (“**UK MiFIR**”); 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.]

**[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 (the “**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 MiFID II; [or] (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**”).]<sup>(1)</sup> 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.]

**[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 (“**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**”); [or] (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 [Directive (EU) 2016/97/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 Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.]<sup>(2)</sup> Consequently no key information document required by [Regulation (EU) No 1286/2014/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.]

[Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 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 Recommendation on Investment Products).]<sup>(3)</sup>

[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 “**Hong Kong Stock Exchange**”) (“**Professional Investors**”) only.

---

*Notes:*

- (1) Paragraph (iii) is not required where the Notes have a denomination of at least €100,000 or equivalent.
- (2) Paragraph (iii) is not required where the Notes have a denomination of at least €100,000 or equivalent.
- (3) 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.

**Notice to Hong Kong investors:** the Issuer (as defined below) and the Guarantor (as defined below) confirm 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 and the Guarantor confirm 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 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 or 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 Guarantor or the Guarantor together with its subsidiaries taken as a whole (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.

This pricing supplement (the “**Pricing Supplement**”) 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 Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]<sup>(4)</sup>

## **WARNING**

The contents of this Pricing Supplement have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of the Notes. If you are in any doubt about any of the contents of this Pricing Supplement, you should obtain independent professional advice.

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 set forth in the Offering Circular dated [●] (the “**Offering Circular**”) [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

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 the Offering Circular dated [●] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

---

*Note:*

(4) Applicable for Notes to be listed on the Hong Kong Stock Exchange only.

*[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 directions for completing the Pricing Supplement.]*

- |   |   |  |
|---|---|--|
| 1 | (i) Issuer:                                       | Wharf REIC Finance (BVI) Limited   |
|   | (ii) Guarantor:                                   | Wharf Real Estate Investment Company Limited 九龍倉置業地產投資有限公司   |
| 2 | (i) Series Number:                                | [●]  |
|   | (ii) Tranche Number:                              | [●]  |
|   | [(iii)] [Date on which the Notes become fungible: | [●] <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i>  |
| 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 [insert date] <i>(in the case of fungible issues only, if applicable)</i> ]  |
|   | [(ii)] Net proceeds:                              | [●] <i>(required only for listed issues)</i>   |
| 6 | (i) Specified Denominations:                      | [●] <sup>(5)</sup> <sup>(6)</sup>  |
|   | (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:                                    | <i>[Specify date or (for Floating Rate Notes) “Interest Payment Date falling in or nearest to” the relevant month and year]<sup>(7)</sup></i>  |

Notes:

- (5) Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of FSMA Section 19 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.
- (6) If the specified denomination is expressed to be €100,000 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: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000”.
- (7) Note that for 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] [Index Linked Interest] [Other (*specify*)] (further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [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*] [Not Applicable]
- 12 Put/Call Options: [Put] [Call] [(further particulars specified below)]
- 13 Listing: [The Stock Exchange of Hong Kong Limited/Other (*specify*)/None] (*For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes*)
- 14 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15 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<sup>(8)</sup>
- (iv) Broken Amount:  per Calculation Amount, payable on the Interest Payment Date falling [in/on]
- (v) Day Count Fraction (Condition 5(k)):  (*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 or Renminbi, unless the client requests otherwise*)

*Note:*

- (8) 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/ HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes], being rounded upwards."

(vi)	Determination Date(s) (Condition 5(k)):	[●] in each year [ <i>Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon</i> ] <sup>(9)</sup>
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i> ]
16	<b>Floating Rate Note Provisions</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	Interest Period Date(s):	[●]
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other ( <i>give details</i> )]
(v)	Business Centre(s) (Condition 5(k)):	[●]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination/ other ( <i>give details</i> )]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):	[●]
(viii)	Screen Rate Determination (Condition 5(b)(iii)(B)):	
	— Reference Rate:	[●]
	— Interest Determination Date:	[[●] [TARGET] Business Days in [ <i>specify city</i> ] for [ <i>specify currency</i> ] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
	— Relevant Screen Page:	[●]
(ix)	ISDA Determination (Condition 5(b)(iii)(A)):	
	— Floating Rate Option:	[●]
	— Designated Maturity:	[●]
	— Reset Date:	[●]
	— ISDA Definitions	[Condition 5(k) applies/ <i>if different to those set out in Condition 5(k), please specify</i> ]
(x)	Margin(s):	[+/-] [●] per cent. per annum

*Note:*

(9) Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA.

	(xi) Minimum Rate of Interest:	[●] per cent. per annum
	(xii) Maximum Rate of Interest:	[●] per cent. per annum
	(xiii) Day Count Fraction (Condition 5(k)):	[●]
	(xiv) 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 Discontinuation (Condition 5(j))/specify other if different from those set out in the Conditions]
17	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 6(b)):	[●] per cent. per annum
	(ii) Day Count Fraction (Condition 5(k)):	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
18	<b>Index Linked Interest Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index/Formula:	[Give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]):	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
	(iv) Interest Period(s):	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
	(vii) Business Centre(s) (Condition 5(k)):	[●]
	(viii) Minimum Rate of Interest:	[●] per cent. per annum
	(ix) Maximum Rate of Interest:	[●] per cent. per annum
	(x) Day Count Fraction (Condition 5(k)):	[●]



- 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 [Calculation 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 (Condition 5(k)): [●]

**PROVISIONS RELATING TO REDEMPTION**

- 20 **Call 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) 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

- 23 **Early Redemption Amount** [●]  
 Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 24 **Form of Notes:** [Bearer Notes/Exchangeable Bearer Notes/ Registered Notes] [*Delete as appropriate*]
- (i) Temporary Global Note or Permanent Global Note: [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]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]<sup>(10)</sup>
- [Permanent Global Note/Global Certificate/ exchangeable for Definitive Notes/ Certificates in the limited circumstances specified in the Permanent Global Note/ Global Certificate]
- (ii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
- 25 Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/*Give details*] [*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(v) and 18(vii) relate*]
- 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*]

---

*Note:*

- (10) If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000", the Temporary Global Note shall not be exchangeable on notice.

- 28 Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
- (iii) Minimum Instalment 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]
- 31 Other terms or special conditions:<sup>(11)</sup> [Not Applicable/*give details*]
- 32 [Private Bank Rebate/Commission: [Not Applicable/*give details*] *[To be included if a PB rebate is paid: In addition, we have agreed with the Joint Lead Managers that we will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement.]*
- (For any issuance where paragraph 21 of the Hong Kong SFC Code of Conduct is applicable, also refer to paragraph 50(i) below)*

## DISTRIBUTION

- 33 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Date of Subscription Agreement [Not Applicable/*insert date*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name(s)*]
- (iv) Dealer's Commission: [●]
- 34 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]<sup>(12)</sup>

---

### Notes:

- (11) 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 or Global Certificate instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.
- (12) If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no Key Information Document (as provided for under the PRIIPs Regulation) will be prepared, "Applicable" should be specified.

- 36 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]<sup>(13)</sup>
- 37 Additional selling restrictions: [Not Applicable/*give details*]
- OPERATIONAL INFORMATION**
- 38 ISIN Code: [[●]/Not Applicable]
- 39 Common Code: [[●]/Not Applicable]
- 40 CMU Instrument Number: [[●]/Not Applicable]
- 41 Legal Entity Identifier of Wharf REIC Finance (BVI) Limited: 254900N6PHCMYYNUWV59
- 42 Any clearing system(s) other than Euroclear and Clearstream, the CMU and CDP and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 43 Delivery: Delivery [against/free of] payment
- 44 The Agents appointed in respect of the Notes are: [●]
- GENERAL**
- 45 Use of Proceeds: [As described in the “Use of Proceeds” section in the Offering Circular/*(specify if different from the use of proceeds set out in the Offering Circular)*]
- 46 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): [Not Applicable/*give details*]
- 47 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.\$][●]]
- 48 In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London: [●]
- 49 Rating[s]: [The Notes to be issued have [not] been rated]/[The Notes to be issued are expected to be rated: [Moody’s: [●]] [*Rating provided by any other international credit rating agency*]

---

*Note:*

- (13) If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no Key Information Document (as provided for under the UK PRIIPs Regulation) will be prepared, “Applicable” should be specified.

- |  |   |
|--|---|
| (i) Rebates  | [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the capital market intermediaries otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable] |
| (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: | <i>[include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent — Overall Coordinators to provide]</i> /[Not Applicable]  |
| (iii) Marketing and Investor Targeting Strategy  | <i>[if different from the programme offering circular]</i>  |

#### [LISTING APPLICATION]

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein on the Hong Kong Stock Exchange pursuant to the Programme.]

#### [STABILISATION]

In connection with this issue, *[insert name of Stabilisation Manager]* (the “**Stabilisation Manager**”) (or persons acting on behalf of any Stabilisation 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 Stabilisation Manager (or persons acting on behalf of a Stabilisation 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 Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

**[MATERIAL ADVERSE CHANGE STATEMENT**

[Except as disclosed in this document, there/There]<sup>(14)</sup> has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Group since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since [*insert date of last published annual accounts.*]

**RESPONSIBILITY**

The Issuer and the Guarantor accept 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 the Issuer:

By: \_\_\_\_\_  
Duly authorised

Signed on behalf of the Guarantor:

By: \_\_\_\_\_  
Duly authorised

\_\_\_\_\_  
*Note:*

(14) If any change is disclosed in the Pricing Supplement, it will require approval by the Stock Exchange(s). Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

## GENERAL INFORMATION

- (1) Application has been made to the Hong Kong Stock Exchange for the listing of the Programme on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular. 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.

Admission to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Programme, the Notes, the Issuer, the Guarantor or the Group. The Hong Kong Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein.

- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the British Virgin Islands and the Guarantor has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the establishment and the update of the Programme and the Guarantee relating to the Programme. The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 8 December 2017 and the update of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 28 June 2023. The giving of the Guarantee relating to the Programme by the Guarantor was authorised by resolutions of the Board of Directors of the Guarantor passed on 28 June 2023.
- (3) Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Guarantor or the Group since 31 December 2022.
- (4) None of the Issuer, the Guarantor nor any of the Guarantor's subsidiaries is involved in any litigation, arbitration or administrative proceedings relating to claims which are material in the context of the issue of the Notes and, so far as any of them is aware, no such litigation, arbitration or administrative proceedings are pending or threatened. The Issuer or the Guarantor may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business.
- (5) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes may be accepted for clearance through the Euroclear and Clearstream systems and the CDP System. The appropriate Common Code and ISIN for each Series of Notes to be cleared through Euroclear, Clearstream or the CDP System will be set out in the relevant Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement (if applicable). 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.



- (7) For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will, when published, be available (upon written request and satisfactory proof of holding), during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal place of business of the Guarantor, being at the date of this Offering Circular at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong and at the specified office of the Paying Agents:
- (i) the Agency Agreement (which includes the form of the Global Notes, the Global Certificate, the definitive Bearer Notes, the definitive Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Deed of Covenant;
  - (iii) the Deed of Guarantee;
  - (iv) the CDP Deed of Covenant;
  - (v) the constitutive documents of each of the Issuer and the Guarantor;
  - (vi) the published annual reports and audited accounts of the Guarantor for the financial years ended 31 December 2021 and 2022 (the Guarantor currently prepares audited accounts on an annual basis and does not prepare annual non-consolidated financial statements other than the balance sheet) (at the date of this Offering Circular, the Issuer has not published any audited or unaudited financial statements and does not propose to publish any financial statements);
  - (vii) the most recently published audited annual consolidated financial statements of the Guarantor and the most recently published unaudited consolidated interim financial statements of the Guarantor;
  - (viii) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of Notes and identity); and
  - (ix) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular in relation to the Programme.
- (8) KPMG, at 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, Certified Public Accountants and independent auditors of the Guarantor, have audited, and rendered unmodified audit reports on, the consolidated financial statements of the Guarantor for the two years ended 31 December 2021 and 2022. As at the date of this Offering Circular, the Issuer has not published any audited or unaudited financial statements.
- (9) The Legal Entity Identifier of the Issuer is 254900N6PHCMYYNUWV59.

**Registered Office of Wharf REIC Finance**

**(BVI) Limited**

Vistra Corporate Services Centre  
Wickhams Cay II  
Road Town, Tortola  
VG1110, British Virgin Islands

**Registered Office of Wharf Real Estate**

**Investment Company Limited**

九龍倉置業地產投資有限公司  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**DEALERS**

**Bank of China (Hong Kong) Limited**

34/F, Bank of China Tower  
1 Garden Road  
Hong Kong

**DBS Bank Ltd.**

10/F, The Center  
99 Queen's Road Central  
Central  
Hong Kong

**The Hongkong and Shanghai Banking  
Corporation Limited**

Level 17  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

**Mizuho Securities Asia Limited**

14-15/F., K11 Atelier  
18 Salisbury Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

**SMBC Nikko Securities (Hong Kong) Limited**

Room 607-614, 6/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**FISCAL AGENT, PAYING AGENT, TRANSFER AGENT, CALCULATION AGENT,  
CMU LODGING AND PAYING AGENT, AND REGISTRAR FOR CMU NOTES**

**Deutsche Bank AG, Hong Kong Branch**

Level 60 International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

**REGISTRAR FOR NON-CMU NOTES AND CDP PAYING AGENT**

**Deutsche Bank AG, Singapore Branch**

Floor 16  
One Raffles Quay  
South Tower  
Singapore 048583

**ARRANGER**

**The Hongkong and Shanghai Banking Corporation Limited**

Level 17  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

## AUDITORS

**To the Issuer**  
**KPMG**  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

**To the Guarantor**  
**KPMG**  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

## LEGAL ADVISERS

**To the Issuer and the Guarantor**  
*in respect of English and Hong Kong law*

**Deacons**  
5th Floor, Alexandra House  
18 Chater Road  
Central  
Hong Kong

**To the Issuer and the Guarantor**  
*in respect of British Virgin Islands  
and Cayman law*

**Ogier**  
11th Floor, Central Tower  
28 Queen's Road Central  
Central  
Hong Kong

**To the Dealers**  
*in respect of English law*

**Linklaters**  
11th Floor, Alexandra House  
Chater Road  
Central  
Hong Kong