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

Notice to Hong Kong investors: The 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and the Programme (as defined below) has been and the Notes (to the extent such Notes are 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

NWD (MTN) LIMITED

(incorporated in the British Virgin Islands with limited liability)

(as Issuer)



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock code: 00017)

(as Guarantor)

U.S.\$7,000,000,000 Medium Term Note Programme (the “Programme”)

HSBC		Arrangers	UBS
		Dealers	
ANZ		Bank of China (Hong Kong)	Barclays
BNP PARIBAS		BOC International	BofA Securities
CCB International		China Construction Bank (Asia)	Citigroup
Crédit Agricole CIB		DBS Bank Ltd.	Deutsche Bank
HSBC		ICBC (Asia)	J.P. Morgan
Mizuho		Morgan Stanley	OCBC Bank
UBS		SMBC Nikko	Standard Chartered Bank

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

Please refer to the offering circular dated 24 January 2024 (the “Offering Circular”) appended herein in relation to the update of the Programme. As disclosed in the Offering Circular, the Notes are intended for

purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Programme has been and the Notes (to the extent such Notes are 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 are they an invitation to the public to make offers to subscribe for or purchase any securities, nor are they circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of NWD (MTN) Limited and no such inducement is intended.

Hong Kong, 25 January 2024

As at the date of this announcement, the directors of NWD (MTN) Limited are Dr. Cheng Chi-Kong, Adrian; Mr. Sitt Nam-Hoi; Mr. Wong Man-Hoi; Mr. Lau Fu-Keung; Mr. Hui Chi-Fai, Casey; and Mr. Yam Yuen-Tung.

As at the date of this announcement, the Board of New World Development Company Limited comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Ma Siu-Cheung, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) four non-executive directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian; and (c) six independent non-executive directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia.

IMPORTANT NOTICE

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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.

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You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this 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 this Offering Circular to any other person. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your email software, will be ignored or rejected.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a 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 Issuer (as defined in this Offering Circular) in such jurisdiction.

This 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 Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”), UBS AG Hong Kong Branch (“**UBS**”, and together with HSBC, the “**Arrangers**”), the Dealers, any person who controls the Arrangers or the Dealers, any director, officer, employee nor agent of the Issuer or the Guarantor or the Arrangers or the Dealers, 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 Arrangers or the Dealers.

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NWD (MTN) LIMITED

(incorporated with limited liability in the British Virgin Islands)

(as “Issuer”)



新世界發展有限公司

New World Development Company Limited

(Incorporated with limited liability in Hong Kong)

(Stock Code: 00017)

(as “Guarantor”)

U.S.\$7,000,000,000

Medium Term Note Programme

Under the U.S.\$7,000,000,000 Medium Term Note Programme described in this Offering Circular (the “Programme”), NWD (MTN) Limited (the “Issuer”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue guaranteed medium term notes (the “Notes”) unconditionally and irrevocably guaranteed (the “Guarantee of the Notes”) by New World Development Company Limited (the “Guarantor”, “NWD” or the “Company”). Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$7,000,000,000 (or its equivalent in other currencies). The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” or 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 for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The 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 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, the Issuer, the Guarantor, the Group (as defined below), or the quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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 under “Terms and Conditions of the Notes” and each term therein, a “Condition”) of Notes will be set out in a pricing supplement (the “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.

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 of each Series issued in bearer form (“Bearer Notes”) 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”) (collectively, the “Global Note”). Notes in registered form (“Registered Notes”) will be represented by registered certificates (each, a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Notes in registered form of one Series. Global Notes and Certificates may be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream”), or with a sub-custodian for the Central Money Markets Unit Service (the “CMU”) operated by the Hong Kong Monetary Authority. 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”.

The Notes and the Guarantee of the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see “Subscription and Sale”.

The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investing in Notes issued under the Programme 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 also should 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. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under “Risk Factors” below.

EU MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “EU 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, “EU 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 “EU MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU 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 Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – 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 EU 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 EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “EU 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 EU 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 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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. Consequently, no key information document required by Regulation (EU) No 1286/2014 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.

Arrangers

HSBC

UBS

Dealers

ANZ
BNP PARIBAS
CCB International
Crédit Agricole CIB
HSBC
Mizuho
UBS

Bank of China (Hong Kong)
BOC International
China Construction Bank (Asia)
DBS Bank Ltd.
ICBC (Asia)
Morgan Stanley
SMBC Nikko

Barclays
BofA Securities
Citigroup
Deutsche Bank
J.P. Morgan
OCBC Bank
Standard Chartered Bank

This Offering Circular is dated 24 January 2024

IMPORTANT NOTICE

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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 “**Listing Rules**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Issuer and the Guarantor, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and its subsidiaries taken as a whole (the “**Group**”), the Notes and the Guarantee of the Notes, which is material in the context of the issue and offering of the Notes; (ii) the statements contained herein relating to the Issuer and the Group are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly and reasonably made or held, have been reached after considering all relevant circumstances; (iv) there are no other facts in relation to the Issuer, the Group, the Notes or the Guarantee of the Notes, the omission of which would, in the context of the issue and offering of the Notes, 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.

Each Tranche of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of the Notes, must be read and construed together with the relevant Pricing Supplement.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery 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 Arrangers and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuer, the Guarantor, the Arrangers or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arrangers or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the Netherlands, the United Kingdom, Hong Kong, the British Virgin Islands, the PRC, Japan and Singapore, and to persons connected therewith. The Notes have not been and will not be registered under the United States

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 and 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, sold or, in the case of bearer notes, delivered within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular, see “*Subscription and Sale*”.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group, or the Notes. 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 the Notes.

No person has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, any Dealer, or the Arrangers.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to 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, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantor since the date thereof or, if later, 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 at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$7,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S.\$ at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

Important Notice to Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this 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 Dealers 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 per cent. 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 this offering. Failure to provide such information may result in that order being rejected.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 (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-N 12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 a Stabilisation Manager) in the applicable Pricing Supplement may, to the extent permitted by applicable laws and rules, over allot the 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, stabilisation may not necessarily occur. 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 (or any person acting on behalf of the relevant Stabilisation Manager) in accordance with all applicable laws and rules.

The Arrangers and the Dealers have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, neither the Arrangers nor any of the Dealers, or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, neither the Arrangers nor the Dealers, or any director, officer, employee, agent or affiliate of any such person accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arrangers, a Dealer, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer, the Group or the issue and offering of the Notes. The Arrangers and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. 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 issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue 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 advisors 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.

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme are 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 Arrangers or the Dealers, or any director, officer, employee, agent or affiliate of any such person that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the Group. 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. Neither the Arrangers nor the Dealers or agent or affiliate of any such person undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or the Dealers or any of them.

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

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**U.S.\$**” and to “**U.S. dollars**” are to United States dollars; all references to “**HKS**” and “**Hong Kong dollars**” are to Hong Kong dollars; all references to “**pounds sterling**” and “**£**” are to the currency of the United Kingdom; all references to “**euro**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended; all references to “**S\$**” are to Singapore dollars; all references to “**yen**” are to Japanese yen; all references to “**Renminbi**”, “**RMB**”, “**Chinese Yuan**” and “**CNY**” are to the currency of the PRC; all references to “**United States**” or “**U.S.**” are to the United States of America; references to “**China**”, “**Mainland China**” and the “**PRC**” in this Offering Circular mean the People’s Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China; references to “**Macau**” are to the Macao Special Administrative Region of the People’s Republic of China; and all references to “**United Kingdom**” are to the United Kingdom of Great Britain and Northern Ireland.

FORWARD LOOKING STATEMENTS

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

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with: (a) the audited consolidated financial statements of the Guarantor for the year ended 30 June 2023 (the “**2023 Audited Financial Statements**”), which are contained on page 162 to page 294 of the 2023 annual report of the Guarantor and the audited consolidated financial statements of the Guarantor for the year ended 30 June 2022 contained on page 168 to page 300 of the 2022 annual report of the Guarantor (the “**2022 Audited Financial Statements**”), and each are available and may be downloaded free of charge from the Hong Kong Stock Exchange website on the internet at <https://www.hkexnews.hk/>; (b) each relevant Pricing Supplement; and (c) the most recently published audited annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Issuer and the Guarantor from time to time (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 in the case of the documents referred to in (b) and (c) above 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 and the principal office in Hong Kong of the Fiscal Agent (as defined under “*Summary of the Programme*”) (or such other Paying Agent for the time being in Hong Kong) set out at the end of this Offering Circular.

This Offering Circular contains consolidated financial information of the Guarantor as at and for the years ended 30 June 2023 and 2022, which has been extracted from the 2023 Audited Financial Statements. The 2023 Audited Financial Statements and the 2022 Audited Financial Statements were prepared in conformity with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). As at the date of this Offering Circular the Issuer has not published, and does not propose to publish, any financial statements.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer	NWD (MTN) Limited.
Guarantor.....	New World Development Company Limited.
Programme Size	Up to U.S.\$7,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
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 the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under the section “ <i>Risk Factors</i> ” below.
Arrangers.....	The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch.
Dealers.....	Australia and New Zealand Banking Group Limited; Bank of China (Hong Kong) Limited; Barclays Bank PLC; BNP Paribas; BOCI Asia Limited; CCB International Capital Limited; China Construction Bank (Asia) Corporation Limited; Citigroup Global Markets Limited; Crédit Agricole Corporate and Investment Bank; DBS Bank Ltd.; Deutsche Bank AG, Hong Kong Branch; The Hongkong and Shanghai Banking Corporation Limited; Industrial and Commercial Bank of China (Asia) Limited; J.P. Morgan Securities plc; Merrill Lynch (Asia Pacific) Limited; Mizuho Securities Asia Limited; Morgan Stanley & Co. International plc; Oversea-Chinese Banking Corporation Limited; SMBC Nikko Securities (Hong Kong) Limited; Standard Chartered Bank; UBS AG Hong Kong Branch, and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent, Paying Agent and Transfer Agent.....	The Hongkong and Shanghai Banking Corporation Limited.
Registrar	The Hongkong and Shanghai Banking Corporation Limited.
CMU Lodging and Paying Agent.....	The Hongkong and Shanghai Banking Corporation Limited.
Method of Issue.....	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest),

	<p>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 completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.</p>
Clearing Systems	<p>Clearstream, Euroclear and/or the CMU and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Guarantor, the Fiscal Agent, and the relevant Dealer.</p>
Form of Notes.....	<p>Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”). Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i>.</p> <p>Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub-custodian for Clearstream, Euroclear and/or as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will initially be represented by Registered Global Notes. Registered Global Notes representing Registered Notes will be registered in the name of a nominee for one or more of Euroclear, Clearstream and the CMU.</p>
Currencies.....	<p>Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.</p>
Status of the Notes.....	<p>The Notes constitute direct, general and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The</p>

	<p>payment obligations of the Issuer under the Notes shall, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, at all times rank at least <i>pari passu</i> with all of its other present and future unsecured and unsubordinated obligations as described in “<i>Terms and Conditions of the Notes — Status and Guarantee</i>”.</p>
Status of the Guarantee.....	<p>The Guarantee of the Notes constitutes a direct, general and unconditional obligation of the Guarantor. The payment obligations of the Guarantor under the Guarantee of the Notes shall, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application at all times rank at least <i>pari passu</i> with all of its other present and future unsecured and unsubordinated obligations as described in “<i>Terms and Conditions of the Notes — Status and Guarantee</i>”.</p>
Issue Price	<p>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.</p>
Maturities	<p>Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p>
Redemption	<p>Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement. 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).</p>
Optional Redemption	<p>Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.</p>
Tax Redemption and Change of Control Redemption	<p>Except as described in “Optional Redemption” above, early redemption will only be permitted (i) for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase — Redemption for tax reasons</i>) and (ii) following a Change of Control as described in Condition 10(f) (<i>Redemption and Purchase — Redemption for Change of Control</i>).</p>

Interest.....	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.
Denominations.....	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge.....	The Notes will contain a negative pledge provision as further described in Condition 5 (<i>Negative Pledge</i>).
Cross Default.....	The Notes will contain a cross default provision as further described in Condition 14 (<i>Events of Default</i>).
Withholding Tax.....	All payments in respect of Notes and the Guarantee of the Notes will be made free and clear of withholding taxes of the British Virgin Islands and Hong Kong, as the case may be, unless the withholding is required by law. In that event, the Issuer or (as the case may be) the Guarantor will (subject to certain customary exceptions as described in Condition 13 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes or, as the case may be, the Guarantee of the Notes, had no such withholding been required.
Listing and Trading	<p>Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange.</p> <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 listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.</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>
Governing Law.....	The Notes, the Guarantee of the Notes and any non-contractual obligations arising out of or in connection with the Notes and the Guarantee of the Notes will be governed by, and construed in accordance with, English law.

Enforcement of Notes in Global Form	In the case of Global Notes and Global Certificates, individual investors' in rights against the Issuer will be governed by a Deed of Covenant, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Selling Restrictions.....	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the Netherlands, the United Kingdom, Hong Kong, the British Virgin Islands, the PRC, Japan and Singapore, see " <i>Subscription and Sale</i> " below.
Initial Delivery of Notes.....	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub-custodian for, such clearing systems.
Legal Entity Identifier (LEI) of the Issuer	254900STSWBVJ5FV9O74.

SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

The following tables present the summary consolidated financial information of the Group as at and for the years ended 30 June 2023 and 30 June 2022. The summary consolidated financial information is derived from and should be read in conjunction with the 2023 Audited Financial Statements.

The 2023 Audited Financial Statements were prepared in conformity with HKFRS issued by the HKICPA. The Group has adopted amendments to HKAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”, Amendments to HKAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”, Amendments to HKFRS 3 “Reference to the Conceptual Framework”, HKFRSs Amendments “Annual Improvements to HKFRSs 2018-2020 Cycle” and Accounting Guideline 5 (Revised) “Merger Accounting for Common Control Combinations” for the financial year ended 30 June 2023 but the adoption of the amendments to standards did not have significant effect on the results and financial position of the Group.

Save for the 2023 Audited Financial Statements and the 2022 Audited Financial Statements, the financial information contained in this Offering Circular does not constitute the Guarantor’s specified financial statements (as defined in the Companies Ordinance (Cap. 622) of Hong Kong) for the financial years ended 30 June 2023 and 2022 but, in respect of financial information relating to the full financial year, is derived from those specified financial statements. The Guarantor has delivered the specified financial statements for the financial years ended 30 June 2023 and 2022 to the Registrar of Companies of Hong Kong. PricewaterhouseCoopers, Certified Public Accountants, the auditor of the Guarantor, has issued auditor’s reports on the specified financial statements in relation to the Guarantor for the financial years ended 30 June 2023 and 2022 respectively. Such reports were not qualified or otherwise modified, did not refer to any matters to which the auditors drew attention by way of emphasis without qualifying the reports and did not contain any statement under Sections 406(2) or 407(2) or (3) of the Companies Ordinance (Cap. 622) of Hong Kong.

Consolidated Income Statement

	For the year ended 30 June	
	2023	2022
	HK\$ million (Audited)	HK\$ million (Audited)
Revenues.....	95,213.8	68,212.7
Cost of sales.....	(73,764.3)	(49,967.0)
Gross profit.....	21,449.5	18,245.7
Other income.....	338.0	482.3
Other losses, net.....	489.5	(1,692.6)
Selling and marketing expenses.....	(3,670.6)	(2,430.4)
Expenses of department store’s operation.....	(1,030.3)	(1,318.4)
Administrative and other operating expenses.....	(6,852.8)	(6,872.5)
Overlay approach adjustments on financial assets.....	687.5	1,845.9
Changes in fair value of investment properties.....	(299.6)	(127.0)
Operating profit.....	11,111.2	8,133.0
Financing income.....	3,693.0	2,868.3
Financing costs.....	(5,390.2)	(2,609.3)
	9,414.0	8,392.0
Share of results of joint ventures.....	462.2	(619.4)

	For the year ended 30 June	
	2023	2022
	<i>HK\$ million</i> <i>(Audited)</i>	<i>HK\$ million</i> <i>(Audited)</i>
Share of results of associated companies.....	220.1	1,441.9
Profit before taxation.....	10,096.3	9,214.5
Taxation	(6,015.4)	(4,912.7)
Profit for the year	<u>4,080.9</u>	<u>4,301.8</u>
Attributable to:		
Shareholders of the Company	900.9	1,249.2
Holders of perpetual capital securities.....	2,540.1	2,377.2
Non-controlling interests.....	639.9	675.4
	<u>4,080.9</u>	<u>4,301.8</u>
Earnings per share		
Basic	HK\$0.39	HK\$0.50
Diluted	<u>HK\$0.39</u>	<u>HK\$0.50</u>

Consolidated Statement of Financial Position

	As at 30 June	
	2023	2022
	<i>HK\$ million</i> <i>(Audited)</i>	<i>HK\$ million</i> <i>(Audited)</i>
Assets		
Non-current assets		
Investment properties.....	209,478.8	211,220.7
Property, plant and equipment.....	15,566.3	19,684.3
Right-of-use assets	5,124.0	6,298.2
Intangible concession rights	13,236.5	13,011.4
Intangible assets.....	8,375.2	8,395.2
Value of business acquired.....	5,107.9	5,239.8
Deferred acquisition costs	2,498.2	2,335.0
Interests in joint ventures	54,527.4	48,745.2
Interests in associated companies.....	13,857.3	16,193.1
Financial assets at amortised cost.....	6,895.0	-
Financial assets at fair value through profit or loss	19,997.3	18,684.0
Financial assets at fair value through other comprehensive income	40,815.4	39,133.8
Derivative financial instruments.....	1,219.2	781.6
Properties for development	16,115.1	23,310.6
Deferred tax assets	2,342.4	2,015.0
Other non-current assets.....	28,929.3	27,668.2
	<u>444,085.3</u>	<u>442,716.1</u>
Current assets		

	As at 30 June	
	2023	2022
	<i>HK\$ million</i> <i>(Audited)</i>	<i>HK\$ million</i> <i>(Audited)</i>
Properties under development.....	56,424.6	62,066.2
Properties held for sale.....	21,536.4	21,770.6
Inventories	497.4	504.9
Debtors, prepayments, premium receivables and contract assets.....	23,767.3	32,235.2
Investments related to unit-linked contracts	8,940.1	8,649.2
Financial assets at fair value through profit or loss	3,256.1	2,529.9
Financial assets at fair value through other comprehensive income	3,291.5	3,154.2
Derivative financial instruments.....	150.8	27.4
Restricted bank balances.....	1,254.0	4,494.5
Cash and bank balances	53,263.9	57,715.6
	<u>172,382.1</u>	<u>193,147.7</u>
Non-current assets classified as assets held for sale	15.8	20.1
	<u>172,397.9</u>	<u>193,167.8</u>
Total assets	<u>616,483.2</u>	<u>635,883.9</u>
Equity		
Share capital.....	78,382.1	78,382.1
Reserves.....	117,670.3	134,978.0
Shareholders' funds.....	196,052.4	213,360.1
Perpetual capital securities.....	47,439.3	47,614.2
Non-controlling interests.....	24,999.7	27,124.5
Total equity	<u>268,491.4</u>	<u>288,098.8</u>
Liabilities		
Non-current liabilities		
Long-term borrowings and other interest-bearing liabilities.....	138,222.9	143,038.9
Lease liabilities	4,013.8	4,517.3
Insurance and investment contract liabilities.....	16,049.1	16,470.0
Liabilities related to unit-linked contracts	192.0	190.8
Deferred tax liabilities.....	9,537.0	10,318.2
Derivative financial instruments.....	347.6	221.6
Other non-current liabilities	372.8	215.5
	<u>168,735.2</u>	<u>174,972.3</u>
Current liabilities		
Creditors, accrued charges, payables to policyholders and contract liabilities	59,613.7	70,233.5
Current portion of long-term borrowings and other interest-bearing liabilities	36,790.3	36,175.1
Short-term borrowings and other interest-bearing liabilities	15,388.5	14,094.5
Lease liabilities	1,160.4	1,285.2
Insurance and investment contract liabilities.....	46,219.6	31,734.4
Liabilities related to unit-linked contracts	8,936.5	8,645.1
Derivative financial instruments.....	12.7	0.4
Current tax payable	11,104.5	10,614.1

	As at 30 June	
	2023	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(Audited)</i>	<i>(Audited)</i>
	179,226.2	172,782.3
Liabilities directly associated with non-current assets classified as assets held for sale	30.4	30.5
	179,256.6	172,812.8
Total liabilities	347,991.8	347,785.1
Total equity and liabilities	616,483.2	635,883.9

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including the risks and uncertainties described below. The business, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. The Issuer and NWD believe that the following factors may affect their ability to fulfil their obligations under the Notes. All of these factors are contingencies which may or may not occur and neither the Issuer nor NWD is in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer and NWD believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer and NWD believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or NWD to pay principal, interest (if any) or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and the Issuer and NWD do not represent that the statements below regarding the risks of holding the Notes are exhaustive.

Risks Relating to the Group and its Businesses

Hong Kong property market risks

The Group derives a substantial portion of its revenue and operating profits from its Hong Kong property development and investment activities and is consequently dependent on the state of the Hong Kong property market. Historically, the Hong Kong property market has been cyclical and Hong Kong property values have been affected by supply and demand of comparable properties, the rate of economic growth in Hong Kong, political and economic developments in the PRC and the condition of the global economy. For the year ended 30 June 2023, profit attributable to shareholders of the Company amounted to HK\$900.9 million, which dropped by 27.9 per cent. compared to the year ended 30 June 2022. For the year ended 30 June 2023, the Group's core profit amounted to HK\$11,011.0 million, while for the year ended 30 June 2022, the Group's core profit amounted to HK\$9,082.3 million.

Hong Kong property prices and rents for residential, commercial and industrial properties, after reaching record highs in the mid-1990s, declined significantly in and after the fourth quarter of 1997 as a result of the general economic downturn in Asia and the local economic environment. The property market showed improvement during the period from 2004 to the end of the first half of 2008, while property prices and rents in Hong Kong declined in the second half of 2008. Property prices remained substantially flat during 2009, but have generally increased from 2010 onwards till 2022 where the property prices have then gradually declined. Factors such as the prospect of economic downturn and the tightening of liquidity can create negative sentiments for the property market, and the demand for, and rental rates of, prime office buildings and residential, commercial and industrial properties can consequently reduce. At the end of 2010, the Hong Kong government and the Hong Kong Monetary Authority (“**HKMA**”) introduced residential property cooling measures, such as Special Stamp Duty (“**SSD**”) for residential property that is disposed of by the seller within 24 months of the date of acquisition, and reduced loan-to-value borrowings limits. The size of the prospective purchaser base in the Hong Kong residential property market has shrunk since these measures were introduced in 2010. The PRC government has also taken measures to cool the property market in the PRC.

The Hong Kong government has introduced a number of additional residential property cooling measures. In October 2012, the government introduced Buyer's Stamp Duty (“**BSD**”) and extended the SSD regime. BSD applies to all residential properties acquired by any person, other than a Hong Kong Permanent Resident, and is charged at a flat rate of 15 per cent. on all residential properties, on top of the existing stamp duty charge. The SSD regime was amended to increase the rate of SSD and to extend the minimum holding period from 24 months to 36 months.

On 22 February 2013, the financial secretary announced that the Hong Kong government would further amend the Stamp Duty Ordinance to adjust the ad valorem stamp duty (“AVD”) rates and to advance the charging of AVD on non-residential property transactions from the conveyance on sale to the agreement for sale. Any residential property (except that acquired by a Hong Kong permanent resident who does not own any other residential property in Hong Kong at the time of acquisition) and non-residential property acquired on or after 23 February 2013, either by an individual or a company, will be subject to the new rates of AVD upon the enactment of the relevant legislation. Transactions which took place before 23 February 2013 will be subject to the original stamp duty regime. In addition, the Residential Properties (First-hand Sales) Ordinance came into effect on 29 April 2013. This ordinance sets out detailed requirements in relation to sales brochures, price lists, show flats, disclosure of transaction information, advertisements, sales arrangements and the mandatory provisions of the Preliminary Agreement for Sale and Purchase and Agreement for Sale and Purchase for the sales of first-hand residential properties.

The Stamp Duty (Amendment) Ordinance 2014 (the “**Amendment Ordinance**”) became law on 28 February 2014 and was deemed to have come into operation on 27 October 2012. Under the Amendment Ordinance, any residential property acquired on or after 27 October 2012, either by an individual or a company (regardless of where it is incorporated), and resold within 36 months, is subject to SSD. Residential properties acquired by any person (including a company incorporated) except a Hong Kong permanent resident, will also be subject to BSD, to be charged at a flat rate of 15 per cent., on top of the existing stamp duty and SSD, if applicable.

The Stamp Duty (Amendment) (No. 2) Ordinance 2014 (“**Amendment Ordinance No. 2**”) was gazetted on 25 July 2014. Amendment Ordinance No.2 provides that the AVD payable on certain instruments dealing with immovable properties executed on or after 23 February 2013 (the “**Effective Date**”) shall be computed at higher rates (“**Scale 1 rates**”). It also advanced the timing for charging AVD on non-residential property transactions from the conveyance on sale to the agreement for sale executed on or after the Effective Date. Under Amendment Ordinance No. 2, any residential property and non-residential property acquired on or after the Effective Date, either by an individual or a company, is subject to the Scale 1 rates, except that acquired by a Hong Kong permanent resident acting on his/her own behalf who does not own any other residential property in Hong Kong at the time of acquisition.

The Stamp Duty (Amendment) Ordinance 2018 (the “**2018 Amendment Ordinance**”) was gazetted on 19 January 2018. Under the 2018 Amendment Ordinance, the AVD at Scale 1 rates enacted under the Amendment Ordinance No. 2 are further divided into Part 1 (a flat rate of 15 per cent.) and Part 2 (original Scale 1 rates under the Amendment Ordinance (No. 2)) with effect from 5 November 2016. Part 1 of the Scale 1 rates applies to instruments of residential property and Part 2 of the Scale 1 rates applies to instruments of non-residential property. The 2018 Amendment Ordinance provides, amongst others, that any instrument of residential property executed on or after 5 November 2016 for the sale and purchase or transfer of residential property, unless specifically exempted or provided otherwise, will be subject to AVD at the rate under Part 1 of the Scale 1 rates, i.e. a flat rate of 15 per cent. of the consideration or value of the residential property, whichever is the higher. However, as a result of the economic downturn and uncertainties surrounding the novel coronavirus (“**COVID-19**”) pandemic, the Stamp Duty (Amendment) Ordinance 2021 was gazetted on 19th March 2021 and provides, amongst others, that any instrument executed on or after 26 November 2020 for the sale and purchase or transfer of non-residential property, unless specifically exempted or provided otherwise, will be subject to AVD at rates equal to half of the rates under Part 2 of the Scale 1 rates (“**Scale 2 rates**”).

The Stamp Duty (Amendment) (No. 2) Ordinance 2023 (the “**2023 Amendment Ordinance No.2**”) was gazetted on 25 May 2023. The 2023 Amendment Ordinance No. 2 makes adjustments in the value bands on which the Scale 2 rates apply and provides, amongst others, that the new value bands are applicable to any instrument executed from 11 a.m. on 22 February 2023 for the sale and purchase or transfer of residential property or non-residential property that is subject to AVD at Scale 2 rates, unless provided otherwise.

On 29 June 2018, the Hong Kong government proposed a tax on vacant first-hand private residential units at two times the annual rateable value of the units (the “**Vacancy Tax**”) to encourage developers to release

residential units more quickly into the market. Under the proposal, developers of first-hand private residential units with an occupation permit issued for 12 or more months will be required to make annual returns disclosing the occupancy status of their units. Units that have not been occupied or rented out for more than six of the past 12 months will be considered vacant and subject to the Vacancy Tax, which will be collected annually. On 13 September 2019, the Hong Kong government gazetted an amendment bill to implement the proposed Vacancy Tax at the Legislative Council. In October 2019, the Hong Kong government introduced the amendment bill into the Legislative Council for scrutiny and a bill committee was set up in May 2020. Although the amendment bill was not passed in the relevant term of the Legislative Council (following the bill committee's decision to discontinue its scrutiny work due to the time constraint in June 2020), if the bill were subsequently implemented, the Vacancy Tax may present a financial burden to the Group, which may have an adverse effect on its business, operating results and financial condition.

On 16 October 2019, the Hong Kong government has expanded eligibility under the Mortgage Insurance Programme of the Hong Kong Mortgage Corporation Limited. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 90 per cent. loan-to-value ratio has been raised from HK\$4 million to HK\$8 million. The cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio has also been raised from HK\$6 million to HK\$10 million. On 26 November 2020, the Hong Kong government abolished the double ad valorem stamp duty on non-residential properties.

On 23 February 2022, the Hong Kong Mortgage Corporation Limited announced amendments to the Mortgage Insurance Programme for completed residential properties. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 90 per cent. loan-to-value ratio has been raised to HK\$10 million. The cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio has also been raised to HK\$12 million. On 7 July 2023, the Mortgage Insurance Programme for completed residential properties was further amended. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio has been raised to HK\$15 million. The coverage of the Mortgage Insurance Programme has also been extended to properties valued above HK\$15 million and up to HK\$30million, subject to a mortgage loan cap of HK\$12 million or a maximum of 70% LTV, whichever is higher.

There can be no assurance that the Hong Kong government will not implement further cooling measures or extend the scope, application and rate level of the existing measures. These and any further measures may adversely impact the Hong Kong property market which may in turn adversely impact the Group's business, operating results, financial condition and prospects.

In the event of economic decline, the Group may experience market pressures that affect all Hong Kong property companies, such as pressures from tenants or prospective tenants to provide rent reductions or reduced market prices for sale properties. Rental values and property prices are also affected by factors such as local, regional and global economic downturns, political developments, governmental regulations and changes in planning or tax laws, interest rate levels and inflation.

In addition, from time to time, and especially during economic downturns, the Group has experienced pressure from existing and prospective commercial tenants to provide rent reductions or longer rent free periods than previously given. This has had a negative impact on the Group's rental income from its commercial property investments in the past and the recurrence of such market conditions in the future may have an adverse effect on the Group's business, operating results, financial condition and prospects.

There can be no assurance that rents and property values will not decline. This could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Volatility in the Hong Kong property market also impacts the timing for both the acquisition (or modification of land use terms) of sites and the sale of completed development properties. This volatility, combined with the

lead time required for completion of projects and the sale of existing properties, means that the Group's results from its property development activities may be susceptible to significant fluctuations from year to year.

PRC property market risks

The Group has substantial property development and investment interests in the PRC through its subsidiary New World China Land Limited (“NWCL”) and expects to continue to develop and invest in properties in the PRC. The Group is therefore subject to risks usually associated with property development and investment in the PRC.

Private ownership of property in the PRC is still at an early stage of development. The growth of the private property market has been and will continue to be affected by social, political, government policy, economic and legal factors which may inhibit demand for residential properties. For example, the PRC property market has in the past experienced weakness in demand due to the lack of a mature and active secondary market for private properties and the limited availability of mortgage loans to individuals in the PRC as a result of government interventions.

Historically, the PRC property market has been a cyclical market. The rapid expansion of the property markets in certain major cities in the PRC, including Shanghai and Beijing in the early 1990s, culminated in an oversupply in the mid-1990s and a corresponding fall in property values and rentals in the second half of that decade. Since the late 1990s, private residential property prices and the number of residential property development projects have increased significantly in major cities as a result of increase in demand driven by domestic economic growth. In particular, prices of residential properties in certain major PRC cities such as Beijing, Shanghai, Guangzhou and Shenzhen have experienced rapid and significant growth. However, residential property prices have experienced some correction since the end of 2007 and in response to the cooling measures taken in 2010. There can be no assurance that the problems of oversupply and falling property prices will not recur in the PRC property market.

PRC central and local governments also frequently adjust monetary and other economic policies to prevent and curtail the overheating of the national and local economies, and such economic adjustments may affect the PRC property market. For example, the PRC government introduced additional measures to cool the property market and to tighten market liquidity and curb property speculation. Further, many cities have promulgated measures to restrict the number of properties a household is allowed to purchase and similar restrictive measures could be introduced in the near future. Given that central and local PRC governments are expected to continue to exercise a substantial degree of control and influence over the PRC economy and property market, any form of government control or newly implemented laws and regulations, in particular decisions taken by PRC regulators concerning economic policies or goals that are inconsistent with the Group's interests, may, depending on the nature and extent of such changes and the Group's ability to make corresponding adjustments, negatively impact the Group's future expansion plans in the PRC and have an adverse effect on the Group's business, operating results, financial condition and prospects. There is no assurance that the PRC government will not take further action, whether in the form of new austerity measures, regulations or policy adjustments, which would adversely affect the PRC property market. See also “— *Risks Relating to the PRC*”.

In addition, development projects in the PRC are dependent on obtaining the approval of a variety of governmental authorities at different levels, receipt of which cannot be assured. These development projects have been and may in the future be subject to certain risks, including those associated with the cyclical nature of property markets, changes in governmental regulations and economic policies (including regulations and policies restricting construction of properties and buildings and related limitations on pre-sales and extensions of credit), restrictions on the payment terms for land uses, building material shortages, increases in labour and material costs, changes in general economic and credit conditions and the illiquidity of land and other properties. In particular, the Group has interests in development projects which require resettlement of the original occupants of the sites of the project. Resettlement is costly and may result in delays in the development schedule. Any restriction on the Group's ability to carry out pre-sale of its properties or any restriction on the use of pre-sale proceeds could extend the time required to recover its capital outlay and could have an adverse

effect on its business, operating results, financial condition and prospects, and in particular its cash flow position. Moreover, property developers in the PRC must obtain a formal qualification certificate in order to engage in a property development business in the PRC. These factors could adversely affect the Group's business, operating results, financial condition and prospects.

Global economic factors

Economic developments outside Hong Kong and the PRC could adversely affect the property, transportation, hotel and retail sectors in Hong Kong and the PRC. The global economic slowdown and turmoil in the global financial markets beginning in the second half of 2008 have had a negative impact on the global economy. Since 2011, the global economy was overshadowed by the wide-ranging and complex effects arising from the worsening European sovereign debt crisis, the continued slow recovery of the United States economy, and the escalating political instability in the Middle East and North Africa. The uncertainty arising from the United Kingdom's withdrawal from the European Union on 31 January 2020, political instability in the Korean Peninsula, a slump in commodity prices, particularly the price of oil, fears of a slowdown in the PRC economy, interest rate hikes or adjustments in the United States and the collapse of financial institutions in early 2023 have resulted in instability and volatility in the capital markets. Furthermore, fears over a trade war between the United States and the PRC, with the United States imposing tariffs on PRC products from July 2018 and retaliatory tariffs imposed by the PRC, have caused greater volatility in global markets. Additionally, the EU-UK Trade and Cooperation Agreement, which was signed on 30 December 2020 and came into force on 1 May 2021, may lead to further developments in global markets. In addition, the ongoing military conflict between Russia and Ukraine and Israel and Palestine has been contributing to further increases in the price of energy, oil and other commodities and to volatility in financial markets globally, as well as to the development of a new landscape in relation to international sanctions. These events have had and continue to have a significant adverse impact on the global credit and financial markets as a whole.

Any deterioration in the financial markets may contribute to a slowdown in the global economy, including in the growth forecasts, and may lead to significant declines in employment, household wealth, consumer demand and lending. These events have had, or may have, a significant adverse impact on economic growth in Hong Kong, the PRC and elsewhere. An economic downturn may also have a negative impact on the overall level of business and leisure travel to Hong Kong and the PRC. There can be no assurance that these conditions will not lead to oversupply and reduced property prices and rentals, reduced hotel occupancy levels and rates and reduced consumer spending in Hong Kong and the PRC. There can be no assurance that the stimulus measures implemented or proposed by a number of governments as at the date of this Offering Circular, including any quantitative easing, will improve economic growth or consumer sentiment in these countries. Hong Kong stock market prices have also experienced significant volatility which may continue to affect the value, and any return from the sale of the Group's investments in companies listed on the Hong Kong Stock Exchange.

In addition, changes in the global credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing. The Group may face difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding in the future. There can be no assurance that the Group will be able to raise finance at a reasonable cost.

Lease renewals

The leases that the Group has granted are typically for two to three years for office and retail tenants occupying relatively small commercial floor space and longer lease periods for those tenants occupying relatively large commercial floor space. Some of the Group's leases are up for renewal each year and the rents charged are typically adjusted based upon prevailing market rates. Accordingly, it is possible to have a concentration of renewal of leases or rent adjustments in a given year, and that a slowdown in the rental market in a given year could adversely affect the rental income of the Group.

Changes to local, regional and global economic conditions may cause companies to downsize and even close their operations in Hong Kong and the demand and rental rates of prime office buildings and retail space may

greatly reduce. Should the economic environment weaken, a more cautious view may be taken by tenants towards the size of leased space and the rental rates upon renewal of commercial tenancies, which could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Property ownership and development considerations

Investment in property is generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash at short notice or requiring a substantial reduction in the price that might otherwise be sought for such assets to ensure a quick sale. Such illiquidity also limits the Group's ability to manage its portfolio in response to changes in economic or other conditions. Moreover, it may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to such illiquidity.

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

The Group's property development business involves significant risks distinct from those involved in the ownership and operation of established properties, among other things: the risk that financing for development may not be available on favourable terms; that construction may not be completed on schedule or within budget (for reasons including shortages of equipment, material and labour, work stoppages, interruptions resulting from inclement weather, unforeseen engineering, environmental and geological problems and unanticipated cost increases); that development may be affected by governmental regulations (including changes in building and planning regulations and delays or failure to obtain the requisite construction and occupancy approvals); that developed properties may not be leased or sold on profitable terms and that purchasers and/or tenants will default.

Availability of mortgages

The terms on which mortgages are available, if at all, to purchasers of the Group properties may affect its sales. An increasing number of purchasers of the Group's residential properties in Hong Kong and in the PRC arrange mortgages to fund their purchases. An increase in interest rates may increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchases and adversely affecting the affordability of residential properties. On 16 October 2019, the Hong Kong government has expanded eligibility under the Mortgage Insurance Programme of the Hong Kong Mortgage Corporation Limited. On 23 February 2022, the Hong Kong government further expanded such eligibility and on 7 July 2023, the Mortgage Insurance Programme for completed residential properties has been further expanded as well. Such measures allow more potential buyers to fulfil eligibility in relation to property mortgages, thereby expanding residential property options available to potential buyers. However, there can be no assurance that such measures may stimulate the appetite of potential buyers. These and any further measures may adversely impact the Hong Kong property market which may in turn adversely impact the Group's business, operating results, financial condition and prospects.

Specifically, in the PRC, in line with macroeconomic policies and policies intended to regulate and cool down the property market, the PRC government has taken a number of measures to regulate the availability, terms and pricing of mortgage financing for property purchasers. In addition, the PRC government and commercial banks may also increase the down payment requirement, impose other conditions or otherwise change the regulatory framework in a manner which would make mortgage financing unavailable or unattractive to potential property purchasers. Further, any increase in interest rates including the People's Bank of China ("PBoC") benchmark rate, will adversely affect the affordability and attractiveness of mortgage financing to potential purchasers of the Group's properties.

If the availability or attractiveness of mortgage financing is reduced or limited, some of the Group's potential purchasers may not be able to purchase its developed properties and, as a result, the Group's business, liquidity and results of operations could be adversely affected.

Competition

Hong Kong properties in the office, retail, residential and carpark sectors are highly competitive. New properties and facilities built in Hong Kong may compete with the Group for tenants and occupants, which may affect the Group's ability to maintain high occupancy and utilisation levels, rental rates and carpark charges in respect of its investment properties, and buyers, which may affect the Group's ability to sell its development properties. For example, since 2018, there is a trend for Grade A office building tenants to relocate to nearby sub-core districts where rents are lower. The Group may be under pressure to lower rental rates, carpark charges and incur additional capital expenditure to effect improvements or offer additional concessions to tenants to avoid falling occupancy or utilisation levels and to reduce sale prices on its development properties, all of which may have a negative impact on the Group's profit. For the retail properties sector, the competitive business environment among retailers in Hong Kong may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent. Any of the above could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Effects of property revaluations

In accordance with HKFRS, the Group values its investment properties at every reporting financial statement date at their open market value on the basis of an external professional valuation. Any change in the valuation is charged or credited, as the case may be, to the income statement. The fair value of each of the Group's investment properties is likely to fluctuate in the future, and the Group's historic results, including fair value gains or losses, should not be regarded as an indicator of its future profit. There was an uptrend in the fair value of the Group's investment properties since the financial year ended 30 June 2014 up to the financial year ended 30 June 2023 of the Group's investment properties, and there is no assurance that the fair value will not decrease in the future. Any such decrease in the fair value of the Group's investment properties will reduce its profit and equity for that year and would increase the gearing ratio of the Group. The Group may not be able to obtain financing on favourable terms. These factors could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Land for Hong Kong property development and investment

The Group's business and results from operations are dependent, in part, on the availability of land, buildings and hotels suitable for development or investment and the Group's ability to replenish its land bank at favourable costs. The limited supply of, and competition for, land in Hong Kong has, in the past, made it increasingly difficult to locate suitable property to acquire at economical prices for development. Government policies seeking to increase land supply and increases in borrowing costs could affect the Group's ability to maintain historical operating margin levels, and profits from property development activities could be adversely affected. Although the Group has a significant agricultural land reserve, it is required to obtain government approval for the modification of land usage rights to residential, commercial or other appropriate use before such agricultural land can be used for development purposes. There can be no assurance, however, that such applications will be successful. If the applications are granted, they are likely to be subject to conditions, including the payment of land modification premiums which are typically greater than the cost of acquisition of the land. Approvals of applications may also be subject to restrictions on the area of a piece of land that may be developed for residential or commercial use. This could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Reliance on independent contractors and sub-contractors

The Group engages independent third-party contractors and sub-contractors to provide various services in connection with its property development and its infrastructure business including construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air conditioning units and

elevators, and transportation of materials by air, sea and road. There is no assurance that the services rendered by any independent third-party contractor or sub-contractor engaged by the Group will be satisfactory. The Group is also exposed to the risk that its contractors and sub-contractors may require additional capital to complete an engagement in excess of the price originally tendered and the Group may have to bear additional costs as a result. Furthermore, in view of the tightening of credit facilities provided by banks, there is a risk that the Group's major contractors and sub-contractors may experience financial or other difficulties which may affect their ability to discharge their obligations, thus delaying the completion of the Group's development projects or resulting in additional costs for the Group. The timely performance by these contractors and sub-contractors may also be affected by natural and human factors such as natural disasters, strikes and other industrial or labour disturbances, terrorisms, restraints of government, civil disturbances, accidents or breakages of machinery or equipment, failure of suppliers, interruption of delays in transportation, all of which are beyond the control of the Group. Any of these factors may have an adverse effect on the Group's business, operating results, financial condition and prospects.

Cost of construction materials

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

Construction costs may fluctuate as a result of the volatile price movement of construction materials such as steel and cement. The Group manages the cost of outsourced construction work through a process of tenders which, among other things, takes into account procurement of supplies of principal construction materials such as steel and cement for the Group's property development projects at fixed prices. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), the Group will be required to re-negotiate, top up or refund, depending on the price movement, existing construction contracts. Additionally, should existing contractors fail to perform under their contracts, the Group may be required to pay more to contractors under replacement contracts. Therefore, the Group's profit margin is sensitive to changes in the market prices for construction materials and these profit margins will be adversely affected if the Group cannot pass all of the increased costs onto its customers.

Construction delays

The Group is exposed to risks associated with project delays and cost overruns. Projects undertaken by the Group typically require substantial capital expenditures during the construction phase and usually take many months, sometimes years, before cash proceeds are generated. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of construction materials, equipment or labour, adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents, difficulties in obtaining necessary governmental approvals, changes in governmental priorities and other unforeseen circumstances. Any of these circumstances could give rise to construction delays and/or cost overruns.

Construction delays may result in the loss of revenues. Since the Group outsources the majority of its construction work to third-party contractors, it relies on its contractors to complete projects according to the agreed completion schedules and does not exercise any direct control over materials sourcing or the construction schedule of such projects. Under the Group's pre-sale contracts, it is liable to the purchasers for default payments if it fails to deliver the completed properties in accordance with the delivery schedule in these contracts, and in the case of a prolonged delay, the purchasers will be entitled to terminate the pre-sale contracts and require a refund of the purchase price in addition to the default payments. In addition, the failure to complete construction according to its specifications may result in liabilities, reduced efficiency and lower financial

returns. Although most of the Group's projects have been completed on schedule and the Group has not incurred any material default liabilities due to construction delays, there can be no assurance that this will remain the case or that future projects will be completed on time, or at all, and generate satisfactory returns.

Hotel business

The hotel business is sensitive to changes in global and national economies in general, and to other external factors. The recent economic downturn, coupled with Hong Kong's social unrest since June 2019 and in May 2020, and the global COVID-19 pandemic since late-2019, have had, and any further economic downturn, social unrest or outbreaks could have, a negative impact on the level of business and leisure travel to Hong Kong, the PRC and elsewhere in South East Asia where the Group operates its hotels, which in turn has had, and may continue to have, a negative impact on the hotel industry in the region. In particular, a decline in business and leisure travel has had a negative impact on occupancy and room rates of the Group's hotels. A prolonged downturn in the hotel industry may have an adverse effect on the Group's business, operating results, financial condition and prospects.

The hotel industry may also be unfavourably affected by other factors such as government regulations, changes in local market conditions, competition in the industry, excess hotel supply or reduced international or local demand for hotel rooms and associated services, foreign exchange fluctuations, interest rate environment, the availability of finance and social factors.

Additionally, the Group's hotel operations may be adversely impacted by the Group's ability to control costs, including increases in wage levels, energy, healthcare, insurance costs and other operating expenses. This may result in lower operating profit margins or even losses and the relative mix of owned, leased and managed properties and the success of its food and beverage operations may be adversely affected.

Department store business

The Group, through its subsidiary New World Department Store China Limited ("NWDS"), operates a network of department stores in the PRC. The success of the department store business depends to a significant extent on NWDS' relationships with its concessionaires, which contribute a substantial amount of NWDS' revenue through the payment of commissions. NWDS also relies on its concessionaires to provide a variety of products and brands. In the event that a significant number of major brand concessionaires terminate or fail to renew their contracts with NWDS and NWDS fails to find other suitable brand concessionaires as replacements, or if the commission rate of concessionaire sales decrease, financial results of the department store business could also be adversely affected.

Most of the department stores are subject to lease agreements, and there can be no assurance that the landlord of each department store will renew the respective lease upon its expiry. In the event that NWDS ceases to occupy the leased properties, NWDS will be required to relocate or close down the relevant department store may have an adverse effect on the Group's business, operating results, financial condition and prospects.

NWDS and its concessionaires source merchandise worldwide. The standard agreement with concessionaires requires that neither the names of concessionaire stores nor the merchandise sold by them may infringe intellectual property rights, or in any other way be unlawful. In addition, the concessionaires may neither display nor sell any prohibited or illegal merchandise. The standard supply agreement with direct sales suppliers also provides that the merchandise sold by them do not infringe intellectual property rights. In the event that NWDS directly, or indirectly through its concessionaires, sells infringing goods at the department stores, NWDS may be found liable for infringement of intellectual property rights and be compelled to pay damages or penalties. Although NWDS' concessionaires and direct sales suppliers provide it with written indemnities covering the full extent of any third party liability that NWDS may incur through their operations and sales made in NWDS' department stores, there can be no assurance that NWDS can successfully obtain any such indemnity payment or that the indemnity payment will fully cover all of NWDS' costs associated with the original liability. If any claims alleging infringement of intellectual property rights are brought against NWDS or its concessionaires, the reputation of NWDS and the Group may also be damaged.

There are general risks associated with the retail business, including changing customer preferences, seasonal fluctuations, adverse weather conditions, suitable sites for expansion, sufficient human resources, obtaining and retaining direct sales suppliers, concessionaires and personnel, labour disputes and government approvals, some of which are beyond NWDS' and the Group's control. Failure to manage such risks may have an adverse effect on the Group's business, operating results, financial condition and prospects.

Risks relating to accidents or other hazards

The Group maintains insurance coverage in respect of all of its properties under construction, third-party liabilities and employer's liabilities in accordance with what it believes to be industry standards. However, the Group may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of high premium costs or other reasons. In particular, the Group's insurance policies generally do not cover certain types of losses incurred due to hazards such as war, civil disorder, acts of terrorism, and other natural disasters. Any losses may significantly affect the Group's business operation and the Group may not have sufficient funds to replace any property destroyed as a result of such hazards. In addition, any payments the Group makes to cover any losses, damages or liabilities may have an adverse effect on its business, operating results, financial condition and prospects. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fires, floods, water damage, explosions, power losses, typhoons and other natural disasters may have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, whilst every care is taken by the Group and its employees in the selection and supervision of its independent contractors, accidents and other incidents, such as theft, may occur from time to time. Such accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents or incidents could occur which are not covered by these arrangements. The occurrence of any such accidents or incidents which are not covered by insurance may have an adverse effect on the Group's business, operating results, financial condition and prospects. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

Legal and regulatory considerations

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

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

Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly or at all. If the Group experiences delays in obtaining, or is unable to obtain, such required approvals or licences, it may have an adverse effect on the Group's business, operating results, financial condition and prospects.

Outbreaks of contagious diseases

The outbreak of contagious diseases such as the COVID-19 pandemic could be severe and widespread and may result in protracted volatility in international markets and/or result in a global or local recession or depression as a consequence of disruptions to travel and retail segments, tourism, hotel and manufacturing supply chains. Such outbreaks or any material change in the financial markets or global economy as a result of these events may have an adverse effect on Hong Kong and global economy, which in turn may affect the Group's business operations, financial condition and operating results.

In 2003, the Severe Acute Respiratory Syndrome ("SARS") that began in the PRC and Hong Kong had an adverse effect on all levels of business in Hong Kong and the PRC. The outbreak of SARS led to a significant decline in travel volumes and business activities throughout most of the Asian region.

Concerns about the outbreak and rapid spread of such contagious diseases, including COVID-19, have caused governments to take measures to prevent the spread of the virus. The outbreak of communicable diseases such as the ones listed above on a global scale has caused significant disruption to economies around the world, in particular the travel, tourism, hotel and retail segments and resulted in sporadic volatility in global capital markets. The outbreak of COVID-19 resulted in restrictions on travel and transportation and prolonged closures of workplaces, businesses, schools and certain public areas which led to a material adverse effect on the Group's business operations, financial condition and operating results. In response to the closure of certain properties due to COVID-19, rental reductions were provided to selected tenants for a limited period of time. In particular, the impact of COVID-19 on hotel businesses and food & beverages and catering services was apparent. While travel bans were gradually lifted since early 2023, there is no assurance that travel and transportation restrictions or advisories will not be restored, owing to the outbreak of a contagious disease or otherwise. Any related governmental measures or actions could also negatively impact the Group's contractors' ability to perform their contracts with the Group, including its construction contractors. As a result, the completion of the Group's projects may be delayed, which might in turn result in an increase in development costs, a decrease in sales and/or otherwise adversely affect the Group's financial condition and operating results.

There is no assurance that there will not be an outbreak of another contagious disease. In the event of an outbreak of any contagious disease, the global economy will face significant uncertainties and the global financial markets will experience significant volatilities, which may have an adverse impact on the Group's business, financial condition, operating results and outlook.

Civil unrest has had and may continue to have an adverse impact on the Group's business, financial condition or operating results

Civil unrest occurring in close proximity to the Group's shopping malls and hotels may disrupt the Group's business. There is no assurance that there will not be any future interruptions to the business and operations of the Group's shopping malls or hotels, or to the potential consumers' access to the activities therein. Moreover, inbound tourism may be affected by civil unrest or protests, with fewer tourists travelling to Hong Kong which in turn may negatively affect the Hong Kong retail market and hospitality industry. Civil unrest is outside the control of the Group and any such demonstrations, protests or riots occurring in close proximity to the Group's stores could adversely impact the Group's business, financial condition and results of operations.

External risks

A natural disaster, catastrophe or other event could result in severe personal injury, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. The Group's operations are based in jurisdictions which are exposed to potential natural disasters including, but not limited to, typhoons, storms, floods and earthquakes. If any of the Group's developments are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses at their intended

capacities, thereby reducing revenues. Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons.

Limited availability of funds

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

Joint venture risks

Co-operation and agreement among the Group and its joint venture partners on its existing or any future projects is an important factor for the smooth operation and financial success of such projects. The Group's joint ventures may involve risks associated with the possibility that the joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group, (ii) be unable or unwilling to fulfill their obligations under the relevant joint venture or other agreements or (iii) experience financial or other difficulties. Further, the Group may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners and, in some cases, it does not have majority control of the joint venture. In most cases, the Group does, however, through contractual provisions or representatives appointed by it, have the ability to control or influence most material decisions. Although the Group does not currently experience any significant problems with its joint venture partners, no assurance can be given that disputes among the Group and its joint venture partners or among the partners will not arise in the future that could adversely affect such projects.

The financial information of the Group after the disposal of the Group's shares in NWSH (as defined below)

On 17 November 2023, the Group announced that all its shares in NWS Holdings Limited ("NWSH"), being its 2,380,495,938 shares in NWSH (representing approximately 60.85% of the issued share capital of NWSH as at 9 November 2023) (the "**Relevant NWS Shares**"), have been disposed of by the Group and the consideration of the Relevant NWS Shares has been received by the Group on 20 November 2023. Accordingly, the Group no longer holds any shares in NWSH and NWSH has ceased to be a subsidiary of the Group, following which the business operations and performance of NWSH will no longer be consolidated with and reflected in the financial information of the Group subsequent to 17 November 2023. As a result, the Group's historical financial information as at and for the financial year ended 30 June 2023 may not be directly comparable against the Group's financial information on and after 1 July 2023 (including the financial information as at and for the financial year ending 30 June 2024).

Major shareholder of NWD

The major shareholder of NWD is Chow Tai Fook Enterprises Limited ("**CTFEL**") which, together with its subsidiaries, held approximately 45.24 per cent. of the issued share capital of NWD as at 30 June 2023. CTFEL is a private company ultimately owned as to approximately 81.03 per cent. by Chow Tai Fook Capital Limited which is controlled by the family members of the late Dato' Dr. Cheng Yu-Tung, one of the founders and the ex-chairman of NWD. CTFEL, the Cheng family members are therefore able to exert considerable influence

over the management and affairs of the Group, and are able to influence the Group's corporate policies, appoint directors and officers and vote on corporate actions requiring shareholders' approval. The strategic goals and interests of CTFEL, the Cheng family members may not always be aligned with the Group's strategy and interests and could reduce the level of management flexibility that would otherwise exist with a more diversified shareholder base. The interests of the Group's major shareholder may also differ from those of the Noteholders. Transactions between NWD and other companies in which the family has an interest, including Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, are also subject to the rules of the Hong Kong Stock Exchange which, in certain circumstances may require disclosure to, and approval from, the shareholders, excluding CTFEL, of NWD. NWD believes that all transactions between the Group and CTFEL are carried out on an arm's length basis. As a result of the above, the Group may lose some of its competitive advantage, which could have an adverse effect on the Group's business, operating results, financial condition and prospects.

Franchise and licence risks

The Group and its associated companies and joint ventures operate and manage certain franchise businesses such as providing facilities services in respect of the Hong Kong Convention and Exhibition Centre (the "HKCEC"), operating public bus transportation services in Hong Kong, operating ferry transportation services in Hong Kong and operating duty free tobacco and alcohol sales under franchise and licence agreements. There can be no assurance that renewals of franchise and licence periods can be obtained or that if renewed, that the terms of such franchise and licence will not be on terms less favourable than currently obtained by the Group.

Intellectual property considerations

The Group has registered, or applied for registration of, various classes of the "New World" trademark for use in Hong Kong, the PRC, several other Asian countries, the USA and Canada and the "New World" trademark in Chinese (新世界) in some of these jurisdictions. Although the Group has not been subject to any intellectual property dispute in respect of the use of the "New World" trademark (both in English and Chinese), there can be no assurance that third parties will not assert trademark or other intellectual property infringement claims against the Group. Any such claims against the Group, with or without merit, as well as claims initiated by the Group against third parties, could be time consuming and expensive to defend or prosecute and resolve. If third party claims are successful, the Group may have to pay damages and legal costs, and may be restricted from using the "New World" trademark (both in English and Chinese), which may have a negative impact on the Group's reputation. The related costs or potential disruption to the Group's operations could have an adverse effect on the Group.

NWDS does not own the "新世界" (New World) trade name in Shanghai. The "新世界" (New World) trade name has been registered by an independent third party in Shanghai which operates a department store in Shanghai under such trade name. Although NWDS is neither related to nor associated with the owner of the "新世界" (New World) trade name in Shanghai or the store which it operates, negative publicity concerning such store may have an adverse impact on the image and brand recognition of NWDS, NWD or the Group. In order to avoid confusion with the department store operated in Shanghai by the independent third party, NWDS has relied on the "巴黎春天" (Ba Li Chun Tian) trade name for its Shanghai operations since 2001 pursuant to an exclusive and non-transferable licence granted by Shanghai Yimin Department Stores Joint Stock Company Limited. If the licence for the "巴黎春天" (Ba Li Chun Tian) trade name is terminated and NWDS is required to cease using the "巴黎春天" (Ba Li Chun Tian) trade name, NWDS will have to undertake measures, including the use of other trademarks or names for its stores in Shanghai. This may lead to additional marketing and advertising expenses for the purpose of promotion of a new trademark or brand for stores in Shanghai and there can be no assurance that the use of other trade names or marks will be able to generate a level of reputation similar to that of the "巴黎春天" (Ba Li Chun Tian) trade name.

Generally, a deterioration in the Group's brand image, or any failure to protect the Group's brand and intellectual property rights, could have a negative impact on the Group's business. The Group's images play an integral

role in all of the business operations. Any negative incident or negative publicity concerning the Group could adversely affect the Group's reputation and business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents that degrade consumer trust. Consumer demand for the Group's products and the Group's brand value could diminish significantly if the Group fails to preserve the quality of the products, or fail to deliver a consistently positive consumer experience, or if the Group is perceived to act in an unethical or socially irresponsible manner. In addition, any unauthorised use of the Group's brands, trademarks and other intellectual property rights could harm the Group's competitive advantages and business. Historically, China has not protected intellectual property rights to the same extent as certain other countries, and infringement of intellectual property rights continues to pose a serious risk of doing business in China. Monitoring and preventing unauthorised use is difficult. The measures the Group take to protect the Group's intellectual property rights may not be adequate. If the Group is unable to adequately protect the brand, trademarks and other intellectual property rights, the Group may lose these rights and the Group's business may suffer materially.

Risks Relating to the PRC

The Group is subject to the political and economic risks of doing business in the PRC

A significant portion of the Group's operations are located in the PRC. NWD expects that the Group will make further investments in the PRC, and that the Group's assets in the PRC will continue to account for a sizeable share of its overall income base. NWD's trading and financial condition, results of operations and future prospects depend to a large extent on the success of the Group's operations in the PRC and are subject, to a significant degree, to the political and economic situation and legal developments in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including, but not limited to:

- extent of government involvement;
- level of development;
- growth rate;
- economic and political structure;
- control of foreign exchange;
- allocation of resources; and
- regulation of capital reinvestment.

While the PRC economy has experienced significant growth in the past 25 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also have a negative effect on the Group's operations. For example, the Group's business and financial condition may be adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to it.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant

control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. There is no assurance that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business and financial condition.

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

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

Real estate is a highly regulated sector in Mainland China

The supply of land in Mainland China is controlled and regulated by the PRC government. The land supply policies adopted by the PRC government directly impact the Group's ability to acquire land use rights for development and the costs of such acquisitions. For example, in recent years, the PRC government has introduced a series of measures (and may implement further measures) to curb its overheating economy, including policies to prevent excessive rises in property prices in certain cities and sectors such as taxing capital gains to discourage speculation, restricting purchases of real estate by foreigners, limiting the amount of luxury villa developments and tightening of credit available to real estate developers and individual purchasers. Property developers must comply with various national and local regulatory requirements promulgated by different tiers of regulators. From time to time, the PRC government adjusts its macroeconomic policies to encourage or restrict property development which may have a direct impact on the Group's business.

The PRC government's restrictive measures to control the property development industry's rate of growth could limit the Group's access to capital resources, reduce market demand and increase the Group's operating costs. The PRC government may adopt additional and more stringent measures in the future, which may further slow the development of the industry and materially and adversely affect the Group's business and result of operations. In particular, any additional or more stringent measures imposed by the PRC government in the future to curb high-end residential/mixed use real estate projects may materially and adversely affect the Group's business and results of operations.

The Group may, under certain land clearance agreements with relevant land authorities, be required to assist local governments with clearing land and relocating original residents with respect to some of its development property projects in accordance with the relevant PRC laws and regulations.

The complicated administrative process and possibility of unfavourable settlement regarding the amount of compensation may increase the cost of the development and materially adversely affect the Group's cash flow, business operations and financial condition. Under PRC law, if a developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, land use or the time for commencement and completion of the development of the land), the relevant local government authority may

give a warning to or impose a penalty on the developer or forfeit the land granted to the developer. Under the current PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated deadline, it may be subject to a late payment penalty calculated on a per-day basis. In addition, if a developer fails to commence development of a property project within the stipulated period as required under the current PRC laws without the approval from the relevant PRC land bureau, the relevant PRC land bureau may serve a warning notice on the developer and impose an idle land fee of up to 20 per cent. of the land premium unless such failure is caused by a government action or a force majeure event. Even if the commencement of the land development complies with the land grant contract, if the developed gross floor area (“GFA”) on the land is less than one-third of the total GFA of the project or if the total capital expenditure is less than 25 per cent. of the total investment of the project and the suspension of the development of the land is more than one year without government approval, the land will still be treated as idle land. The Notice on Promoting Economisation of Land Use issued by the State Council in January 2008 further confirmed the idle land fee at 20 per cent. of the land premium. If a developer fails to commence such development for more than two years, the land is subject to forfeiture without compensation to the PRC government unless the delay in development is caused by government actions or force majeure. In addition, a developer with idle land together with its shareholders may be restricted from participating in future land bidding.

Although the Group has never been subject to any such penalties or required to pay idle fees or forfeit any of its land in the PRC, there can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future.

Further, the Group must obtain various permits, certificates, relevant approvals from the relevant administrative authorities at various stages of development, including land use rights document, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on the satisfactory compliance with certain requirements or conditions. The Group can give no assurance that it will not encounter material delays or other impediments in fulfilling the conditions precedent to obtain these approvals.

These measures have to date focused on tier-one and tier-two cities, there is a risk that similar measures will be introduced in tier-three and tier-four cities which would have an adverse impact on the Group’s developments in such cities.

Policy initiatives in the financial sector to further tighten lending requirements for property developers may limit the Group’s flexibility and ability to use bank loans or other forms of financing to finance the Group’s development properties and therefore may require the Group to maintain a relatively high level of internally sourced cash

The Group’s ability to arrange adequate financing for land acquisitions or development properties on terms that will allow it to earn reasonable returns depends on a number of factors, many of which are beyond the Group’s control. The PRC government has in recent years taken a number of policy initiatives in the financial sector to further tighten lending requirements for property developers, which, among other things:

- forbid PRC commercial banks from extending loans to property developers to finance land premiums;
- restrict PRC commercial banks from extending loans for the development of luxury residential properties;
- restrict the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibit commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans;

- forbid property developers from using borrowings obtained from any local banks to fund property developments outside that local region; and
- increased the regulation of trust companies including the imposition of enlarged capital adequacy requirements.

The PBoC adjusts the reserve requirement ratio for commercial banks to curtail overheating of the property sector, or, as the case may be, in order to stimulate the PRC economy. The reserve requirement refers to the amount of funds that banks must hold in reserve with the PBoC against deposits (including margin deposits such as acceptances, letters of credit and letters of guarantee) made by their customers. Further increases in the bank reserve requirement ratio may negatively impact the amount of funds available to lend to businesses, including to the Group, by commercial banks in Mainland China. The National Administration of Financial Regulation also regulates the provision of ‘shadow finance’ in the form of wealth management products by banks and trust companies to curtail overheating of the property sector and to protect investors. The regulations include limitations on the pooling of assets, on the proportion of wealth management products relative to other assets, on proprietary trading and on the disclosure associated with the marketing of wealth management products.

The Group cannot assure investors that the PRC government will not introduce other initiatives which may limit the Group’s access to capital resources. The foregoing and other initiatives introduced by the PRC government may limit the Group’s flexibility and ability to use bank loans or other forms of financing to finance the Group’s development properties and therefore may require the Group to maintain a relatively high level of internally sourced cash. As a result, the Group’s business, financial condition and results of operations may be materially and adversely affected.

Currency risks

A significant portion of the Group’s revenue is denominated in Renminbi and must be converted to pay dividends or make other payments in freely convertible currencies. 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, strict foreign exchange controls continue to be implemented in respect of capital account transactions, including repayment of loan principal and return of direct capital investments and investments in negotiable securities.

Inflation risks

In recent years, the PRC economy has experienced periods of rapid expansion and highly fluctuating rates of inflation. During the past ten years, the rate of inflation in China has been as high as 2.9 per cent. and as low as 0.2 per cent., and as at June 2023, the consumer price index in China increased by 0.7 per cent. year over year, according to the National Bureau of Statistics of China. That has led to the adoption by the PRC government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the PRC government to impose controls on credit or prices, or to take other action, which could inhibit economic activity in China, which could materially and adversely affect the Group’s business, financial condition and results of operations.

In particular, such inflation in the PRC may result in increased construction and funding costs for the Group. The PRC government uses various measures to control inflation, including increasing benchmark lending rates and reserve ratios on several occasions. As commercial banks in Mainland China link the interest rates on their loans to benchmark lending rates published by the PBoC, any increase in such benchmark lending rates will increase the funding costs for the Group. The PRC government is expected to continue to manage liquidity, cool down the real estate market and use price controls when needed. The Group’s business, financial condition

and results of operations in Mainland China may be adversely affected by increased construction and funding costs.

Pre-sale

Changes in laws and regulations with respect to pre-sale may also adversely affect the Group's cash flow position and performance. The Group uses proceeds from the pre-sale of its properties as a source of financing for its construction costs. Under current PRC laws and regulations, property developers must fulfil certain conditions before they can commence the pre-sale of their property development projects and may use pre-sale proceeds to finance their developments. There can be no assurance that the PRC governmental authority will not ban the practice of pre-selling uncompleted properties or implement further restrictions on the pre-sale of properties, such as imposing additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds. Proceeds from the pre-sale of the Group's properties are an important source of financing for its property developments. Consequently, any restriction on the Group's ability to pre-sell its properties, including any increase in the amount of up-front expenditure the Group must incur prior to obtaining the pre-sale permit or any restriction on the use of pre-sale proceeds, would extend the time period required for recovery of the Group's capital outlays and would result in its needing to seek alternative means to finance the various stages of its property developments. This, in turn, could have an adverse effect on the Group's business, cash flow results of operations and financial condition.

The PRC tax authorities may challenge the basis on which the Group calculates its land appreciation tax ("LAT") obligations

Under PRC tax laws and regulations, the Group's properties developed for sale or transfer are subject to LAT, which is collected by local tax authorities. All income from the sale or transfer of land use rights relating to state-owned land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30 per cent. to 60 per cent. of the appreciation value as defined by the relevant tax laws, with certain exceptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20 per cent. of the total deductible items as defined in the relevant tax laws. In May 2010, the State Administration of Taxation issued the Notice on Strengthening the Collection of Land Appreciation Tax that requires that the minimum LAT prepayment rate must be no less than 2 per cent. for provinces in eastern China, 1.5 per cent. for provinces in central and northeastern China and 1 per cent. for provinces in western China. If the LAT is calculated based on the authorised taxation method (核定徵收), the minimum taxation rate shall be 5 per cent. in principle. On 28 December 2006, the State Administration of Taxation issued the Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises which came into effect on 1 February 2007 (the "LAT Notice"). Under the LAT Notice, local tax authorities can formulate their own implementation rules according to the notice and local situations and there are uncertainties as to how they will enforce this notice. In the event that relevant tax authorities change their requirements as to the amount or timing of payment of provisional LAT, the Group's cash flow may be materially and adversely affected.

The Group's management believes that it estimates and makes provision for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations, but only pays a portion of such provision each year as required by the local tax authorities. Although the Group's management believes that such provisions are sufficient, there can be no assurance that the tax authorities will agree with the basis on which the Group calculates its LAT obligations. In the event that the local tax authorities believe a higher rate of LAT should be paid, the financial position of the Group may be adversely affected.

Specifically, in respect of development projects which have been completed and are eligible for tax audit, NWCL, its subsidiaries, associated companies and joint ventures (the "NWCL Group") has estimated and made provisions for the full amount of applicable LAT in accordance with the requirements set forth in the relevant PRC tax laws and regulations. In the event that the tax authorities collect the LAT that the NWCL

Group has provided for in its accounts, the NWCL Group's will incur a cash outlay. Furthermore, in the event that LAT eventually collected by the tax authorities upon completion of the tax audit exceeds the amount that the NWCL Group has provided for, its net profits after tax may also be adversely affected. In respect of property developments that have not met the tax audit eligibility criteria, the NWCL Group has paid and will continue to pay provisional LAT as required by the tax authorities. The LAT that is ultimately payable upon completion of the tax audit of such projects in the future may be greater than the provisional LAT incurred by the NWCL Group which may adversely affect the business and financial condition of the NWCL Group.

Risks Relating to the Notes issued under the Programme

Notes may not be a suitable investment for all investors

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

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

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

Holding company structure

The Issuer is a wholly-owned subsidiary of NWD formed for the principal purposes of issuing the Notes and will on-lend the entire proceeds from the issue of the Notes to NWD and its subsidiaries. The Issuer does not and will not have any net assets other than such on-lent loans and its ability to make payments under the Notes depends on timely payments under such loans. In the event that NWD and its subsidiaries do not make such payments due to limitation in such loans or other agreements, lack of available cashflow or other factors, the Issuer's ability to make payments under the Notes could be adversely affected.

NWD is primarily a holding company and its ability to make payments in respect of the Guarantee of the Notes or to fund payments by the Issuer depends largely upon the receipt of dividends, distributions, interest or advances from its wholly or partly owned subsidiaries, its associated companies and the Group's joint ventures. The ability of the subsidiaries and associated companies of NWD and the Group's joint ventures to pay dividends and other amounts to NWD may be subject to their profitability and to applicable laws and to

restrictions on the payment of dividends contained in financing or other agreements. Payments under the Guarantee are structurally subordinated to all existing and future liabilities and obligations of each of NWD's subsidiaries (other than the Issuer), its associated companies and the Group's joint ventures. Claims of creditors of such companies will have priority as to the assets of such companies over NWD and its creditors, including holders of the Notes seeking to enforce the Guarantee of the Notes. In addition, a significant amount of NWD's subsidiaries' indebtedness is secured on the assets of those subsidiaries, and the beneficiaries of the security will have priority as to those assets, which would reduce the amount available to unsecured parties, including holders of the Notes, in the event of an insolvency.

The terms of the Notes do not restrict the ability of NWD's subsidiaries, associated companies and joint ventures to incur additional debt. In addition, further issues of equity interests by such subsidiaries, associated companies and joint ventures may dilute the ownership interest of NWD in such entities.

The Issuer is a special purpose entity

The Issuer is a special purpose entity incorporated in the British Virgin Islands for the principal purposes of issuing the Notes. (See “— *Holding company structure*” above). On certain dates, including the occurrence of an early redemption event and at maturity of the Notes, the Issuer may, and at maturity, will be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

Majority interests in Noteholder meetings

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.

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. No assurance can be given 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 will be deposited with a common depository for Euroclear and Clearstream, or lodged with the CMU (each of Euroclear, Clearstream, 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 or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders or in the case of the CMU, to the persons 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 as notified by the CMU to the Guarantor in a relevant CMU Instrument Position Report or any other notification by the CMU.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and Global Certificates.

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

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

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

Unless in the case of any particular Tranche 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 on behalf of the British Virgin Islands (in the case of the Issuer) or Hong Kong (in the case of the Guarantor) 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.

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

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

Index-Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a

“**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

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

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. 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 those features.

Inverse Floating Rate Notes

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.

Fixed/Floating Rate 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 its Notes.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“**€STR**”) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(m) (*Benchmark Replacement (Independent Adviser)*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark,

although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes

The use of risk-free rates - including those such as the Sterling Overnight Index Average (“SONIA”), the Secured Overnight Financing Rate (“SOFR”) and €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from The London Interbank Offered Rate (“LIBOR”) and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 14 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their principal 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 issued

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.

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Risks related 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:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. In addition, the ability of the Dealers to make a market in the Notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in 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.

Interest rate risks

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

Credit ratings 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.

Legal investment considerations may restrict certain investments

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

Risks related to Notes denominated in Renminbi

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes are subject to particular risks:

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

Renminbi is not freely convertible at present. The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the 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 the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the PBoC has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

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

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

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although 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 PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

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

Investment in the RMB Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to RMB Notes 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 the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Payments with respect to the RMB Notes may be made only in the manner designated in the RMB Notes

All payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, (ii) for so long as the RMB 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 in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

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

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of RMB Notes but its implementation rules have reduced the EIT rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of RMB Notes.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of RMB Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of RMB Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of the PRC

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.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the PRC Government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be on-lent by the Issuer to the Guarantor and/or its subsidiaries 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.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being a “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued

interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is 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
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being a “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:

- (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is 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
- (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear or Clearstream or the CMU and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“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.”

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form (“**Individual Note Certificates**”) or a global Note in registered form (a “**Global Registered Note**”), in each case as specified in the relevant Pricing Supplement.

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being “Global Registered Note exchangeable for Individual Note Certificates”, then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Registered Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is 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
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs. Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become

due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment, then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

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 capital markets instruments (“**CMU Notes**”) which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Notes 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 members of the Hong Kong Capital Markets Association and “authorized institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

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.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1 Introduction

(a) Programme

NWD (MTN) Limited (the “**Issuer**”) has established a Medium Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$7,000,000,000 in aggregate principal amount of notes (the “**Notes**”) guaranteed by New World Development Company Limited (the “**Guarantor**”).

(b) Pricing Supplement

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) which supplements these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated 18 January 2022 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, The Hongkong and Shanghai Banking Corporation Limited as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), The Hongkong and Shanghai Banking Corporation Limited as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar and the CMU Lodging and Paying Agent, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them. For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

(d) Deed of Guarantee

The Notes are the subject of a deed of guarantee dated 8 January 2015 (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) entered into by the Guarantor.

(e) **Deed of Covenant**

The Notes may be issued in bearer form (“**Bearer Notes**”), or in registered form (“**Registered Notes**”). Registered Notes are constituted by a deed of covenant dated 8 January 2015 (as amended and/or supplemented from time to time, the “**Deed of Covenant**”) entered into by the Issuer.

(f) **The Notes**

All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(g) **Summaries**

Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2 Interpretation

(a) **Definitions**

In these Conditions the following expressions have the following meanings:

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

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

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

“**Business Day**”, other than in Conditions 3(g) (*Registration and delivery of Note Certificates*) and 10(d) (*Redemption at the option of the Issuer (Make Whole Redemption)*) means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;
- (c) for the purposes of Notes denominated in Renminbi only, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed; and
- (d) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, any weekday that is a U.S. Government Securities Business Day and is not a legal

holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

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

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day;
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

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

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

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

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

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
 - (iv) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;

if “**30/360**” is so specified, means 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:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Guarantee of the Notes**” means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

“**Holder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

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

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

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

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

Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) unless otherwise specified in the relevant Pricing Supplement;

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

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

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

“**Material Subsidiary**” means any Subsidiary of the Guarantor:

- (a) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 10% of the consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Guarantor, provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Guarantor;
 - (ii) if at any relevant time in relation to the Guarantor or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
 - (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial

statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above.

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

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

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

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

“**Noteholder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

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

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

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

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

“**Participating Member State**” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (b) a day on which commercial banks are open for general business (including dealing in foreign currencies) in the city where the Fiscal Agent, or as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, (a) a TARGET Settlement Day and (b) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (b) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Fiscal Agent, or as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of

Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

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

“Person”, other than in Condition 10(g) (*Redemption for Change of Control*), means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (b) in relation to Australian dollars, it means Sydney or Melbourne and in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (c) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

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

“Reference Banks” has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Pricing Supplement;

“Reference Rate” means EURIBOR, SOFR or any other applicable benchmarks as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement. Other than in the case of U.S. dollar-denominated floating rate Notes for which the "Reference Rate" is specified in the relevant Pricing Supplement as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 7(m) (*Benchmark Replacement (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

“Register” has the meaning set out in Clause 5 (*Transfer of Registered Notes*) of the Fiscal Agency Agreement;

“Regular Period” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

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

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

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring

the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

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

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

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

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

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

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

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

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

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

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

“**TARGET Settlement Day**” means any day on which T2 is open for the settlement of payments in euro;

“**Treaty**” means the Treaty establishing the European Communities, as amended; and

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

(b) Interpretation

In these Conditions:

- (i) if the Notes are Zero Coupon Notes or Registered Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any

premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3 Form, Denomination, Title and Transfer

(a) *Bearer Notes*

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) *Title to Bearer Notes*

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.

(c) *Registered Notes*

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) *Title to Registered Notes*

The Registrar will maintain a register outside the United Kingdom in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

(e) *Ownership*

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft

thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes*

Subject to paragraphs (i) (Closed periods) and (j) (Regulations concerning transfers and registration) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates*

Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (Transfers of Registered Notes) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “business day” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge*

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods*

Noteholders may not require transfers to be registered:

- (i) during the period of 15 days ending on (and including) the due date for any payment of principal or interest in respect of the Registered Notes;
- (ii) during the period of 15 days ending on (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10(b) (*Redemption for taxation reasons*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 10(d) (*Redemption at the option of the Issuer (Make Whole Redemption)*);
- (iii) after a Put Option Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 10(f) (*Redemption at the option of Noteholders*);
- (iv) after a Change of Control Put Exercise Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 10(g) (*Redemption for Change of Control*); and

- (v) during the period of seven days ending on (and including) any Record Date (as defined in Condition 12(f) (*Record Date*)).

(j) *Regulations concerning transfers and registration*

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4 Status and Guarantee

(a) *Status of the Notes*

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*

The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of the Guarantor's Material Subsidiaries (other than Listed Material Subsidiaries) will, create or permit to subsist any Security Interest, other than Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

6 Fixed Rate Note Provisions

(a) *Application*

This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest*

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments - Bearer Notes*) and 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld

or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7 Floating Rate Note and Index-Linked Interest Note Provisions

(a) Application

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments - Bearer Notes*) and 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Screen Rate Determination

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SOFR is specified as the Reference Rate in the relevant Pricing Supplement) determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) ISDA Determination

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on (x) the Eurozone inter-bank offered rate (EURIBOR) or (y) the Hong Kong inter-bank offered rate (HIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(e) **Interest – Floating Rate Notes referencing SOFR**

- (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and the “Reference Rate” is specified in the relevant Pricing Supplement as being “SOFR”.
- (ii) Where “SOFR” is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(e):

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(e).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(e)(iv) below will apply.

“**Business Day**” means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

“**Compounded SOFR**” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

“**d_o**” is the number of U.S. Government Securities Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

“**i**” is a series of whole numbers from one to **d_o**, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “**p**” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

“**ni**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day “**i**” to, but excluding, the following U.S. Government Securities Business Day (“**i+1**”);

“**Observation Period**” in respect of an Interest Period means the period from, and including, the date falling “**p**” U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling “**p**” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Pricing Supplement;

“**SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); or
- (ii) Subject to Condition 7(e)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR_i**” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day “i”; and

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

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

“**Benchmark**” means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then “**Benchmark**” shall mean the applicable Benchmark Replacement.

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

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment;
or

- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

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

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

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

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

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

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

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

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

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

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

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

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

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(e)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

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

- (i) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement

Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(e); and

- (ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) Interest – SOFR Compounded Index

Where "Index Determination" is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\frac{(\text{Compounded Index End}}{\text{Compounded Index Start}} - 1) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

“**d**” is the number of calendar days from (and including) the day on which the SOFR Compounded Index Start is determined to (but excluding) the day on which the SOFR Compounded Index End is determined;

“**End**” means the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**Index Days**” means U.S. Government Securities Business Days;

“**Numerator**” means 360;

“**Relevant Decimal Place**” shall, unless otherwise specified in the Pricing Supplement, be the seventh decimal place, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.0000005 being rounded upwards);

“**Relevant Number**” is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five;

“**SOFR Compounded Index**” means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

“**Start**” means the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the SOFR Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the SOFR Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SOFR (as defined in Condition 7(e)) had been specified instead in the Pricing Supplement, and in each case “**Observation Shift**” had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Shift Period for the purposes of that definition in Condition 7(e) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the SOFR Compounded Index, the provisions of Condition 7(m) (*Benchmark Discontinuation (Independent Adviser)*) shall apply.

(g) *Index-Linked Interest*

If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(h) *Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(i) *Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(j) *Calculation of other amounts*

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(k) *Publication*

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of

Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(l) *Notifications etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(m) *Benchmark Replacement (Independent Adviser)*

Other than in the case of a U.S. dollar-denominated Floating Rate Note for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR", if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(m)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(m)(ii)) and any Benchmark Amendments (in accordance with Condition 7(m)(iii)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(m) and the Fiscal Agent will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

- (i) If the Independent Adviser determines in its discretion that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(m)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Successor Rate;
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(m)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Alternative Rate.
- (ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the

quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

- (iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(m) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(m)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Fiscal Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 7(m), provided that no Agent shall be bound by or be obliged to give effect to such consequential amendments, if in the opinion of such Agent, the same would not be operable or would impose more onerous obligations upon it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it under these Conditions and/or the Fiscal Agency Agreement and/or any documents to which it is a party in any way).
- (iv) 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 7(m) prior to the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(m)(iv) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(m).
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(m) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (Notices), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(m); and
 - (B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.

The Fiscal Agent and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof

- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, Fiscal Agent, the Calculation Agent, the other Paying Agents and the Noteholders.
- (viii) As used in this Condition 7(m):

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

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with 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 determines in accordance with this Condition 7(m) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency;

“**Benchmark Amendments**” has the meaning given to it in Condition 7(m)(iii);

“**Benchmark Event**” means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the “**Specified Future Date**”); or

- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the “**Specified Future Date**”), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the “**Specified Future Date**”), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the “**Specified Future Date**”), be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

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

- (A) 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
- (B) 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; and

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

8 Zero Coupon Note Provisions

(a) Application

This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Late payment on Zero Coupon Notes*

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9 Dual Currency Note Provisions

(a) *Application*

This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Rate of Interest*

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

10 Redemption and Purchase

(a) *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Conditions 11 (*Payments - Bearer Notes*) and 12 (*Payments - Registered Notes*).

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable),

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 (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective

on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) or the Guarantee of the Notes, or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 13 (*Taxation*) or the Guarantee of the Notes, as the case may be, from any amount paid by it to the Issuer in order to enable the Issuer to make a payment or principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), 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 (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 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 if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors 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 (2) an opinion of independent legal advisers or other professional advisers, in each case of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

(c) *Redemption at the option of the Issuer*

If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

(d) Redemption at the option of the Issuer (Make Whole Redemption)

If the Call Option (Make Whole Redemption) is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole and not in part, at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable), or on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable), at the relevant Make Whole Redemption Amount (Call), on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes at the Make Whole Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

For the purposes of this Condition 10(d):

“**business day**” means any day on which banks are open for general business (including dealings in foreign currencies) in London and New York City;

“**Comparable Treasury Price**” means, with respect to any redemption date, the average of three, or such lesser number as is obtained by the Determination Agent, Reference Treasury Dealer Quotations for the relevant date fixed for redemption of the Notes;

“**Determination Agent**” means an independent investment bank of international repute, appointed by the Issuer and the Guarantor (and notice thereof is given to Noteholders and the Fiscal Agent by the Issuer in accordance with Condition 20 (*Notices*)) for the purposes of performing any of the functions expressed to be performed by it under these Conditions;

“**Make Whole Redemption Amount (Call)**” means in respect of each Note, either (i) the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or (ii) (x) the principal amount of such Note or, if this is higher (y) the amount equal to the sum of the present value of the principal amount of such Note, together with the present values of the interest payable for the relevant Interest Periods from the relevant date fixed for redemption to the Maturity Date, in each case, discounted to such redemption date on a basis specified in the applicable Pricing Supplement at the adjusted US Treasury Rate or such other benchmark rate as specified in the applicable Pricing Supplement plus the Make Whole Redemption Margin, all as determined by the Determination Agent;

“**Reference Treasury Dealer**” means each of the three nationally recognised investment banking firms selected by the Determination Agent that are primary US Government securities dealers;

“**Reference Treasury Dealer Quotations**” means with respect to each Reference Treasury Dealer and any date fixed for redemption of the Notes, the average, as determined by the Determination Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Determination Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time on the third business day immediately preceding such due date for redemption; and

“**U.S. Treasury Rate**” means either (a) the rate per annum equal to the yield, that represents the average for the week immediately preceding that in which the third business day prior to the relevant date fixed for redemption falls, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity corresponding to the Comparable Treasury Issue provided that (a) if no maturity appears that is within three months before

or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the US Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, and (b) if such release (or any successor release) is not published during the week preceding that in which the third business day prior to the relevant date falls or such release (or successor release) does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant date fixed for redemption, in each case calculated on the third business day immediately preceding the relevant date fixed for redemption.

(e) *Partial redemption*

If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of Noteholders*

If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(f), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(g) *Redemption for Change of Control*

At any time following the occurrence of a Change of Control, the holder of each Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on

the Change of Control Put Date at their Early Redemption Amount (Change of Control), together with accrued and unpaid interest (if any) up to, but excluding the Change of Control Put Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), together with the Note or the Note Certificate (in the case of Registered Notes) evidencing the Notes to be redeemed by not later than 60 days following a Change of Control, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 20 (*Notices*). The “Change of Control Put Date” shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

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

The Issuer shall give notice to Noteholders and the Fiscal Agent in accordance with Condition 20 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 10(g).

For the purposes of this Condition 10(g): a “**Change of Control**” occurs when:

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

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

a “**Person**”, as used in this Condition 10(g), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include (i) the Guarantor’s board of directors or any other governing board, (ii) the Guarantor’s wholly-owned direct or indirect subsidiaries; (iii) Dato’ Dr Cheng Yu-Tung, his relatives and/or extended family and/or companies which are controlled by any of them and/or trusts in which Dato’ Dr. Cheng Yu-Tung, his relatives and/or extended family and/or companies which are controlled by any of them are beneficiaries and/or interests associated with any or some of them; and (iv) Chow Tai Fook Enterprises Limited (“**CTFEL**”) and its Affiliates. For this purpose, “**Affiliates**” of CTFEL means any Person directly or indirectly Controlling, Controlled by or under common control with CTFEL.

(h) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (g) above.

(i) *Early redemption of Zero Coupon Notes*

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(i) or, if none is so specified, a Day Count Fraction of 30/360.

(j) *Purchase*

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

(k) *Cancellation*

All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11 Payments - Bearer Notes

This Condition 11 is only applicable to Bearer Notes.

(a) *Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency.

(b) *Interest*

Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to 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 as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument 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 or proven error) and payment made in accordance thereof shall

discharge the obligations of the relevant Issuer, or, as the case may be, the Guarantor, in respect of that payment.

(c) *Payments in New York City*

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws*

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(e) *Deductions for unmatured Coupons*

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*

If the relevant Pricing Supplement specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*), Condition 10(d) (*Redemption at the option of the Issuer (Make Whole Redemption)*), Condition 10(f) (*Redemption for Change of Control*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days*

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12 Payments - Registered Notes

This Condition 12 is only applicable to Registered Notes.

(a) *Principal*

Payments of principal shall be made (i) in the case of a currency other than Renminbi, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) Interest

Payments of interest shall be made (i) in the case of a currency other than Renminbi, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to CMU for their distribution 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 (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 Instrument 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 or proven error) and payment made in accordance thereof shall discharge the obligations of the relevant Issuer, or, as the case may be, the Guarantor, in respect of that payment.

(c) Payments subject to fiscal laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*) any law implementing an intergovernmental approach thereto.

(d) Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) Partial payments

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) Record date

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (the “Record Date”).

13 Taxation

(a) Gross up

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands (in the case of payments by the Issuer) or Hong Kong (in the case of payments by the Guarantor) or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction 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 in respect of any Note or Coupon:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) Taxing jurisdiction

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands or Hong Kong respectively, references in these Conditions to the British Virgin Islands or Hong Kong shall be construed as references to the British Virgin Islands or (as the case may be) Hong Kong and/or such other jurisdiction.

14 Events of Default

If any of the following events occurs:

(a) Non-payment

the Issuer fails to pay any amount of principal in respect of the Notes within seven (7) days after the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within fourteen (14) days of the due date for payment thereof; or

(b) Breach of other obligations

the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Covenant or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by Noteholders holding five (5)% or more of the principal amount of the Notes outstanding, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or

(c) *Cross-default of Issuer, Guarantor or Subsidiary*

- (i) any indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or any person entitled to such indebtedness; or
- (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any guarantee of any indebtedness,

provided that the amount of indebtedness referred to in sub paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any guarantee referred to in sub paragraph (iii) above, individually or in the aggregate, exceeds U.S.\$30,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank on the day on which a calculation is made under this Condition 14(c) (*Cross default of Issuer, Guarantor or Subsidiary*)); or

(d) *Unsatisfied judgment*

one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Issuer, the Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced*

a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary and such possession or appointment continues for a period of 30 days after the date thereof; or

(f) *Insolvency etc*

(i) the Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiaries is appointed (or application for any such appointment is made) or (iii) the Issuer, the Guarantor or any Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its indebtedness or any guarantee of any indebtedness given by it; or

(g) *Winding up, etc.*

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary (otherwise than, in the case of a Subsidiary of the Issuer or a Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) or the Issuer, the Guarantor or any of the Material Subsidiaries ceases to carry on all or the substantial part of its business (otherwise than, in the case of a Subsidiary of the Issuer or a Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or as a result of disposal on arm's length terms or as approved by an Extraordinary Resolution of the Noteholders); or

(h) Analogous event

any event occurs which under the laws of the British Virgin Islands or Hong Kong has an analogous effect to any of the events referred to in Conditions 14(d) (*Unsatisfied judgment*) to 14(g) (*Winding up, etc.*); or

(i) Failure to take action etc.

any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Covenant and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note, the Coupons, the Deed of Covenant or the Deed of Guarantee admissible in evidence in the courts of the British Virgin Islands and Hong Kong is not taken, fulfilled or done; or

(j) Unlawfulness

it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant or the Deed of Guarantee; or

(k) Guarantee not in force

the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect, then Noteholders holding not less than 5% of the aggregate principal amount of the outstanding Notes may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, declare their Notes to be immediately due and payable, whereupon such Notes shall become immediately due and payable at their principal amount together with accrued and unpaid interest (if any) without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders.

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

15 Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16 Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent

authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17 Agents

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

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

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

18 Meetings of Noteholders; Modification and Waiver

(a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than 10% of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing 50% of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than 66% or, at any adjourned meeting, 33% of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders of not less than 90% of the aggregate principal amount outstanding will take effect as if it were an Extraordinary Resolution. Such

a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification

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

19 Further Issues

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

20 Notices

(a) Bearer Notes

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in Hong Kong or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) Registered Notes

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

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

21 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any

court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

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

22 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23 Governing Law and Jurisdiction

(a) *Governing law*

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *English courts*

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination or the Notes or any non-contractual obligation arising out of or in connection with them) or the consequences of its nullity.

(c) *Appropriate forum*

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*

Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent*

Each of the Issuer and the Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC4N 4AG. If such person is not or ceases to be effectively appointed to accept service of process on behalf of

the Issuer or the Guarantor, as the case may be, the Issuer or, as the case may be, the Guarantor shall, on the written demand of any Noteholder addressed and delivered to the Issuer or, as the case may be, the Guarantor or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within fifteen (15) days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer or, as the case may be, the Guarantor and delivered to the Issuer or, as the case may be, the Guarantor or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 23(e) applies to Proceedings in England and to Proceedings elsewhere.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

Pricing Supplement dated [●]

[(Include when the Notes are to be listed on the Hong Kong Stock Exchange)]

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.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes (as defined below) 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, the Issuer, the Guarantor or the Group (each as defined below) 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 disclaims 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 document together with the Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and its subsidiaries taken as a whole (the “**Group**”). Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

[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 Directive 2014/65/EU (as amended, “**EU 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 EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU 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 EU PRIIPs Regulation.]¹

¹ If the “Redemption at the option of the Issuer (Make Whole Redemption)” is applicable, sales to EEA and UK Retail Investors may not be permitted.

[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 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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. Consequently, no key information document required by Regulation (EU) No 1286/2014 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.]¹

[Consider if any of the Issuer / Guarantor / Managers are "MiFID II entities" and are "manufacturers" for the purposes of MiFID II]

[EU 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, “EU MiFID II”)] [EU MiFID II]; or (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 EU 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.]

[Consider if any of the Issuer / Guarantor / Managers are "UK MiFIR entities" and are "manufacturers" for the purposes of UK MiFIR]

[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.]

[Singapore Securities and Futures Act Product Classification — Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 (the “SF (CMP) Regulations”)) 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).)]

NWD (MTN) Limited (the “Issuer”)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●] (the “Notes”)

Guaranteed by

New World Development Company Limited (the “Guarantor”)

under the U.S.\$7,000,000,000 Medium Term Note Programme (the “Programme”)

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [*date*]] [, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|----|---|--|
| 1. | (i) Issuer: | NWD (MTN) Limited |
| | (ii) Guarantor: | New World Development Company Limited |
| 2. | [(i) Series Number:] | [●] |
| | [(ii) Tranche Number: | [●] |
| | <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: | [●]% of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>in the case of fungible issues only, if applicable</i>)] |
| | (ii) Net Proceeds: | [●] (Required only for listed issues)] |
| 6. | (i) Specified Denominations ^{2 3} : | [●] |
| | (ii) Calculation Amount: | [●] |

² 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 otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

³ 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 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. (i) Issue Date: [●]
(ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]⁴
9. Interest Basis: [[●]% Fixed Rate]
[[Specify reference rate] +/-
[●]% 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*]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Listing: [Hong Kong Stock Exchange/ 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 annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business*]

⁴ Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

		<i>Centre(s) for the definition of “Business Day”]/not adjusted]⁵</i>
	(iii) Fixed Coupon Amount[(s):	[●] per Calculation Amount ⁶
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / other]
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
16.	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Period(s):	[●]
	(ii) Specified Period:	[●] <i>(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)</i>
	(iii) Specified Interest Payment Dates:	[●] <i>(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)</i>
	(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other <i>(give details)</i>]
	(v) Additional Business Centre(s):	[Not Applicable/give details]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i>]

⁵ Note that for certain Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, “**Business Day**” means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong [and [●]].”

⁶ For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.”

- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): *[Name]* shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: *[For example, EURIBOR or SOFR]*
 - Observation Method: [Lag / Observation Shift]
 - Lag Period: [5 / [•] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
 - Observation Period: [5 / [•] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- Index Determination: [Applicable/Not Applicable]
 - SOFR Compounded Index: [Applicable/Not Applicable]
 - Relevant Decimal Place: [•] [7] *(unless otherwise specified, be the seventh decimal place in the case of the SOFR Compounded Index)*
 - Relevant Number of Index Days: [•] [5] *(unless otherwise specified, the Relevant Number shall be 5)*
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: *[For example, Reuters EURIBOR 01]*
 - Relevant Time: *[For example, 11.00 a.m. Brussels time]*
 - Relevant Financial Centre: *[For example, Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- (ix) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (x) Margin(s): [+/-][•]% per annum
- (xi) Minimum Rate of Interest: [•]% per annum
- (xii) Maximum Rate of Interest: [•]% per annum
- (xiii) Day Count Fraction: [•]
- (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:

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [●]% per annum
 - (ii) Reference Price: [●]
 - (iii) Any other formula/basis of determining amount payable: *[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [10(i)]]*
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the interest due: [●]
 - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
 - (iv) Interest Determination Date(s): [●]
 - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
 - (vi) Interest or calculation period(s): [●]
 - (vii) Specified Period: [●]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
 - (viii) Specified Interest Payment Dates: [●]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
 - (ix) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

		Convention/Preceding Business Day Convention/other (give details)]
	(x) Additional Business Centre(s):	[•]
	(xi) Minimum Rate/Amount of Interest:	[•]% per annum
	(xii) Maximum Rate/Amount of Interest:	[•]% per annum
	(xiii) Day Count Fraction:	[•]
19.	Dual Currency Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate of Exchange/method of calculating Rate of Exchange:	<i>[give details]</i>
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
	(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:	[•]

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount	[•] per Calculation Amount
	(iv) Notice period:	[•]
21.	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]
22. **Final Redemption Amount of each** [●] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Calculation Agent responsible for [●] calculating the Final Redemption Amount: [●]
- (iii) Provisions for determining Final [●]
- (iv) Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (v) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [●]
- (vi) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vii) [Payment Date]: [●]
- (viii) Minimum Final Redemption [●] per Calculation Amount:
- (ix) Maximum Final Redemption [●] per Calculation Amount:
23. **Early Redemption Amount** [Not Applicable]
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on a change of control or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): *(If each of the Early Redemption Amount (Tax), the Early Redemption Amount (Change of Control) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax), the Early Redemption Amount (Change of Control) and/or the Early Termination Amount if different from the principal amount of the Notes)*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	<p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]⁷</p> <p>[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>Registered Notes:</p> <p>[Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]</p>
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 16(v) and 18(x) relate</i>]
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i>]
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/ <i>give details</i>]
28.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>give details</i>]
29.	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
30.	Consolidation provisions:	The provisions in Condition 19 (<i>Further Issues</i>) [annexed to this Pricing Supplement] apply]
31.	Any applicable currency disruption/fallback provisions:	[Not Applicable/ <i>give details</i>]

⁷ 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 [[●]] days' notice.

32. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]
(ii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
35. Total commission and concession: [●]% of the Aggregate Nominal Amount
36. Private banking commission: [Not Applicable/[●]]
37. U.S. Selling Restrictions: Reg. S Category [1/2];
(In the case of Bearer Notes) — [TEFRA C/TEFRA D/TEFRA not applicable]
(In the case of Registered Notes) — Not Applicable
38. Additional selling restrictions: [Not Applicable/give details]
39. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]⁸
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
40. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

HONG KONG SFC CODE OF CONDUCT

41. 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 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.] / [Not Applicable]

⁸ If the “Redemption at the option of the Issuer (Make Whole Redemption)” is applicable, sales to EEA Retail Investors may not be permitted.

42. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: *[Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide] / [Not Applicable]*
43. Marketing and Investor Targeting Strategy: *[Give details if different from the Offering Circular]*

OPERATIONAL INFORMATION

44. ISIN Code: [●]
45. Common Code: [●]
46. Legal Entity Identifier (LEI): 254900STSWBVJ5FV9074
47. CMU Instrument Number: [●]
48. Any clearing system(s) other than Euroclear/ Clearstream and the CMU and the relevant identification number(s): *[Not Applicable/give name(s) and number(s)]*
49. Delivery: Delivery [against/free of] payment
50. Additional Paying Agent(s) (if any): [●]

GENERAL

51. The aggregate principal amount of Notes issued has been translated into US dollars at the rate of [●], producing a sum of (for Notes not denominated in [US dollars]): *[Not Applicable/U.S.\$]*
52. [Ratings: The Notes to be issued have been rated:
[S&P: [●]]
[Moody's: [●]]
[[Other: [●]]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

[USE OF PROCEEDS

Give details if different from the “Use of Proceeds” section in the Offering Circular.]

[STABILISATION

In connection with the issue of any Tranche of Notes, the Manager[s] named as the Stabilisation Manager[s] (or persons acting on behalf of any Stabilisation Manager[s]) may overallocate the 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, stabilisation may not necessarily occur. 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 (or any person acting on behalf of the relevant Stabilisation Manager) in accordance with all applicable laws and rules.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the Hong Kong Stock Exchange of the Notes described herein pursuant to the U.S.\$7,000,000,000 Medium Term Note Programme.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of NWD (MTN) Limited:

By: _____
Duly authorised

Signed on behalf of New World Development Company Limited:

By: _____
Duly authorised

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be that depositary, common depositary or sub-custodian, as the case may be.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be such sub-custodian, such depositary or common depositary, or a nominee for such depositary or common depositary, as the case may be.

Each of the persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each, an “**Accountholder**”) must look solely to Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

If a Global Note or a Global Registered Note 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 Registered Note are credited as being held in the CMU in accordance with the CMU Rules by the CMU 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 Registered Note 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.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon)

surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day

In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date

Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means any week day (Monday to Friday inclusive) within any given calendar year, except 25 December and 1 January.

Exercise of put option

In order to exercise the option contained in Condition 10(f) (*Redemption at the option of Noteholders*) the bearer of the Temporary Global Note or Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Exercise of change of control option

In order to exercise the option contained in Condition 10(g) (*Redemption for Change of Control*), the bearer of the Temporary Global Note or Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and the Change of Control Put Exercise Notice, give written notice of such exercise to the Fiscal Agent. Any such notice shall be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes where such Notes are held with Euroclear and/or Clearstream, the Temporary Global Note or Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion).

Notices

Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, (i) deposited with a depository or a common depository for Euroclear and/or Clearstream and/or any other relevant clearing system (other than the CMU, in respect of which see (ii) below), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system or (ii) deposited with the CMU, notices to the holders of Notes of the relevant Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Registered Note.

CAPITALISATION AND INDEBTEDNESS

Capitalisation and Indebtedness of the Guarantor

As at 30 June 2023, the issued share capital of the Guarantor was approximately 2,516.6 million ordinary shares.

The following table sets forth the audited consolidated capitalisation of the Guarantor as at 30 June 2023, which has been extracted from the 2023 Audited Financial Statements. This table should be read in conjunction with the consolidated financial information and the accompanying notes in relation to the Guarantor included in this Offering Circular.

	As at 30 June 2023
	<i>Actual</i>
	<i>HK\$ million (Audited)</i>
Current portion of borrowings and other interest-bearing liabilities	
Short-term borrowings and current portion of long-term borrowings and other interest-bearing liabilities	52,178.8
Non-current portion of borrowings and other interest-bearing liabilities	
Long-term borrowings and other interest-bearing liabilities	138,222.9
Total borrowings and other interest-bearing liabilities	190,401.7
Shareholders' funds	
Share capital	78,382.1
Reserves	117,670.3
	196,052.4
Perpetual capital securities	47,439.3
Total capitalisation ⁽¹⁾	381,714.6
Current portion of borrowings and other interest-bearing liabilities and total capitalisation.....	433,893.4

Note:

- (1) Total capitalisation represents long-term borrowings and other interest-bearing liabilities, shareholders' funds and perpetual capital securities issued as at 30 June 2023.

Other than the disposal of the Group's shares in NWSH as disclosed in the "Recent Developments" section of this Offering Circular, there has been no material change in the capitalisation and indebtedness of the Guarantor since 30 June 2023.

Capitalisation and Indebtedness of the Issuer

As at 26 January 2012, the date of its incorporation, NWD (MTN) Limited was authorised to issue a maximum of 50,000 U.S.\$1.00 par value shares of a single class and series, of which one share is held by the Guarantor.

DESCRIPTION OF THE ISSUER

Formation

NWD (MTN) Limited is a business company with limited liability incorporated under the BVI Business Companies Act, 2004 of the British Virgin Islands (BVI Company Number: 1693007). It was incorporated in the British Virgin Islands on 26 January 2012. Its registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The Issuer is a wholly-owned subsidiary of NWD.

Business Activity

The Issuer was established pursuant to the unrestricted objects and powers set out in its memorandum of association. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as a wholly-owned subsidiary of NWD and those incidental to the establishment and maintenance of the Programme and issue of Notes under the Programme.

Financial Statements

Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions.

Directors and Officers

The directors of the Issuer are Messrs. Cheng Chi-Kong, Adrian, Sitt Nam-Hoi, Wong Man-Hoi, Lau Fu-Keung, Hui Chi-Fai, Casey and Yam Yuen-Tung and each of their business addresses is c/o NWD at 30/F., New World Tower, 18 Queen's Road Central, Hong Kong. None of the directors of the Issuer holds any shares or options to acquire shares of the Issuer.

The Issuer does not have any employees and has no subsidiaries.

DESCRIPTION OF THE GROUP

Introduction

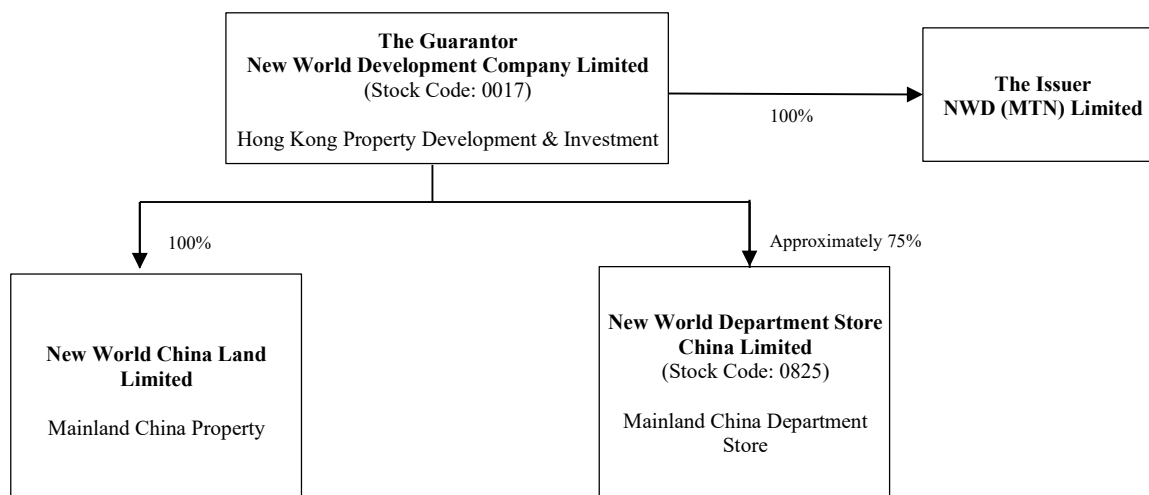
NWD is one of the largest Hong Kong-based property developers listed on the Hong Kong Stock Exchange in terms of market capitalisation. Established in 1970, NWD was listed on the Hong Kong Stock Exchange in 1972 and its shares are currently a constituent stock of the Hang Seng Index. As at 30 June 2023, based on the closing price of its shares on the Hong Kong Stock Exchange, NWD had a market capitalisation of approximately HK\$48,903.2 million.

The Group's operations are based primarily in Hong Kong and the PRC, and include business activities in the following segments:

- *Property:* The Group is one of the major property developers and investors in Hong Kong and the PRC and is primarily engaged in the development and sale of residential and commercial properties. In addition, the Group owns and manages an investment property portfolio comprising shopping malls, offices, hotels and serviced apartments. The Group undertakes its property development and investment businesses in the PRC primarily through NWCL Group.
- *Hotels:* As at 30 June 2023, the Group operated 15 hotel properties in Hong Kong, Mainland China and Southeast Asia with over 5,900 guest rooms.
- *Department Stores:* As at 30 June 2023, the Group, through NWDS and its subsidiaries, operated and managed 23 department stores and shopping malls in the PRC.

Within the business segments, the Group focuses on its current core businesses, which include property development, property investment and hotel operations.

The following sets forth an overview of the Group's current organisation structure showing its principal functional units and business activities as at 30 June 2023:⁹



⁹ Note that all the Relevant NWS Shares have been disposed of by the Group on 17 November 2023. Please refer to the “Recent Developments” section of this Offering Circular. As a result, NWSH is not included in the Group’s current organisation structure.

For the year ended 30 June 2023

For the year ended 30 June 2023, the Guarantor's and its subsidiaries' consolidated revenues amounted to HK\$95,213.8 million. Profit attributable to shareholders of the Guarantor amounted to HK\$900.9 million and the Group's core profit amounted to HK\$11,011.0 million, up 21 per cent. year-on-year.

Strategy

- NWD's overall strategic objective is to enhance shareholders' value by focusing on developing, expanding and synergising its core businesses of property development and property investment in Hong Kong and the PRC. In particular, in Hong Kong, the Group's strategy is to maintain its core position as a comprehensive property developer and a leading Hong Kong and Mainland China property brand that is known for its real estate developments across asset classes. The Group has continued to replenish its land bank through various means, including urban renewal, tender auctions, joint development and mergers and acquisitions. Resources consumed in its current development were replenished to provide the Group with a steady pipeline of land supply in the coming years and to plan for property development and strategies in the long term. Through these means, the Group will be able to maintain a stable level of quality land bank and thus establish a solid foundation for the Group's property development business in Hong Kong that continues to contribute to the Group's sales revenue. The launch of new residential projects including THE KNIGHTSBRIDGE and MIAMI QUAY offer abundant saleable resources in Hong Kong.
- With a proven underlying profit track record and strong leadership and management team, the Group adopts a prudent and proactive approach in financial management and execution. To strengthen the profit contributions from the Group's investment property portfolio in Hong Kong, the Group proactively reviews its assets and investments with a view to achieving substantial growth through enhancing product quality and service delivery. The Group has stable cash flows supported by a strong development pipeline, increasing recurring income and making non-core disposals. In the past, the Group has regularly made dividend payments.
- In the PRC, the Group's strategy is to maintain a reasonable development pace to realise the capital value of its substantial land bank in the PRC with particular focus on the development of mid-scale and large-scale mixed-use projects with varying combinations of residential, office and retail spaces. As one of the largest and earliest foreign investors in the PRC with over 30 years of experience, NWD believes it has developed strong relationships and operating experience in the PRC that give it a competitive advantage, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"). NWD believes that an increasing proportion of the Group's revenues and profits will, over the next few years, be generated from the PRC activities as the Group's PRC projects continue to mature and will seek to maintain a balance between revenues from property development and property investment. The Group has steadily increased its investment in Mainland China based on its own strategy and market conditions, expanding in first-tier and fast-growing cities with a focus on the Greater Bay Area, while also continuously improving its strategic presence in the Yangtze River Delta Region and the Beijing-Tianjin-Hebei Region. The Group has also replenished its land bank through multiple channels, including public auction and tender, as well as collaborating with different parties and pursuing urban renewal opportunities. As Mainland China continues working towards its urbanisation goals, urban renewal has become a new driving force to improve and upgrade existing cities. Among Hong Kong real estate developers, the Group is the most active participant in urban renewal. Aligning itself with China's urban renewal initiative, the Group leveraged its operational effectiveness and experienced team to acquire land in prime locations at a reasonable cost, while upgrading city infrastructure, and improving the livelihood of the local community.

- In relation to hotel operations, the Group aims to continue to achieve better returns from the hotels in Hong Kong and Mainland China in terms of both occupancy and average room rate.
- In relation to department store operations, to maintain the Group's long term market competitiveness and competitive edge, the Group has persisted to renovate and redecorate its physical stores to create a more grand-looking and fashion-forward shopping area. The Group has also sought to optimise product-mix, enlist new brands and strengthen crossover cooperation across different business sectors to create brand-new consumer experience and increase the popularity and sales of its stores. The Group is aware of the immense opportunity brought forth by online retail business, and thus, will continue to expand and optimize "New Lab", its self-operated e-commerce platform, as well as to promote the online-to-offline integrated operation to eventually attain Omni-channel retailing. In order to bring a more efficient and convenient shopping experience to its customers, the Group has also actively pressed forward with smart and digitalized transformation for its supermarkets and convenience stores through the adoption of smart equipment and systems such as newly added mobile payment methods and self-service checkout systems. On the other hand, the Group has decided to undertake an overall strategic adjustment to drive a differentiated and personalised product portfolio and promote the transformation and optimisation in its supply chain. Through various initiatives, the Group seeks to build its hallmarked supermarkets and convenience stores.
- As part of the Group's established strategies, the Group strives to focus on developing its current core businesses to optimise its assets and business portfolio while disposing of non-core assets. Under its dual growth engine strategy, the Group complements development properties sales with recurring investment property rentals. The Group also strives to develop strategic businesses such as HUMANSA.
- The Group relies on synergies between business segments and customer conversion between and within segments. This boosts customer value and has resulted in high growth in average spending of overlapping members.
- The Group has integrated Environmental, Social and Governance standards into its businesses, which has enabled it to stay aligned to the Group and the world's priorities and be accountable to all shareholders.

Business¹⁰

As at 30 June 2023, the Group's cash and bank balances (including restricted bank balances) stood at HK\$54,517.9 million. Undrawn facilities from banks amounted to HK\$39,446.7 million, and the net gearing ratio was 48.7 per cent. The average cost of capital was 4.0 per cent. Furthermore, non-core asset disposals amounted to approximately HK\$5.9 billion.

The Group has undertaken stringent cost control efforts, as evidenced by the approximately 4 per cent. year-on-year decrease in recurring administrative and other operating expenses. The Group's attributable contracted sales in Hong Kong amounted to about HK\$8.86 billion. The Group's overall contracted sales in Mainland China amounted to about RMB15.1 billion, with the Southern Region led by the Greater Bay Area and the Eastern Region led by the Yangtze River Delta, accounting for over 94 per cent.

¹⁰ Note that all the shares of NWSH have been disposed of by the Group on 17 November 2023. Therefore, the revenues of NWSH and its subsidiaries (including their revenues in the insurance, roads and construction segments) will no longer be consolidated into the financial statements of the Group subsequent to 17 November 2023. Please refer to the "Recent Developments" section of this Offering Circular.

The following tables set forth the revenues and results for the business segments of the Guarantor and its subsidiaries for the fiscal years indicated:

	For the year ended 30 June			
	2023		2022	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Revenues				
Property Development.....	27,308.1	28.7	17,369.6	25.5
Property Investment	4,995.7	5.2	4,823.5	7.1
Roads.....	2,731.8	2.9	2,717.5	4.0
Aviation.....	—	—	—	—
Construction.....	32,548.3	34.2	25,759.1	37.7
Insurance	20,986.2	22.1	12,371.6	18.1
Hotel Operations	1,091.2	1.1	823.5	1.2
Others.....	5,552.5	5.8	4,347.9	6.4
Total.....	95,213.8	100.0	68,212.7	100.0

	For the year ended 30 June			
	2023		2022	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Segment results (including share of results of joint ventures and associated companies)				
Property Development.....	8,706.2	59.8	8,983.9	64.9
Property Investment	3,193.6	21.9	3,152.1	22.8
Roads.....	1,938.4	13.3	2,163.3	15.6
Aviation.....	—	—	511.6	3.7
Construction	360.0	2.5	934.4	6.8
Insurance	1,978.6	13.6	418.5	3.0
Hotel Operations	(443.9)	(3.0)	(885.3)	(6.4)
Others	(1,182.3)	(8.1)	(1,443.1)	(10.4)
Total.....	14,550.6	100.0	13,835.4	100.0

The following tables set forth the Guarantor and its subsidiaries' share of results of joint ventures (those over which the Guarantor and its subsidiaries exercise joint control along with their partners pursuant to contractual arrangements) and their associated companies (those over which the Guarantor and its subsidiaries may exert influence through representations on the board of directors of such companies), by business segments for the fiscal years indicated:

For the year ended 30 June

	2023		2022	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Share of results of joint ventures				
Property Development.....	(1.5)	(0.3)	264.4	(42.7)
Property Investment	(46.8)	(10.1)	(129.7)	20.9
Roads.....	528.6	114.4	630.2	(101.7)
Aviation.....	—	—	(1,384.9)	223.6
Construction	—	—	—	—
Insurance	—	—	—	—
Hotel Operations	(218.9)	(47.4)	(494.2)	79.8
Others	200.8	43.4	494.8	(79.9)
Total.....	462.2	100.0	(619.4)	100.0

For the year ended 30 June

	2023		2022	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Share of results of associated companies				
Property Development.....	38.4	17.4	1,047.9	72.7
Property Investment	(1.8)	(0.8)	46.9	3.2
Roads.....	189.0	85.9	181.5	12.6
Aviation.....	—	—	—	—
Construction	18.2	8.3	114.0	7.9
Insurance	—	—	—	—
Hotel Operations	0.2	0.1	—	—
Others	(23.9)	(10.9)	51.6	3.6
Total.....	220.1	100.0	1,441.9	100.0

Property

Hong Kong – Property overview

The Group is one of the major property developers in Hong Kong and is engaged in the development of residential, retail, office and hotel properties. As at 30 June 2023, the Group possessed a land bank (excluding carparks) with attributable GFA of approximately 8.14 million sq.ft. in Hong Kong available for immediate development. Of which, attributable residential GFA amounted to approximately 3.37 million sq.ft. Meanwhile, the Group had a total of approximately 16.36 million sq.ft. of attributable agricultural land area in the New Territories pending for usage conversion, which are mainly located in Yuen Long. Sales of property in Hong Kong historically have been a significant source of the Group's operating profits.

Driven by the gradual recovery of local economy as the border of Hong Kong fully reopened, Hong Kong's residential market saw a short rebound in early 2023, while it is going through a consolidation phase owing to the uncertain stance of U.S. Federal Reserve on rate hikes and the gloomy global investment market. According to the public data from the Land Registry, Hong Kong recorded a 17 per cent. year-on-year decline in the agreements for primary sale and purchase of residential building units and a 26 per cent. year-on-year decrease in the consideration of such agreements from July 2022 to June 2023.

Through its subsidiaries, NWD oversees and largely performs all aspects of its development operations, including the selection and purchase of sites, the preparation of feasibility studies, the obtaining of government approvals for zoning and modifications, the design and construction of development projects, and the marketing, leasing and management of completed projects. The typical development cycle for vacant land in Hong Kong from acquisition of the site and preparation of architectural plans until expected completion date is approximately three to five years. However, if there is a variance of land usage required, the process may take longer and may involve the payment to the government of substantial land premiums in connection with the modification of the land use restrictions. The development cycle for urban property may also be longer, since such sites generally are not vacant and frequently contiguous multiple sites or separate units within a site must be assembled before development can begin.

In general, the Group's practice is to pre-sell its developments before completion and the granting of occupation permits by government authorities in order to improve its financial liquidity and reduce market risk. Revenues and profits from such sales are only recognised when or as the control is transferred to the customer. Deposits and instalments received on properties sold prior to their completion are included in current liabilities.

Hong Kong – Property investment

The completed investment property portfolio of the Group in Hong Kong amounted to approximately 16.7 million sq.ft. of total GFA (approximately 9.8 million sq.ft. of total attributable GFA) as at 30 June 2023. The business segment continues to be a key source of income for the Group in the medium to long term.

The portfolio consists of retail shopping centres and office buildings which collectively accounted for approximately 38.4 per cent. of the Group's completed investment properties in attributable GFA terms, with the balance being hotels (which accounted for approximately 12.4 per cent. of the Group's completed investment properties), logistic centres and carparks.

As Hong Kong border fully reopened, a significant increase in the number of visitor arrivals in Hong Kong and strong recovery of local demands were observed. Against this backdrop, the Hong Kong government launched the "Hello Hong Kong" campaign to stimulate tourists' spending. Coupled with the new round of consumption voucher scheme and "Happy Hong Kong" campaign, overall consumption sentiment and business environment witnessed notable improvement. The retail property portfolio of the Group achieved solid performance, with increase in both footfall and rental activities.

Buoyed by the rebound of the tourism industry and K11's unique "Cultural Commerce" business model, K11 MUSEA and K11 Art Mall had achieved overall sales performance far surpassing the pre-pandemic era, recorded to historic highs. For the year ended 30 June 2023, both malls had recorded high occupancy rate. K11 MUSEA recorded a year-on-year increase of 39 per cent. in sales mainly driven by luxury spending, popular food and beverage offerings and cultural activities, with total footfall amounted to over 24 million, representing a year-on-year increase of 22 per cent. Leveraging on unique marketing strategies as well as a variety of cultural and art events, tenant mix and footfall improved constantly, making the malls become must-go hotspots for locals and travellers.

K11 Art Mall, loved by "Gen Z" and being connected with MTR Tsim Sha Tsui Station, is benefitting from the convenience of several MTR lines, which appeals to young locals and tourists alike who constitute a solid

customer base. For the year ended 30 June 2023, K11 Art Mall maintained the overall occupancy rate at around 100 per cent. with over 40 per cent. sales growth, and its footfall surged to new highs since opening. The Group has been optimising tenant mix and brought in new sought after brands and pop-up stores including trendy lifestyle brands and specialty cuisines. On top of this, a wide array of cultural exhibitions and customer experience activities are organised that unceasingly attract “Gen Z” to experience and spend in the malls of the Group. The Group’s loyalty programme – “KLUB 11” is widely welcome as evidenced by the significant increase in number of registered members. By launching a series of promotions with major payment platforms, business partners and tenants, it continuously offers customers with better experience and enhances its reward plan. “KLUB 11” never stops enlarging its member base, among which the size and total amount of spending of the Black Card Members, the largest spenders, both recorded significant increase.

For the year ended 30 June 2023, despite the challenges in office leasing market in Hong Kong, the sentiment gradually recovered in tandem with the overall recovery of economy and the border reopening between Hong Kong and Mainland China. Both leasing enquiry and activities of the Group’s office buildings recorded growth, as supported by the solid performance due to the renewal of most existing tenants and the ways of attracting new customers.

The Group performs the rental management and marketing of most of its investment properties through a division of NWD and a subsidiary, K11 Concepts Limited. The Group proactively reviews its investment assets with a view to enhancing its product quality and service delivery including performing periodic property renovations.

The leases the Group has granted are typically for two or three years for office and retail tenants occupying relatively small commercial floor space and longer lease periods can be granted for those tenants occupying relatively large commercial floor space. Notwithstanding that such properties are classified as investment properties, the Group will evaluate offers from potential purchasers and may dispose of certain of its investment properties if the price offered is competitive.

In accordance with HKFRS, the Group values its investment properties at every reporting balance sheet date at their fair market value determined by professional valuation. Any change in the valuation is charged or credited, as the case may be, to the consolidated income statement. The Group’s financial performance is therefore subject to fluctuation from period to period in light of the movements in property value in Hong Kong, which has been cyclical in the past and could result in a significant accounting profit or loss for the Group.

The Group’s rents in Hong Kong are generally quoted in sq.ft. per lettable area. In most cases, the rents quoted by the Group do not include property management charges or government rates payable by its tenants.

The table below sets out the Group’s major property investment and other projects in Hong Kong as at 30 June 2023.

No.	Name of project	Total GFA (sq.ft.)	Total attributable GFA (sq.ft.)	Retail (sq.ft.)	Office (sq.ft.)	Hotel (sq.ft.)	Others (sq.ft.)	Total number of carpark	Land lease expiry
COMPLETED									
Hong Kong Island									
1	Manning House, Central.....	110,040	110,040	63,383	46,657				2843
2	New World Tower, Central.....	640,135	640,135	77,948	562,187			385	2863
3	K11 ATELIER KING’S ROAD, 704-730 King’s Road, North Point	487,504	487,504	7,160	480,344			165	2083/2088/ 2090
4	Hong Kong Convention and Exhibition Centre, Shopping Arcade, Wan Chai	87,999	87,999	69,173			18,826 ⁽²⁾	1,070	2060
5	Grand Hyatt Hong Kong.....	524,928	262,464			262,464			2060
6	Renaissance Harbour View Hotel Hong Kong	544,518	272,259			272,259			2060

No.	Name of project	Total GFA (sq.ft.)	Total attributable GFA (sq.ft.)	Retail (sq.ft.)	Office (sq.ft.)	Hotel (sq.ft.)	Others (sq.ft.)	Total number of carpark	Land lease expiry
7	Pearl City, Causeway Bay — Ground Floor to 4th Floor	53,691	21,476	21,476					2868
8	Methodist House, Wan Chai ⁽¹⁾	40,813	40,405		40,405				2084
	Subtotal	2,489,628	1,922,282	239,140	1,129,593	534,723	18,826	1,620	
	Kowloon								
9	K11 ATELIER of Victoria Dockside, Tsim Sha Tsui	435,307	435,307		435,307				2052
	Rosewood Hong Kong & Rosewood Residences of Victoria Dockside, Tsim Sha Tsui	1,106,055	1,106,055				1,106,055 ⁽⁶⁾		2052
	K11 MUSEA of Victoria Dockside, Tsim Sha Tsui	1,028,791	1,028,791	1,028,791				1,116 ⁽⁵⁾	2052
	K11 ARTUS of Victoria Dockside, Tsim Sha Tsui	379,862	379,862				379,862 ⁽⁶⁾		2052
10	K11, Tsim Sha Tsui	335,939	335,939	335,939				240	2057
	Hyatt Regency Hong Kong, Tsim Sha Tsui	277,877	138,939			138,939			2057
11	THE FOREST, Mong Kok ⁽¹⁾	53,337	26,669	26,669				7	2062
12	ARTISAN HUB, San Po Kong	64,519	64,519	31,087	33,432				2047
13	TIMBER HOUSE, 74 Waterloo Road, Ho Man Tin	10,552	5,382	5,382					2081
14	Artisan Lab, 21 Luk Hop Street, San Po Kong	120,292	120,292				120,292 ⁽⁴⁾		2047
	Subtotal	3,812,531	3,641,755	1,427,868	468,739	138,939	1,606,209	1,363	
	New Territories								
15	ATL Logistic Centre, Kwai Chung	9,329,000	3,190,518				3,190,518 ⁽³⁾		2047
16	D • PARK, Tsuen Wan	466,404	466,404	466,404				1,000	2047
17	Hyatt Regency Hong Kong, Sha Tin ⁽¹⁾	538,000	538,000			538,000		100	2047
18	PARK SIGNATURE, Yuen Long	24,155	24,155	24,155					2058
	Subtotal	10,357,559	4,219,077	490,559	—	538,000	3,190,518	1,100	
	Grand Total	16,659,718	9,783,114	2,157,567	1,598,332	1,211,662	4,815,553	4,083	
	TO BE COMPLETED/UNDER CONSTRUCTION								
19	PORTAS, New Kowloon Inland Lot No. 6505, King Lam Street, Cheung Sha Wan	998,210	998,210	45,125	953,085				2067
20	11 SKIES, SKYCITY Project	3,767,400	3,767,400	2,966,774	565,099		235,527		2066
	Grand Total	4,765,610	4,765,610	3,011,899	1,518,184		235,527		

Notes:

- (1) Properties in which the Group has a development interests: other parties provide the land whilst the Group finances the construction costs and occasionally land costs, and is entitled to a share of the rental income or a share of the development profits in accordance with the terms and conditions of the respective joint development agreements after completion
- (2) Meeting rooms
- (3) Logistics centre
- (4) Industrial
- (5) Total number of carpark of Victoria Dockside
- (6) Residence or hotel leased out

Set forth below is a brief description of selected rental property:

Victoria Dockside, a global landmark located at the core area of Tsim Sha Tsui waterfront in Kowloon with a total GFA of approximately 3 million sq.ft., accommodates K11 ATELIER, K11 ARTUS, K11 MUSEA, Rosewood Hong Kong and Rosewood Residences.

The Grade A office building K11 ATELIER commenced operation in the second half of 2017. As at 30 June 2023, around 90 per cent. were leased, with several large multinational corporations engaged. K11 ARTUS is

the first luxury hospitality and serviced apartment extension of K11 which shapes up a unique hospitality culture. The project comprises 287 suites and has begun operation in stages since July 2019, with leading monthly rent for serviced apartments in Kowloon.

K11 MUSEA, a cultural landmark situated in the heart of Victoria Dockside, commenced operation in late August 2019 to create a new museum-retail experience for consumers. Created by 100 local and international designers, K11 MUSEA houses more than 250 international brands and flagship stores. In the financial year ended 30 June 2023 (“FY2023”), K11 MUSEA’s total footfall amounted to 24 million. As at 30 June 2023, around 98 per cent. were leased.

K11 ATELIER King’s Road, a Grade A office building on Island East and the first in the world to achieve three green building certifications - the WELL Building Standard™ platinum pre-certification, the U.S. LEED platinum pre-certification and the HK Green BEAM Plus provisional platinum certification, occupies a total GFA of approximately 490,000 sq.ft. and is located next to the Quarry Bay MTR station. This Grade A office building commenced operation in late 2019. As at 30 June 2023, around 69 per cent. was leased.

The recurring income growth of property investment is entering an acceleration stage. The development of Grade A office building project in King Lam Street, West Kowloon is on schedule. With a total GFA of approximately 1 million sq.ft., the project will contribute to the development of the emerging business district.

For office buildings, New World Tower and Manning House located in Central recorded a solid and stable performance with occupancy rates of 84 per cent. and 93 per cent. achieved respectively as at 30 June 2023, whereas the malls including Hong Kong K11, D • PARK and THE FOREST have an occupancy ranging from 99 per cent. to 100 per cent. as at 30 June 2023.

For the year ended 30 June 2023, the Group’s revenues and segment results of property investment in Hong Kong was HK\$3,087.0 million and HK\$2,262.7 million, respectively, representing an increase of 10.4 per cent. and an increase of 6.7 per cent., respectively, as compared to the same period in 2022 mainly due to the improvements in operational efficiency and the occupancy rates of K11 MUSEA and K11 ATELIER King’s Road.

Hong Kong – Property development

Driven by the gradual recovery of local economy as the border of Hong Kong fully reopened, Hong Kong’s residential market saw a short rebound in early 2023, while it is going through a consolidation phase owing to the uncertain stance of U.S. Federal Reserve on rate hikes and the gloomy global investment market.

For the year ended 30 June 2023, the Group’s revenues of property development in Hong Kong, including joint development projects, amounted to HK\$16,754.9 million, while the Group’s segment results of property development in Hong Kong and Singapore, including joint development projects amounted to HK\$3,394.3 million. The contributions were mainly attributed by residential projects including THE PAVILIA FARM I & II.

For the year ended 30 June 2022, the Group’s revenues of property development in Hong Kong, including joint development projects, amounted to HK\$5,842.8 million, while the Group’s segment results of property development in Hong Kong and Singapore, including joint development projects amounted to HK\$2,384.1 million. The contributions were mainly attributable to NCB Innovation Centre (formerly known as 888 Lai Chi Kok Road, Cheung Sha Wan), the carpark project of ACADEMIC TERRACE, and residential projects including MOUNT PAVILIA and DOUBLE COVE.

For the year ended 30 June 2023, the Group’s attributable contracted sales in Hong Kong amounted to HK\$8.86 billion, which were mainly contributed by units of NCB Innovation Centre and residential projects including THE KNIGHTSBRIDGE and MIAMI QUAY. As at 30 June 2023, the Group had a total of 1,681 residential

units in Hong Kong available for sale, of which 519 residential units were under the lead of the sales management of the Group.

For the year ended 30 June 2022, the Group's attributable contracted sales in Hong Kong amounted to HK\$8.24 billion, which were mainly contributed by residential projects including DOUBLE COVE, MOUNT PAVILIA and ATRIUM HOUSE and the Grade A office project, NCB Innovation Centre (formerly known as 888 Lai Chi Kok Road, Cheung Sha Wan). As at 30 June 2022, the Group had a total of 303 residential units in Hong Kong available for sale, of which 281 residential units were under the lead of the sales management of the Group.

NCB Innovation Centre, the Group's Grade A office project at 888 Lai Chi Kok Road, Cheung Sha Wan, was completed in May 2022. Comprising a 28-storey building with a total GFA of approximately 520,000 sq.ft, it was the first major project launched by the Group following the abolition of the Double Stamp Duty on non-residential property transactions announced by the Hong Kong government. As at 30 June 2023, more than 80 per cent. of the attributable GFA of NCB Innovation Centre were sold contributing HK\$6.5 billion to the attributable contracted sales.

The table below sets out the Group's major property development projects in Hong Kong as at 30 June 2023:

No.	Name of Property Development Projects	Site Area (sq.ft.)	Total GFA (sq.ft.)	The Group's Interest (%)	Attributable GFA				Total Attributable GFA (sq.ft.)	Stage of Completion ⁽¹⁾
					Residential (sq.ft.)	Retail (sq.ft.)	Office (sq.ft.)	Others (sq.ft.)		
Hong Kong Island										
1	4A-4P Seymour Road, Mid-levels	52,466	472,194	35.00						
	- Phase 1.....				77,691				77,691	S
	- Phase 2.....				87,577				87,577	S
2	277-291 King's Road, North Point.....	34,866	421,916	63.52	128,034	47,373	65,337	27,257	268,001	F
3	The Southside Package 5	95,563	636,152	50.00	318,076				318,076	S
4	9-19 Lyndhurst Terrace	4,521	67,813	100.00			67,813		67,813	P
	Subtotal.....	187,416	1,598,075		611,378	47,373	133,150	27,257	819,158	
Kowloon										
5	83 Wing Hong Street, New Kowloon Inland Lot No. 6572, Wing Hong Street, Cheung Sha Wan	30,925	371,080	49.00		2,913	178,916		181,829	C
6	PARK PENINSULA MIAMI QUAY I	104,475	574,615	29.30	168,362				168,362	C
7	THE KNIGHTSBRIDGE, New Kowloon Inland Lot No. 6552, 4C2, Kai Tak	105,110	641,258	18.00	111,539	3,888			115,427	S
8	New Kowloon Inland Lot No. 6576, 4B1, Kai Tak.....	103,151	722,060	10.00	72,206				72,206	S
9	New Kowloon Inland Lot No. 6591, 4B4, Kai Tak.....	104,497	574,733	50.00	287,367				287,367	S
10	53-55A Kwun Tong Road.....	61,499	441,015	20.00	88,203				88,203	S
11	530-538 Canton Road, Jordan.....	3,004	27,036	100.00	22,530	4,506			27,036	D
12	52-56 Kwun Chung Street, Jordan	2,900	24,468	100.00	21,749	2,719			24,468	D
13	NKIL 5205, 23-34 Rose Street, Kowloon Tong	38,960	116,880	100.00	116,880				116,880	D
14	43-49A Hankow Road, TST	11,565	138,786	100.00			138,786		138,786	P
15	Yau Tong Redevelopment Project, Kowloon East.....	808,397	3,982,722	10.88	422,607	10,793			433,400	LE
	Subtotal.....	1,374,483	7,614,653		1,311,443	24,819	317,702		1,653,964	
New Territories										
16	The Pavilia Farm, Tai Wai Station Property Development, STTL No. 520, Sha Tin ⁽²⁾ - Phase 3.....	521,107	689,144	100.00	689,144				689,144	S

No.	Name of Property Development Projects	Site Area	Total GFA	The Group's Interest	Attributable GFA				Total Attributable GFA	Stage of Completion ⁽¹⁾
					Residential	Retail	Office	Others		
		(sq.ft.)	(sq.ft.)	(%)	(sq.ft.)	(sq.ft.)	(sq.ft.)	(sq.ft.)	(sq.ft.)	
17	Pak Shing Kok Ventilation Building Property Development	48,449	290,693	51.00	148,253				148,253	P
18	Kam Tai Road (Site A)	115,110	46,038	100.00	46,038				46,038	LE
19	Kam Tai Road (Site B)	24,876	9,946	100.00	9,946				9,946	LE
20	Kam Tai Road (Site C)	26,921	10,764	100.00	10,764				10,764	LE
21	Sha Po North (Phase 2), Yuen Long...	315,880	528,848	34.81	184,092				184,092	LE
22	Wu Nga Lok Yeung (Phase 1), Fanling	155,346	1,118,492	50.00	466,038	93,208			559,246	LE
23	Tsat Sing Kong, Kam Tin, Yuen Long	166,907	66,748	100.00	66,748				66,748	LE
24	Lung Tin Tsuen (Phase 2), Yuen Long	88,265	441,325	100.00	441,325				441,325	LE
25	Lung Tin Tsuen (Phase 4), Yuen Long	55,908	279,541	100.00	279,541				279,541	LE
26	Sha Ha, Sai Kung	614,624	920,139	77.19	710,255				710,255	LE
27	Ma Shi Po, Fanling	257,507	1,854,052	7.109	109,832	21,966			131,798	LE
28	Lin Barn Tsuen, Yuen Long	1,485,238	2,227,857	63.67	1,418,477				1,418,477	P
29	Wing Kei Tsuen, Yuen Lon	700,962	1,051,444	100.00	1,051,444				1,051,444	P
30	Ngau Tam Mei, Yuen Long	239,973	1,199,863	90.81	1,089,596				1,089,596	P
31	Lau Fau Shan, Yuen Long	220,178	660,533	100.00	660,533				660,533	P
32	Tong Yan San Tsuen (Phase 3), Yuen Long	101,833	101,833	100.00	101,833				101,833	P
33	Tong Yan San Tsuen (Phase 4), Yuen Long	206,507	743,426	100.00	743,426				743,426	P
34	Tong Yan San Tsuen (Mountain) (Site A), Yuen Long	443,498	1,596,594	100.00	1,596,594				1,596,594	P
35	Tong Yan San Tsuen (Mountain) (Site B), Yuen Long	393,747	1,417,490	100.00	1,417,490				1,417,490	P
36	Lung Tin Tsuen (Phase 5), Yuen Long	65,230	391,379	93.57	366,224				366,224	P
	Subtotal		15,646,149		11,607,593	115,174			11,722,767	
	Grand Total		24,858,877		13,530,414	187,366	450,852	27,257	14,195,889	

Notes:

- (1) P=Planning; D=Demolition; SP=Site Preparation; F=Site Formation / Foundation; S=Superstructure; C=Completed (OP Issued); LE=Land Exchange; TBD=To be determined
(2) Property in which the Group is entitled to a share of development profits in accordance with the terms and conditions of the respective development agreements

The Group has been actively reviewing its business and asset portfolios, and works to identify opportunities of non-core asset disposal to unlock values. For the year ended 30 June 2023, the Group completed the disposal of non-core assets with total consideration of approximately HK\$5.9 billion. Going forward, the Group will remain focused on developing its core business and optimise its businesses and assets through non-core disposal which can provide more resources for its core business continuously.

As at 30 June 2023, among the unrecognised attributable income from contracted sales of properties in Hong Kong, HK\$4,634.8 million and HK\$7,218.5 million would be booked in FY2024 and financial year ending 30 June 2025 (the “FY2025”), respectively. Key projects expected to be booked in FY2024 include MOUNT PAVILIA and FLEUR PAVILIA. Key projects expected to be booked in FY2025 include PAVILIA FARM III and MOUNT PAVILLA.

Contracted sales of property development in Hong Kong expected to be recognised in FY2024 (as at 30 June 2023)	Total no. of units	Attributable income
		<i>HK\$ million</i>
MOUNT PAVILIA	57	2,962.2
FLEUR PAVILIA	35	774.8
The Masterpiece	2	197.5
PARK PENINSULA MIAMI QUAY 1	50	146.2
PARK VILLA	1	48.6
Carparks		505.5
Total		4,634.8

Contracted sales of property development in Hong Kong expected to be recognised in FY2025 (as at 30 June 2023)	Total no. of units	Attributable income
		<i>HK\$ million</i>
PAVILIA FARM III.....	395	5,882.5
MOUNT PAVILIA	16	899.8
THE KNIGHTSBRIDGE.....	23	203.5
FLEUR PAVILIA	6	174.2
Carparks		58.5
Total		7,218.5

Hong Kong – Land bank

It is the Group's policy to use various channels to replenish its Hong Kong land bank. Apart from public auction and tender, the Group has also pursued diversified means, including old building acquisitions and farmland conversions to secure a stable supply of land resources for development. For the year ended 30 June 2023, the Hong Kong government actively launched a series of land and housing supply initiatives, which included, among other things, the implementation of New Development Areas and New Town Extension projects, the Northern Metropolis Development Strategy and Site Rezoning. In the long-term, the Northern Metropolis will be the foothold for Hong Kong's strategic development and the development of New Development Areas will be one of the key land supply sources.

The Group will continue to expedite its farmland conversion to unlock value and leverage on the Hong Kong government's policies and measures when replenishing land bank to meet housing demands in Hong Kong.

As at 30 June 2023, the Group possessed a land bank with attributable GFA of approximately 8.14 million sq.ft. available for immediate development, of which, approximately 3.37 million sq.ft. was for property development use. Meanwhile, the Group had a total of approximately 16.36 million sq.ft. of attributable agricultural land area reserve in the New Territories pending for usage conversion, approximately 90 per cent. of which are located within the Northern Metropolis.

Land bank by district	Property development total attributable GFA	Property investment and others total attributable GFA	Total attributable GFA
	<i>(sq.ft. '000)</i>	<i>(sq.ft. '000)</i>	<i>(sq.ft. '000)</i>
Hong Kong Island.....	819.2	-	819.2
Kowloon	1,646.3	998.2	2,644.5
New Territories	904.1	3,767.4	4,671.5
Total	3,369.6	4,765.6	8,135.2

Agricultural land bank by district	Total land area	Total attributable land area
	<i>(sq.ft. '000)</i>	<i>(sq.ft. '000)</i>
Yuen Long District.....	12,297.2	11,298.4
North District	2,476.0	2,177.7
Sha Tin District and Tai Po District	1,910.8	1,856.7
Sai Kung District.....	1,195.0	1,023.3
Total	17,879.0	16,356.1

The Group through a consortium was awarded the bids for three residential sites on the Kai Tak runway. The three projects have a total GFA of 1.9 million sq.ft. in aggregate, of which approximately 360,000 sq.ft. is attributable to the Group. In furtherance of the Group's strategy of development in the Greater Bay Area, on 2 May 2018, the Group won a successful bid for an iconic world-class commercial development in SKYCITY at Hong Kong International Airport ("HKIA"). Situated next to HKIA, the development was estimated to involve total investment of HK\$20 billion and take up a GFA of approximately 3.77 million sq.ft., comprising 2.1 million sq.ft. for dining and retail outlets and 570,000 sq.ft. each for experience-based entertainment facilities and office space. The remaining floor area is intended to be used for public facilities and carparks. The project is scheduled to be completed in phases from 2022 to 2025. K11 ATELIER 11 SKIES had its grand opening in July 2022.

The Group will be responsible for the design, development and management of the entire project, aiming to build this strategically located project into a commercial and entertainment hub in Hong Kong and the Greater Bay Area at large, offering high-tech experiential entertainment, making it a new landmark in Hong Kong for locals and visitors from overseas and a population of more than 60 million people of the Greater Bay Area.

The Group attaches great importance to creating shared value. The Group took the lead in responding to the Hong Kong government's advocacy for the development of transitional housing. The Group and the Hong Kong government are working hand in hand with social enterprises to provide short-term residence for families in need, by using part of its medium- and long-term agricultural land reserve that is not available for development in short to medium term at a nominal rent. As of 30 June 2023, four social housing projects are now in different planning and construction phases. It is expected that approximately 3,000 housing units in total will be created to ease the cost of housing for the underprivileged. Among them, the first two projects are scheduled for completion and move-in within the first half of 2024. The Group will continue to liaise and collaborate closely

with NGOs and related government departments in the hope of creating innovative and unique social housing projects for Hong Kong's next generation.

The PRC – Property overview

The Group entered the PRC property market in the early nineties and has since then expanded its business operations to the southern, central, eastern, northern and north-eastern regions of the PRC. The Group is now one of the largest foreign property developers and investors in the PRC. The Group is engaged in property development and investment in the PRC principally through its solely-owned subsidiary, the NWCL.

The NWCL Group's core business is the development and sale of mid-sized to large-scale residential projects. The NWCL Group is also engaged in other complementary property-related businesses such as land preparatory work, property investment, hotel operations and property management services.

As at 30 June 2023, the NWCL Group had a total land bank (excluding carpark) held for property development of approximately 4,773,000 sq.m. available for immediate development in the PRC, of which, residential GFA amounted to approximately 2,641,000 sq.m. As at 30 June 2023, the NWCL Group's core property development projects were primarily located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Ningbo, Hangzhou, Beijing and Shenyang. In the Greater Bay Area and the Yangtze River Delta Region, the Group has a land bank (excluding carparks) with a total GFA of approximately 2,067,000 sq.m.

The PRC – Property Investment

The NWCL Group's investment property portfolio comprises completed residential, commercial and office properties and car park spaces held for long-term investment, and as at 30 June 2023, amounted to approximately 3.5 million sq.m. in total GFA.

In early January 2023, cross-border travel between Mainland China and Hong Kong became normalised subject to certain testing requirements. Since 2023, pent-up demand was released following the lifting of pandemic prevention and control measures in Mainland China. The consumer market and retail industry gradually recovered and footfall improved. The Chinese Central Government also introduced policies to support enterprise development and stimulate domestic demand, aiming to promote employment and income growth. Data released by the National Bureau of Statistics showed that total retail sales of consumer goods in Mainland China amounted to RMB22,758.8 billion in the first half of 2023, representing a year-on year increase of 8.2 per cent.

For the year ended 30 June 2023, due to the impact of the pandemic in the second half of 2022, the Group recorded revenues from property investment in Mainland China of HK\$1,908.7 million, representing a decrease of 5.9 per cent. from the year ended 30 June 2022. For the year ended 30 June 2023, the Group recorded segment results of HK\$930.9 million from property investment in Mainland China, representing a decrease of 9.8 per cent. from the year ended 30 June 2022. The occupancy rates of major projects in the investment property portfolio remained stable.

The NWCL Group's investment property portfolio (including those held by joint ventures and associated companies) as of 30 June 2023 comprise property projects in the Pearl River Delta region and top-tier and second-tier cities in the PRC, including Beijing, Guangzhou, Shenyang, Wuhan, Tianjin, Dalian, Anshan, Tangshan, Foshan, Huizhou, Shunde, Shenzhen, Qingyuan, Shanghai, Nanjing, Ningbo, Jinan and Langfang. The Group's K11 projects in Mainland China have gradually gained maturity in their operation, with Wuhan Guanggu K11 Select and Shenyang K11 Select providing strong contributions to revenue. Such investment properties are typically developed by the NWCL Group and are located within its property developments. Developments of investment properties are conducted in accordance with the specific requirements of the approved master design plans.

With the unique brand positioning of K11 under the Group, K11 Art Malls owned or managed by the Group in Mainland China have reported an excellent sales performance. During the partial closure of public areas for brand upgrading, Guangzhou K11 capitalised on the economic recovery momentum by hosting art exhibitions featuring well-known international artists. Meanwhile, Guangzhou K11 leveraged its brand appeal for online platforms such as Tiktok, Dianping and Xiaohongshu to convert traffic to offline consumption. By broadening revenue streams, reducing expenditure and leveraging synergies through cross-industry cooperation, the Group made continuous efforts to identify new channels to drive sales. In terms of promotion, Guangzhou K11 completed four large-scale exhibitions for the year ended 30 June 2023, attracting nearly 100 million viewers, and marketing expenses were partially offset by additional advertising sponsorships through collaborations.

Wuhan K11, with a keen focus on luxury sports products, introduced new brands and sport luxe pop-up stores to enrich the brand mix, set new trends and expand the target customer base. For the year ended 30 June 2023, Wuhan K11 achieved an 85 per cent. acquisition and conversion rate by organising a masterclass coffee culture festival. Wuhan Guanggu K11 Select, targeting Gen Z, continued to introduce popular brands and offered targeted promotions and assistance for newly opened stores, improving the consumption conversion rate through online channels.

Driven by the dual forces of K11 Art Karnival and the consumption recovery, Shanghai K11 enjoyed a surge in ticket sales for events and exhibitions as well as footfall. Both sales and footfall recorded over 100 per cent. year-on-year growth in the first six months of 2023. Meanwhile, the occupancy rate of Shanghai K11 rapidly recovered to 91 per cent. after the pandemic.

Shenyang K11 Select made a quick recovery after the pandemic, with double-digit year-on-year growth in both sales and footfall. For the year ended 30 June 2023, Shenyang K11 Select held nine large-scale offline events, yielding double-digit year-on-year growth in income from various licensing activities.

Targeting Gen Z and young families, Tianjin K11 Select focused on membership development and loyalty. Positioning itself as an artistic, trendy and futuristic life experience site, Tianjin K11 Select focused on boosting sales while dedicating itself to pursuing exclusive artistic experiences and expanding reach and interaction to refine the traditional physical retail model and create a brand-new cultural and retail concept. THE PARK by K11 Select in the Ningbo New World was officially launched at the end of 2022. Combining trendy and intriguing lifestyle elements of PARK with the artistic, cultural and natural features of Ningbo, the project is a one-stop complex of diverse businesses and experiences, offering immersive experiences, trendy sports, universal entertainment, luxurious retailing and art exhibitions. It is expected to become another flagship project of the Group in the Yangtze River Delta and will further consolidate the comprehensive commercial competency and competitiveness of Ningbo New World complexes.

It is the NWCL Group's policy to commence the development of the commercial properties at the early stage of the property development. Since a well-equipped living environment is of utmost importance in formulating the NWCL Group's marketing strategy and promoting the overall image of its quality property projects, the NWCL Group believes that the provision of commercial facilities for residents at an early stage of its residential community project could enhance the value of the project. The Group remains highly committed to its strategic vision of "Improving Integration and Connectivity in First-Tier Cities in the Greater Bay Area and the Yangtze River Delta Region" and diversifying its businesses to increase recurring rental income.

The NWCL Group's rents are generally quoted per sq.m. of lettable area. In most cases, the rents that it quotes do not include property management charges and rates payable by its tenants. Commercial and office leases are typically entered into for two- to three-year terms, some of which have the option to renew. In connection with longer term leases, the tenancy agreements usually contain rent review clauses or rent adjustment provisions. The majority of the completed investment properties of the NWCL Group are being managed by the NWCL Group's own property management companies for the purposes of providing premier estate management

services and maintaining high quality and conditions of the premises. Only some of the investment properties of the NWCL Group are managed by outsourced management companies. Notwithstanding that such commercial facilities are classified as investment properties, the NWCL Group will evaluate offers from potential purchasers and may dispose of certain of its investment properties if the price offered is competitive. Set forth below is a brief description of some of the NWCL Group's and NWD Group's major investment property projects in the PRC:

Beijing New World Centre, Phases I and II

Beijing New World Centre comprises joint ventures between the NWCL Group and local partners, providing NWCL with a 70 per cent. and 100 per cent. attributable interest for the development of Phases I and II respectively. Phase I, which has approximately 94,188 sq.m. of total GFA, comprises a large retail shopping arcade and two levels of basement parking. Phase II, which has approximately 74,359 sq.m. of total GFA, mainly comprises a large retail shopping arcade and basement parking facilities.

Tianjin Xin An New World Plaza

Tianjin Xin An New World Plaza is owned by a wholly-owned subsidiary of the NWCL Group. The project, which was completed in June 1997, is among the PRC's largest shopping arcades, comprising retail and commercial space of approximately 95,562 sq.m. of total GFA.

Tangshan New World Centre

Tangshan New World Centre is fully owned by the NWCL Group. The project, which is adjacent to 150,000 sq.m. Dazhao Park, comprises offices, retail shops and service apartments.

Wuhan New World International Trade Towers, Towers I and II

The NWCL Group holds a 100 per cent. attributable interest in Wuhan New World International Trade Tower for the development of Towers I and II. Towers I and II have in aggregate approximately 131,798 sq.m. of total GFA and primarily comprises office space.

Wuhan Guanggu New World

The Group holds a 100 per cent. attributable interest in Wuhan Guanggu New World. The project is divided into commercial and residential sections, including hotel, shops and grade A office and space for innovative enterprises which offer attractive rental rates.

Wuhan K11 Art Mall II

The Group holds a 100 per cent. attributable interest in the Wuhan K11 Art Mall II. This is the Group's second cultural commercial project in Wuhan and commenced operations in late April 2021.

Langfang New World Centre

The NWCL Group holds a 100 per cent. attributable interest in Langfang New World Centre. The project is located in the commercial district of Zhougezhuang. This project comprises high-end offices, hotel and retail shops.

Guangzhou Park Paradise

The NWCL Group holds a 100 per cent. attributable interest in Guangzhou Park Paradise. The project comprises seven high-rise buildings complemented by a 500,000 sq.m. mixed-use complex that includes service apartments, retail shops and recreational facilities.

The table below sets out the Group's major property investment projects and hotels in the PRC as at 30 June 2023.

No	Name of completed project	Accounting classification	Attributable interest	Total GFA	Serviced apartment	Commercial	Office	Hotel	Carpark and Others	Exhibition Centre
				(excl. carpark and others)						
				(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
1	Guangzhou Covent Garden	Subsidiary	100%	23,751		23,751			10,833	
2	Guangzhou Park Paradise.....	Subsidiary	100%	120,248		58,602		61,646	32,587	
3	Guangzhou Park Paradise Area 6	Subsidiary	100%						575	
	Guangzhou Xintang New World Garden	Joint venture	63%	27,463		27,463			9,821	
4	Guangzhou Central Park-view-L4 Area.....	Subsidiary	91%						3,332	
	Guangzhou Central Park-view-L8 Arc.....	Subsidiary	91%	47,277	29,869	17,408			5,157	
	Guangzhou Central Park-view-L13 Area.....	Subsidiary	91%						7,526	
5	Guangzhou New World Oriental Garden No 5	Subsidiary	100%						3,238	
	Guangzhou New World Oriental Garden Phase 1	Subsidiary	100%	3,434		3,434				
6	Guangzhou Dong Yi Garden Phase 2	Subsidiary	100%						494	
	Guangzhou Dong Yi Garden Phase 3	Subsidiary	100%						1,992	
	Guangzhou Dong Yi Garden Phase 4	Subsidiary	100%						1,429	
	Guangzhou Dong Yi Garden Phase 5	Subsidiary	100%						35	
7	Canton First Estate CF19A.....	Subsidiary	90%						2,287	
	Canton First Estate CF19A (T5, T6).....	Subsidiary	90%	11,043	11,043					
	Canton First Estate CF19B.....	Subsidiary	90%						3,302	
8	Shenzhen New World Signature Hill.....	Subsidiary	100%						8,017	
9	Huizhou Changhuyuan Phase 1	Joint venture	63%	303		303			6,952	
	Huizhou Changhuyuan Phase 2B.....	Joint venture	63%						150	
	Huizhou Changhuyuan Phase 3	Joint venture	63%	51		51			10,208	
10	Shunde New World Centre.....	Joint venture	42%	26,723		26,723			14,940	
11	New World Shunde Hotel.....	Joint venture	25%	36,524				36,524		
12	KHOS Qingyuan.....	Subsidiary	100%	47,681				47,681	3,766	
13	Qianhai CTF Financial Tower Project	Associated company	30%	6,723		6,723				
14	Panyu International School Project Phase 1	Subsidiary	100%						42,169	
15	New World Zengcheng Comprehensive Development Project.....	Subsidiary	100%	48,771			48,771			
	New World Zengcheng Comprehensive Development Project.....	Subsidiary	100%	46,076			46,076			
	New World Zengcheng Comprehensive Development Project.....	Subsidiary	100%	4,759		4,759				
	New World Zengcheng Comprehensive Development Project.....	Subsidiary	100%	24,337				24,337		
16	Zhuhai Yongmao Furniture Factory	Subsidiary	100%	16,868			16,868			
17	Wuhan Guanggu New World A.....	Subsidiary	100%	58,714				58,714	6,775	
	Wuhan Guanggu New World B.....	Subsidiary	100%	2,159		2,159				
18	Wuhan New World International Trade Tower 1	Subsidiary	100%	104,556			104,556		17,237	
	Wuhan New World International Trade Tower 2	Subsidiary	100%	10,005			10,005			
19	Wuhan New World Centre	Subsidiary	100%	2,449		2,449				
20	Wuhan K11	Subsidiary	100%	146,305		94,974	51,331		64,875	
21	Wuhan K11 Select.....	Subsidiary	100%	57,155		56,354	801		55,437	
22	New World Wuhan Hotel.....	Joint venture	60%	29,974			563	29,411	5,639	
23	Shanghai Regent Place carpark	Joint venture	30%						3,722	
24	Ningbo New World Plaza Land No.5	Subsidiary	100%	129,806		1,138	82,134	46,534	746	
25	Nanjing New World Centre.....	Subsidiary	100%	41,712		41,712				
26	Beijing New World Centre Phase 1	Joint venture	70%	74,232		74,232			19,956	
	Beijing New World Centre Phase 2	Subsidiary	100%	47,345		47,345			27,014	

No	Name of completed project	Accounting classification	Attributable interest	Total GFA	Serviced apartment	Commercial	Office	Hotel	Carpark and Others	Exhibition Centre
				(excl. carpark and others)						
				(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
27	Beijing Zhengren Building.....	Subsidiary	100%						16,415	
28	Beijing New World Garden.....	Subsidiary	100%						34,544	
29	Beijing Xin Yang Commercial Building.....	Subsidiary	100%						3,439	
30	Beijing Xin Cheng Commercial Building.....	Subsidiary	100%						8,051	
31	Beijing Xin Yi Garden.....	Joint venture	70%						43,708	
32	Beijing New View Garden.....	Joint venture	70%	4,030		4,030			15,988	
33	Beijing Xin Yu Garden.....	Joint venture	70%	3,603		3,603			21,197	
34	Beijing Xin Kang Garden.....	Joint venture	70%	12,011		12,011			28,185	
35	Beijing Baoding Building Shopping Arcade.....	Subsidiary	100%	40,286		40,286			22,000	
36	Pentahotel Beijing.....	Joint venture	55%	23,988				23,988		
37	New World Beijing Hotel.....	Joint venture	70%	53,998				53,998		
38	Rosewood Beijing.....	Subsidiary	82%	58,262				58,262		
39	Tianjin Xin An New World Plaza.....	Subsidiary	100%	84,278		78,283	5,995		11,284	
40	Tianjin Xin Hui Hua Ting.....	Subsidiary	100%	25,661		25,661				
41	Langfang Non World Centre B.....	Subsidiary	100%	7,016		7,016				
42	KHOS Langfang.....	Subsidiary	100%	46,421				46,421		
43	Tangshan New World Centre Phase 2.....	Subsidiary	100%	85,787		37,502	48,285			
44	Jinan New World Sunshine Garden East.....	Subsidiary	100%	1,009		1,009			10,247	
	Jinan New World Sunshine Garden West.....	Subsidiary	100%	4,000		4,000				
45	Shenyang New World Garden Phase 1 AB.....	Subsidiary	100%						5,500	
	Shenyang New World Garden Phase 1 D.....	Subsidiary	100%						10,372	
	Shenyang New World Garden Phase 1E.....	Subsidiary	100%	5,039		5,039			22,517	
	Shenyang New World Garden Phase 2A.....	Subsidiary	100%	4,601		4,601			123,926	
	Shenyang New World Garden Commercial Building.....	Subsidiary	100%						753	
	Shenyang New World Garden Phase 2 B.....	Subsidiary	100%						45,778	
	Shenyang New World Garden Phase 2 D1.....	Subsidiary	100%						41,794	
	Shenyang New World Garden Phase 2 D2.....	Subsidiary	100%	5,180		5,180			44,996	
	Shenyang New World Garden Phase 2 E.....	Subsidiary	100%						13,720	
	Shenyang New World Garden Phase 2 C1.....	Subsidiary	100%	12,660		12,660			35,697	
46	Shenyang New World Commercial Centre Phase 1.....	Subsidiary	100%						8,710	
	Shenyang New World Commercial Centre Phase 2.....	Subsidiary	100%						15,112	
47	Shenyang New World Centre.....	Subsidiary	100%	99,916					138,018	99,916
48	KHOS Shenyang.....	Subsidiary	100%	69,751				69,751		
49	Tongpai Shenyang Hotel.....	Subsidiary	100%	29,924				29,924		
50	Shenyang K11.....	Subsidiary	100%	257,037		257,037			38,900	
51	Anshan New World Garden.....	Subsidiary	100%	2,349		2,349			141,592	
52	Dalian New World Plaza.....	Subsidiary	88%	49,413		49,413			19,783	
53	Dalian New World Tower.....	Subsidiary	100%	52,835				52,835	21,915	
	Total.....			<u>2,235,499</u>	<u>40,912</u>	<u>1,039,260</u>	<u>415,385</u>	<u>640,026</u>	<u>1,314,352</u>	<u>99,916</u>

The PRC – Property Development

The NWCL Group has extensive experience in property development in Beijing, Wuhan, Shenyang, Tianjin, Shanghai, Guangzhou, Shenzhen and the Pearl River Delta region and has expanded into other major cities in the PRC including Changsha, Foshan, Anshan, Langfang, Yiyang, Ningbo, Jinan, Qingyuan, and Huizhou.

Development of the NWCL Group's properties usually entails seven phases: land acquisition, project planning, financing, design, project construction, pre-sales and sales, and after-sales services. The Group's property business in the PRC is mainly concentrated in core cities like Shenzhen and Guangzhou in the Greater Bay Area and cities located in certain important economic clusters. In particular, around 48 per cent. of the Group's core land bank in the PRC is located in the Greater Bay Area. The Group's Greater Bay Area exposure is high and has shown significant growth in Greater Bay Area projects.

In 2023, the Chinese government reiterated the pillar status of the real estate industry and stressed the importance of preventing and resolving risks in key sectors to promote the steady and healthy development of the real estate market. It concluded that "significant changes have occurred in the relationship between supply and demand in the country's real estate market", and developed the policy themes of "Stabilising the Pillar", "Boosting Demand" and "Preventing Risks" for the real estate industry in 2023. In particular, the Chinese government focused on the implementation of city specific and targeted policies that increase financial assistance to prevent and resolve risks faced by real estate enterprises, reduce the cost of housing for the public, and protect buyers' rights. However, the implementation of policies, along with efforts to improve sales, acquire land, replenish inventory, and stimulate construction and investment, is expected to require a significant amount of time. Consequently, it is anticipated that the recovery of the property market may proceed at a slower pace.

For the year ended 30 June 2023, the revenues and segment results of property development in the PRC, including joint development projects, amounted to HK\$10,553.2 million and HK\$5,311.9 million, respectively. The contributions were mainly from residential projects in Guangzhou, Hangzhou and Shenyang. For the year ended 30 June 2022, the revenues and segment results of property development in the PRC, including joint development projects, amounted to HK\$11,526.8 million and HK\$6,599.8 million, respectively.

Amid the challenges faced by the real estate industry and the economic development in Mainland China, the Group has adhered to its strategy of high-quality development by developing exquisite and high-quality projects and seizing the best timing for project launches, which yielded remarkable results against the downturn during the industry adjustment period. In particular, the cumulative sales proceeds of the sole project of New World Arts Centre in Hangzhou exceeded RMB11 billion; and the sales proceeds of the sole project of the Shanghai City Gather residential properties, which was jointly developed by New World, China Merchants Shekou and Poly Development and Holdings, exceeded RMB5.3 billion, with units selling out in each of the sales campaigns held in April and August 2023 respectively. The cumulative sales proceeds of Guangzhou New Metropolis • New Metropolis Mansion has exceeded RMB3.0 billion since the first round of sales in March 2023. All these impressive results have demonstrated New World's established brand reputation and market appeal, and further highlighted the huge potential that exists in cities in the Greater Bay Area and Yangtze River Delta.

For the year ended 30 June 2023, the Group's total contracted sales area of properties in Mainland China were approximately 302,000 sq.m., with total sales proceeds amounting to approximately RMB15.13 billion. The average price of overall residential contracted sales exceeded RMB50,000 per sq.m. This contribution was mainly delivered by projects in the Greater Bay Area and Yangtze River Delta, such as New World Arts Centre in Hangzhou, Shanghai City Gather, Guangzhou New Metropolis • New Metropolis Mansion and Guangzhou Covent Garden. Breaking down the geographical distribution of contracted sales proceeds, the Southern Region, led by the Greater Bay Area, and the Eastern Region, led by the Yangtze River Delta Region, were the largest contributor, accounting for over 94 per cent.. For the year ended 30 June 2022, the total contracted sales area of properties in the PRC was approximately 437,000 sq.m., with total sales proceeds amounted to RMB17.1 billion.

For the year ended 30 June 2023, the Group disposed of commercial and office buildings and carparks in the PRC which generated approximately RMB1.01 billion. The disposal enables the Group to realise cash resources and unlock asset value at fair market value and further validated the Group's strategy of disposing of non-core

assets, which comprises identifying suitable opportunities, optimising its business portfolio, and invest resources in its core business that offer high growth and potential.

As at 30 June 2023, unrecognised gross income from contracted sales of properties in the PRC amounted to RMB12.89 billion, of which RMB10.57 billion is to be booked in FY2024 and RMB2.32 billion to be booked in FY2025.

Properties under development: As at 30 June 2023, the NWCL Group has a total GFA of 7.0 million sq.m. of properties under development, which comprise residential, commercial, office, hotel properties and car park spaces in the Pearl River Delta region and top-tier and second-tier cities in the PRC, including Guangzhou, Shenzhen, Foshan, Shenyang, Wuhan, Beijing, Anshan, Ningbo, Hangzhou, Shanghai, Yiyang, Langfang, Jinan and Huizhou.

Land acquisition strategy: The NWCL Group has an established land acquisition strategy which takes into account its short-, medium- to long-term development requirements. The NWCL Group focuses on acquiring land in prime urban locations of key top-tier cities with a sizable population of middle to high income households.

The NWCL Group places a strong emphasis on its land acquisition strategy and considers it fundamental to the success of a property development project. The NWCL Group typically prefers to acquire interests in land through cooperative investment or acquisition of existing interests as opposed to acquisition through public tenders. The major considerations the NWCL Group applies are:

- location and population demographics: focus on acquiring land in prime urban locations with a sizable population of middle to high income households;
- cost, investment and financial returns;
- site area: focus on sites with a GFA of less than 500,000 sq.m.;
- accessibility of the site and availability of infrastructure support; and
- synergies with other existing projects located within the same region.

The NWCL Group designs and develops the land granted to it according to its overall master development plan. The NWCL Group is actively involved in all of the different stages of the development process in order to control the costs, schedule and quality of its projects including the selection and acquisition of land, the resettlement process, the preparation of feasibility studies and market surveys, the obtaining of government approvals for development, the design of development projects, the supervision of construction and the sales and marketing and management of completed projects.

Region	Contracted sales	
	Area (sq.m. '000)	Proceeds (RMB million)
Southern Region (i.e. the Greater Bay Area).....	106.8	3,933
Eastern Region (i.e. the Yangtze River Delta Region).....	149.6	10,284
Central Region.....	0.5	26
Northern Region.....	14.4	254
North-eastern Region	30.4	629
Total	301.7	15,126

For the year ended 30 June 2023, the total area of projects completed (excluding carpark) amounted to 530,000 sq.m., a large portion of which is located in the Greater Bay Area and the Yangtze River Delta Region. The area of completion is expected to reach 1,456,000 sq.m. in FY2024.

FY2023 project completion in the PRC — property development (Total area/sq.m.)

Project	Residential	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou Park Paradise District 3 Batch E	43,680	—	—	43,680	58,764
Zengcheng Comprehensive Development Project.....	—	11,505	26,874	38,379	115,041
Qianhai CTF Financial Tower Project	—	1,000	47,998	48,998	61,184
Guangzhou Foshan Canton First Estate CF-32.....	82,149	1,093	—	83,242	122,692
Guangzhou Foshan Canton First Estate CF-03.....	54,667	—	—	54,667	54,667
Shenyang New World Garden Phase 2C-2.....	88,647	—	—	88,647	88,647
Total	269,143	13,598	74,872	357,613	500,995

FY2023 project completion in the PRC — property investment, hotel and others (Total area/sq.m.)

Project	Commercial	Office	Hotel	Total (excluding carpark)	Total (including carpark)
Panyu International School Project Phase 1	42,169	—	—	42,169	42,169
Zengcheng Comprehensive Development Project.....	4,759	94,847	24,337	123,943	123,943
Qianhai CTF Financial Tower Project	6,723	—	—	6,723	47,203
Total	53,651	94,847	24,337	172,835	213,315

FY2024 estimated project completion in the PRC — property development (Total area/sq.m.)

Region	Project	Residential	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Guangzhou Park Paradise District 3 Batch E	46,767	—	—	46,767	46,767
	Guangzhou Zengcheng International Community Project	276,780	34,710	—	311,490	455,156
Foshan	Guangzhou Foshan Canton First Estate CF-21B	52,854	—	—	52,854	81,596

Region	Project	Residential	Commercial	Office	Total (excluding carpark)	Total (including carpark)
	Guangzhou Foshan Canton First Estate CF-28	30,993	—	—	30,993	43,390
Hangzhou	Hangzhou River Opus	149,451	—	—	149,451	149,451
	Hangzhou New World Centre Project	—	75,147	37,930	113,077	285,979
Shenyang	Shenyang New World Garden Phase 2C-2	122,953	10,886	—	133,839	133,839
	Shenyang New World Centre – SA3	75,354	—	—	75,354	75,354
	Shenyang New World Centre SA1	107,589	—	—	107,589	107,589
	Shenyang New World Centre – SA2	104,142	—	—	104,142	104,142
Wuhan	Wuhan New World • Times Land A	—	6,713	—	6,713	6,713
Huizhou	Huizhou Changhuyuan Phase 4	50,362	5,405	—	55,767	80,030
Anshan	Anshan New World Bozhu Phase B3	15,643	466	—	16,109	16,109
Total		1,032,888	133,327	37,930	1,204,145	1,586,115

FY2024 estimated project completion in the PRC — property investment, hotel and others (Total area/sq.m.)

Region	Project	Commercial	Office	Total (excluding carpark)	Total (including carpark)
	Panyu International School Project				
Guangzhou	Phase 2	20,365	—	20,365	20,365
	Panyu International School Project				
	Phase 3	26,331	—	26,331	26,331
	Panyu International School Project				
	Phase 4	62,196	—	62,196	62,196
Shenzhen	Qianhai CTF Financial Tower Project	19,542	99,391	118,933	118,933
Shenyang	Shenyang New World Garden Phase 2C-2	—	—	—	41,687
Beijing	Beijing New View Commercial Centre	9,941	13,180	23,121	27,573
Total		138,375	112,571	250,946	297,085

The PRC – Land Bank

Positioning in the Greater Bay Area and selected key cities and diversified channels in land bank management are the keys of the Group's ability to successfully stand out and differentiate among many large mainland developers. The Group has leveraged its solid development and strategy of strengthening its presence in Mainland China to strategically position itself in the Guangdong-Hong Kong-Macao Greater Bay Area and first and second-tier core cities, replenishing its landbank through diversified land acquisition strategies such as tender auctions, joint development, urban renewal, and merger and acquisitions as well as other channels to provide adequate resources for the sustainable development of the Group.

The Group is a trusted partner of the PRC government and state-owned enterprises. For example, the Group has entered to a joint venture arrangement with state-owned China Merchants Shekou Industrial Zone Holdings Co Ltd ("**China Merchants Shekou**") in respect of the development of high-quality land parcels in Prince Bay, Shenzhen. The project in Prince Bay will develop into a large-scale commercial complex which offers a comprehensive range of facilities to be opened in phases from 2024, including a K11 Art Mall, the family-themed D • PARK and a Grade A office tower. Both parties have also jointly won the bid for the property development project Tseung Kwan O Pak Shing Kok Ventilation Building. In addition, the Group partnered with China Merchants Shekou and Poly Developments & Holdings Group in August 2022 and secured the bid for a land parcel in Putuo District, Shanghai.

In January and April 2021, the Group entered Strategic Cooperation Agreements with Guangzhou's Municipal Government and Pingshan District's Government of Shenzhen respectively. Under such agreements, all parties will engage in a multifaceted cooperation by pooling resources and experience of the Group and related industries in areas including urban development and construction, urban renewal, education, healthcare, technological innovation, culture and art. Such cooperation will upgrade urban and industrial facilities, attract skilled talent, and help Guangzhou and Shenzhen become the new driving forces of urban development. In addition, the Group has strong presence in government supported regions.

In August 2020, the Group successfully acquired a land parcel in Huaihai Middle Road of Huangpu District, Shanghai with approximately RMB4.1 billion. The land parcel covers a total GFA of approximately 130,000 sq.m. and is the first land parcel launched in Huaihai Road in more than two decades. In July 2021, the Group officially announced construction had begun at its land parcel in Huaihai Middle Road of Huangpu District, Shanghai. The total cycle from land acquisition to construction commencement took less than a year, demonstrating the Group's efficient execution capabilities. The project (excluding carparks) covers a total GFA of approximately 100,000 sq.m. Upon completion, it will create synergy with the Group's existing Shanghai K11 Art Mall. It will also serve as a new cultural landmark in Shanghai, increasing awareness about Shanghai's heritage and culture, and further cementing the Group's strategic presence in the Yangtze River Delta Region.

With the competitive advantages of brands and excellent project operational management in its unique ecosystem, the Group has become the only Hong Kong developer that actively participates in the arena of old city redevelopment in the PRC. In the interim, the Group has accelerated the development of the Xiajie Village Project in Zengcheng District in Guangzhou. This project is designated as the future district public service centre with an area totalling over one million sq.m. after redevelopment, and will contribute to maintaining steady development and growth for the Group. Furthermore, the Group has accelerated the development of the Hangzhou Wangjiang New Town Project, establishing a new art and cultural destination in Hangzhou with deep cultural heritage. With the total GFA of 460,000 square metres, the Hangzhou Wangjiang New Town project will firstly introduce its cultural-retail destination K11 Art Mall; a network of office buildings for the next-generation workforce K11 ATELIER; luxury residences K11 ARTUS; Rosewood Hotel and a cultural space for everyone.

As Mainland China continues working towards its urbanisation goals, urban renewal has become a new driving force to improve and upgrade existing cities. Among Hong Kong real estate developers, the Group is the most active participant in urban renewal. Aligning itself with China's urban renewal initiative, the Group leveraged its operational effectiveness and experienced team to acquire land in prime locations at a reasonable cost, while upgrading city infrastructure, and improving the livelihood of the local community. In July 2020, the Group was selected as an official cooperative enterprise for several old village redevelopment projects, and the Dawanggang Society project of Tagang Village in Guangzhou's Zengcheng District Guangzhou will achieve development synergies with the Group's other complexes in the area. The project is expected to begin housing demolition and relocation in late 2021. The Xinwei Industrial Zone Project on Xili North Road Shenzhen is the Group's first urban renewal in Shenzhen, and was officially announced in March 2021. Situated in a prime location, in the heart of Nanshan District, Shenzhen, the project boasts strong growth potential and will develop into a boutique residential community and commercial centre with good amenities. The area of the project that requires demolition is approximately 30,000 sq.m. in size. In late August 2021, a meeting was held to select and vote on the cooperative enterprise for the Nanji Village Project in Haizhu District in Guangzhou. The Group received a 100 per cent. approval rate to become the official cooperative enterprise for the project. Upon completion, this project will become a hub that combines technology incubation, culture creativity, high quality business services and further solidify Haizhu Innovation Bay's status as a key growth engine. The project has made significant progress recently and is expected to commence full development in the second half of 2024. To align with the strategy to achieve quick win in the Mainland China, the Group has also acquired some half-way projects including an industrial zone urban renewal project in Shenzhen building a new residential and commercial area with development scale up to approximately 650,000 sq.m, and a hospital zone urban renewal project in Guangzhou developing healthcare property for sale with development scale up to approximately 57,000 sq.m.

As at 30 June 2023 the Group had a land bank (excluding carpark) of approximately 4,773,000 sq.m. available for immediate development in the PRC, of which approximately 2,641,000 sq.m. was zoned for residential use. Core property development projects were primarily located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Ningbo, Hangzhou, Beijing and Shenyang, constituting a land bank (excluding carpark) with a total GFA of approximately 4,069,000 sq.m.. In the Greater Bay Area and the Yangtze River Delta Region, the Group has a land bank (excluding carparks) with a total GFA of approximately 1,470,000 sq.m zoned for residential use.

	As of 30 June 2023	
Region	Total GFA (excluding carpark) (sq.m. '000)	Residential total GFA (sq.m. '000)
Southern Region (i.e. the Greater Bay Area).....	1,909.6	1,269.9
Eastern Region (i.e. the Yangtze River Delta Region)	731.4	200.4
Central Region	688.1	349.8
Northern Region.....	604.9	254.5
North-eastern Region	838.8	566.8
Total	4,772.8	2,641.4
Of which, Core Projects	4,068.8	2,066.5

The following table sets forth a breakdown of the Group's land bank by development stage and usage as at 30 June 2023:

	Total GFA	Residential	Commercial	Office	Hotel	Carpark and Others
	<i>(sq.m.)</i>					
Properties under development.....	4,834,770	1,725,255	830,774	645,478	43,375	1,589,888
Properties under planning.....	2,139,290	916,084	308,769	218,172	84,891	611,374
Total.....	6,974,060	2,641,339	1,139,543	863,650	128,266	2,201,262

The following table sets forth a breakdown of the NWCL Group's land bank by usage and location as at 30 June 2023:

	Total GFA	Residential	Commercial	Office	Hotel	Carparks and Others
	<i>(sq.m.)</i>					
Beijing.....	912,095	236,590	253,050	42,120	—	380,335
Langfang.....	41,238	17,860	—	—	—	23,378
Jinan.....	73,703	—	5,414	31,481	18,375	18,433
Shenyang.....	748,979	410,038	80,117	189,232	—	69,592
Anshan.....	200,684	156,773	2,651	—	—	41,260
Wuhan.....	412,751	—	31,950	240,494	—	140,307
Hangzhou.....	740,183	149,451	185,239	87,810	25,000	292,683
Yiyang.....	523,676	349,822	65,843	—	—	108,011
Shenzhen.....	455,923	—	219,539	124,140	—	112,244
Foshan.....	829,878	528,775	—	—	84,891	216,212
Guangzhou.....	1,469,915	690,714	144,273	61,532	—	573,396
Ningbo.....	278,806	—	93,812	46,958	—	138,036
Huizhou.....	80,030	50,362	5,405	—	—	24,263
Shanghai.....	206,199	50,954	52,250	39,883	—	63,112
Total.....	6,794,060	2,641,339	1,139,543	863,650	128,266	2,201,262

Hotel operations

NWD is engaged in hotel investment through various subsidiaries and joint ventures. As at 30 June 2023, the Group owned a total of 15 completed and operating hotels over 5,900 guest rooms in Hong Kong, the PRC and South East Asia.

In January 2023, the three-year global travel restrictions caused by COVID-19 came to an end, leading to a gradual recovery in the hotel sector worldwide, including in South East Asia, Hong Kong and Mainland China where the Group's hotels operate. In particular, the Group's four hotels in South East Asia achieved an overall revenue growth of over 150 per cent. year-on-year, surpassing the performance in the financial year ended 30 June 2019 (prior to the outbreak of COVID-19). In Hong Kong, the market started to show signs of revival with the abolition of quarantine requirements in September 2022 and the subsequent easing of social distancing rules in October. There was a significant increase in visitor numbers from late February to early May in 2023, and the market saw a significant increase in travel activity since March 2023. The Group's hotels in Hong Kong recorded over 60 per cent. year-on-year growth in revenue.

In Mainland China, many parts of the country remained under lockdown until late 2022, disrupting the recovery of tourism due to multiple COVID-19 outbreaks in the last two quarters of 2022. In early 2023, Mainland China began easing its travel curbs and the Group maintained over 20 per cent. year-on-year growth in revenue in FY2023.

The table below sets forth the number of rooms and the Group's effective interest in its hotel properties as at 30 June 2023.

No.	Name of Hotels	Total Number of Rooms as at 30 June 2023	The Group's effective interest
Hong Kong			
1	Grand Hyatt Hong Kong	542	50%
2	Renaissance Harbour View Hotel	858	50%
3	Hyatt Regency Hong Kong, Tsim Sha Tsui	381	50%
4	Hyatt Regency Hong Kong, Sha Tin.....	562	(1)
	Subtotal	2,343	
Mainland China			
5	Rosewood Beijing	283	82%
6	New World Beijing Hotel	309	70%
7	Beijing Tongpai Hotel.....	307	55%
8	New World Shunde Hotel	177	37%
9	New World Wuhan Hotel.....	327	60%
10	KHOS Langfang Hotel.....	294	100%
11	KHOS Shenyang Hotel	400	100%
	Subtotal	2,097	
Southeast Asia			
12	New World Makati Hotel, The Philippines	578	62%
13	New World Saigon Hotel, Vietnam.....	533	67.5%
14	Renaissance Riverside Hotel Saigon, Vietnam	336	72%
15	Rosewood Phuket, Thailand.....	71	100%
	Subtotal	1,518	
	Grand Total	5,958	

Note:

- (1) Hotel properties in which the Group has development interests. The Group financed the construction costs (occasionally land costs) whilst the corresponding land are provided by other parties. The Group is entitled to share of operation and development profits in accordance with terms and conditions of the respective joint development agreements.

Services

On 17 November 2023, the Group announced that all its shares in NWSH have been disposed of by the Group and the consideration of the Relevant NWS Shares has been received by the Group on 20 November 2023. Accordingly, the Group no longer holds any shares in NWSH and NWSH has ceased to be a subsidiary of the

Group. Accordingly, all core businesses of NWSH, including insurance, roads, construction, logistics, aviation and infrastructure, are no longer businesses of the Group. See also “*Recent Developments*”.

Department Stores

The Group’s department store development and management operations are undertaken by NWD’s retail arm, NWDS. As at 30 June 2023, NWDS operated and managed a total of 23 department stores and shopping malls in Mainland China with total GFA of about 946,900 sq.m. The department store business operates primarily on a concessionary basis, and commission income from concessionaire sales contribute a substantial amount of NWDS’ revenue. Pandemic control measures in Mainland China started to relax from the end of 2022. As the retail industry market acts as the core carrier of offline consumption in Mainland China, NWDS has been attaching great importance to the business development of its department stores by capitalising the trend of offline consumption, enhancing the consumption scenarios and contents, and responding swiftly to diversified and personalised market demands.

The Group’s K11 brand has a digital operational model that engages over 100 tenant brands under K11 nationwide, and has collaborated with the K11 operations team to host a number of live broadcast events to diversify sales channels and maintain customer loyalty. The K11 brand offers customers a unique experience by creating a positive environment, utilising digital technology, and actively maintaining customer loyalty.

Insurance

The Group is covered by insurance policies arranged with reputable insurance agents which cover loss of rental, fire, flood, riot, strike, malicious damage, other material damage to property and development sites, business interruption and public liability.

The Group believes that its properties are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage. Notwithstanding the Group’s insurance coverage, damage to the Group’s buildings, facilities, equipment, or other properties as a result of occurrences such as fire, floods, water damage, explosion, power loss, typhoons and other natural disasters could nevertheless have a material adverse effect on the Group’s financial condition and results of operations.

Government Regulations

The operations of the Group are subject to various laws and regulations of Hong Kong, the PRC and the other countries and regions in which it has operations. The Group’s activities conducted on its investment and development properties are limited by zoning ordinances and other regulations. Developing properties, refurbishment and other re-development projects require government permits, some of which may take longer to obtain than others. From time to time, new regulations may be imposed on landlords such as mandatory retrofitting of upgraded safety and fire systems in all buildings. The Group’s properties are subject to routine inspections by government officials with regard to various safety and environmental issues. NWD believes that the Group is in compliance in all material respects with government safety regulations currently in effect. The Group has not experienced significant problems with any regulation with regard to these issues, and is not aware of any pending legislation that might have a material adverse effect on its properties.

Environmental Matters

NWD believes that the Group is in compliance in all material respects with applicable environmental regulations in Hong Kong and the PRC. NWD is not aware of any environmental proceedings or investigations to which it is or might become a party.

Legal Proceedings

The Group is involved in litigation as part of its day to day business and neither NWD nor any of its subsidiaries is involved in any litigation which would have a material adverse effect on the business or financial position of the Group.

Employees

As at 30 June 2023, around 28,000 employees were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share options schemes of the Guarantor and all the listed subsidiaries of the Group, options may be granted to certain directors and employees of the Group to subscribe for shares in the Guarantor and/or the respective subsidiaries.

The Group has not experienced any strikes or disruptions due to labour disputes. NWD considers its relations with its employees to be good.

Principal subsidiaries, joint ventures and associated companies

The principal subsidiaries, principal joint ventures and principal associated companies of NWD as at 30 June 2023 are set out in notes 52, 53 and 54, respectively of the 2023 Audited Financial Statements.

RECENT DEVELOPMENTS

The Group's disposal of all its shares in NWSH

On 9 November 2023, the Group tendered its acceptance of the offer in respect of the Relevant NWS Shares. On 17 November 2023, the shares transfers in respect of all the Relevant NWS Shares has been completed and all the shares in NWSH have been disposed of by the Group. Accordingly, the Group no longer holds any shares in NWSH and NWSH has ceased to be a subsidiary of the Group. The financial results of NWSH will no longer be consolidated into the financial statements of the Group. On 20 November 2023, the Group has received the cheques for payment of the consideration for the Relevant NWS Shares in the aggregate amount of approximately HK\$21,725 million.

PRINCIPAL SHAREHOLDER

The major shareholder of NWD is CTFEL which, together with its subsidiaries, held approximately 45.24 per cent. of the issued share capital of NWD as at 30 June 2023. CTFEL is a private company ultimately owned as to approximately 81.03 per cent. by Chow Tai Fook Capital Limited, which is controlled by the family members of the late Dato' Dr. Cheng Yu-Tung, one of the founders and the previous chairman of NWD. The late Dato' Dr. Cheng's family members continue to exert considerable influence over the management and affairs of the Group.

Certain transactions may occur between NWD and/or its subsidiaries and CTFEL, or entities associated with CTFEL which are connected persons of NWD under the Listing Rules. Under the Listing Rules, certain connected transactions, although entered into on an arm's length basis, will, depending on the nature and the size of each such transaction, be subject to certain disclosure requirements and/or the approval by the shareholders of NWD in a general meeting, in which CTFEL will abstain from voting and other requirements under the Listing Rules. See note 50 to the 2023 Audited Financial Statements.

DIRECTORS

Directors

The following table sets forth the names of the directors of NWD (the “**Directors**”) and their position within NWD:

Executive Directors

Dr. Cheng Kar-Shun, Henry GBM GBS (Chairman)

Dr. Cheng Chi-Kong, Adrian SBS JP (Executive Vice-chairman and Chief Executive Officer)

Mr. Ma Siu-Cheung GBS JP (Chief Operating Officer)

Ms. Cheng Chi-Man, Sonia (Responsible for hotel projects)

Mr. Sitt Nam-Hoi (Responsible for Hong Kong projects)

Ms. Huang Shaomei, Echo (Responsible for Mainland China projects)

Ms. Chiu Wai-Han, Jenny (Responsible for human resources and talent development)

Non-executive Directors

Mr. Doo Wai-Hoi, William BBS JP (Non-executive Vice-chairman)

Mr. Cheng Kar-Shing, Peter

Mr. Cheng Chi-Heng

Mr. Cheng Chi-Ming, Brian

Independent Non-executive Directors

Mr. Lee Luen-Wai, John BBS JP

Mr. Ip Yuk-Keung, Albert

Mr. Chan Johnson Ow

Mrs. Law Fan Chiu-Fun, Fanny GBM GBS JP

Ms. Lo Wing-Sze, Athena BBS JP

Ms. Wong Yeung-Fong, Fonia

Certain additional information in relation to the Directors of NWD is set out below:

Dr. Cheng Kar-Shun, Henry GBM GBS, aged 77, was appointed as Director in October 1972, Executive Director in 1973, became Managing Director from 1989 and Chairman from March 2012. Dr. Cheng is the chairman of the Executive Committee and Nomination Committee and a member of the Remuneration Committee of the Board of Directors of NWD. Dr. Cheng is the chairman and executive director of NWSH and Chow Tai Fook Jewellery Group Limited, and the chairman and non-executive director of FSE Lifestyle Services Limited and i-CABLE Communications Limited, all of them are listed public companies in Hong Kong. He was a non-executive director of DTXS Silk Road Investment Holdings Company Limited and the chairman and non-executive director of New World Department Store China Limited up to his resignation on 19 March 2021 and 13 May 2021 respectively, both are listed public companies in Hong Kong. Dr. Cheng is a director and honorary chairman of NWCL and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook

Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of NWD. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation. He was a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. Dr. Cheng was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2001 and 2017 respectively by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the father of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng.

Dr. Cheng Chi-Kong, Adrian SBS JP, aged 44, was appointed as an Executive Director in March 2007, became Executive Director and Joint General Manager from March 2012, re-designated as Executive Vice-chairman and Joint General Manager from April 2015, re-designated as Executive Vice-chairman and General Manager from March 2017 and re-designated as Executive Vice-chairman and Chief Executive Officer from May 2020. Dr. Adrian Cheng is a member of the Executive Committee and the chairman of the Sustainability Committee of the Board of Directors of NWD. Dr. Cheng is the chairman and non-executive director of New World Department Store China Limited, an executive director of Chow Tai Fook Jewellery Group Limited, a non-executive director of NWSH, and the chairman and non-executive director of Arta TechFin Corporation Limited, all being listed public companies in Hong Kong. Dr. Cheng is also a director and executive chairman of NWCL, the chairman of New World Group Charity Foundation Limited and a director of certain subsidiaries of the Group. In addition, he is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of NWD. He was a non-executive director of New Century Healthcare Holding Co. Limited, Giordano International Limited and a non-executive director and a co-chairman of Meta Media Holdings Limited, all being listed public companies in Hong Kong, up to his resignation on 1 June 2022, 1 December 2022 and 5 October 2023 respectively. Dr. Cheng oversees the strategic direction for NWD's property development and investment activities. He has launched New World's The Artisanal Movement since January 2015, and is currently overseeing NWD's large-scale developments including Victoria Dockside in Tsim Sha Tsui and Hong Kong International Airport SKYCITY complex "11 SKIES". In 2008, Dr. Cheng launched the K11 brand, a museum-retail complex that is at the nexus of art and commerce and has since extended K11's reach across retail, hospitality, offices and non-profit art education through K11 Art Foundation and K11 Craft & Guild Foundation. He also directs early-stage funding to start-ups and technology-driven platforms. Dr. Cheng serves as a member of the 14th National Committee of the Chinese People's Political Consultative Conference of The People's Republic of China, a vice-president of All-China General Chamber of Industry and Commerce, the chairman of the Mega Arts and Cultural Events Committee, a board member of the Hong Kong Financial Services Development Council and the chair of the board of Hong Kong Academy for Wealth Legacy, a non-official member of the Task Force on Promoting and Branding Hong Kong, and a member of the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) Sustainable Business Network (ESBN) Executive Council and the chair of ESBN Task Force on Innovation. He is the vice chairman and group chief executive officer of CTF Education Group, the founder of The WEMP Foundation, and the chairman of China Young Leaders Foundation. Dr. Cheng is a Justice of Peace appointed by the Government of the Hong Kong Special Administrative Region since 2016 and was awarded the Silver Bauhinia Star in 2022. He was made an "Officier de l'Ordre des Arts et des Lettres" by the French Government in 2017, and an "Officier de l'Ordre National du Mérite" in 2022. Dr. Cheng holds a Bachelor of Arts Degree (*cum laude*) from Harvard University, and received the Honorary Doctorate of Humanities by the Savannah College of Art and Design in 2014. He was conferred an Honorary Fellowship by Lingnan University in 2014, an Honorary University Fellowship by the University of Hong Kong in 2022 and an Honorary Fellowship by the Hong Kong University of Science and Technology in 2023. Dr. Cheng worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. He is the son of Dr. Cheng Kar-Shun, Henry, the brother of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

Mr. Ma Siu-Cheung GBS, JP, aged 60, was appointed as an Executive Director in July 2022 and became the Chief Operating Officer in January 2024. Mr. Ma is a member of the Executive Committee of the Board of Directors of NWD and a director of certain subsidiaries of the Group. He assists the Executive Vice-chairman and Chief Executive Officer of NWD in the daily management and operations of the Group's business in Hong Kong. Mr. Ma was an executive director and the chief executive officer of NWSH, a listed public company in Hong Kong, up to his resignation on 1 January 2024. Prior to joining the Group, Mr. Ma was the Acting Chief Executive Officer of Hong Kong-Shenzhen Innovation and Technology Park Limited during the period from February to June 2018. He joined the Government of the Hong Kong Special Administrative Region in January 2014 as the Under Secretary for Development and was subsequently appointed as the Secretary for Development in February 2017 and remained in the post until June 2017, the expiry of the term. Prior to working with the Government of the Hong Kong Special Administrative Region, Mr. Ma was the Executive Vice-President for Civil and Infrastructure Business (Asia Pacific) of AECOM Asia Company Limited. Mr. Ma joined China Resources (Holdings) Co., Ltd. as a non-executive director in 2022. Mr. Ma is a Fellow of the Hong Kong Institution of Engineers, the Institution of Civil Engineers, United Kingdom, the Institution of Structural Engineers, United Kingdom, the Chartered Institution of Highways and Transportation, United Kingdom and Royal Institution of Chartered Surveyors, United Kingdom. He is also a Registered Professional Engineer in Hong Kong and a Chartered Engineer in the United Kingdom. Mr. Ma holds a Bachelor of Science degree in Engineering (Civil) from The University of Hong Kong and a Master of Engineering degree in Transportation Planning from Monash University, Australia. Mr. Ma is a Member of General Committee, Chairman of Real Estate & Infrastructure Committee, and a Member of Audit Committee of the Hong Kong General Chamber of Commerce. He is also the Senior Vice President of The Hong Kong Institution of Engineers. Mr. Ma is a member of the Council of The Chinese University of Hong Kong, an Honorary Professor of the School of Science and Technology of Hong Kong Metropolitan University, an Adjunct Professor of the Department of Civil and Environmental Engineering, Faculty of Construction and Environment of The Hong Kong Polytechnic University and an Adjunct Professor of the Department of Real Estate and Construction, Faculty of Architecture of The University of Hong Kong. Mr. Ma is a committee member of the Chinese People's Political Consultative Conference of Shenzhen. Mr. Ma was appointed as Justice of the Peace in 2014 and was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2017.

Ms. Cheng Chi-Man, Sonia, aged 43, was appointed as an Executive Director in March 2012. Ms. Cheng is a member of the Executive Committee of the Board of Directors of NWD. She currently oversees the hotel division of the Group. She is a director of NWCL and certain subsidiaries of the Group. Ms. Cheng is a vice-chairman and executive director of Chow Tai Fook Jewellery Group Limited, a listed public company in Hong Kong, and an independent director of Primavera Capital Acquisition Corporation, a company listed on the New York Stock Exchange. She is also the chief executive officer of Rosewood Hotel Group and an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited. Before joining the Group in 2008, Ms. Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Ms. Cheng holds a Bachelor of Arts Degree with a concentration in Applied Mathematics from Harvard University in the U.S.A. Ms. Cheng is chairman of the advisory committee of the School of Hotel and Tourism Management at The Chinese University of Hong Kong. She is a member of the Y. Elites Association, the Young Presidents' Organization, the Hong Kong United Youth Association, the Hong Kong Tourism Board and international advisory board of EHL Education Group. She is also a member of the Fourteenth Guangzhou Municipal Committee of The Chinese People's Political Consultative Conference of The People's Republic of China and a member of the Election Committee 2021 of the Hong Kong Special Administrative Region (Hotel Subsector). Ms. Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Ming, Brian, the niece of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

Mr. Sitt Nam-Hoi, aged 69, was appointed as an Executive Director in June 2018. Mr. Sitt is a member of the Executive Committee and the Sustainability Committee of the Board of Directors of NWD. Mr. Sitt joined the

Group and was appointed as Head of Projects (Hong Kong) of NWD in February 2011. He is currently the senior director of the Project Management Department of NWD and director of certain subsidiaries of the Group. Before joining NWD, he was the project director of a listed public company in Hong Kong which he worked for over 25 years. Before that, Mr. Sitt had been working in Buildings Department of the Government of the Hong Kong Special Administrative Region. Mr. Sitt obtained his Bachelor of Architecture and Bachelor of Arts in Architectural Studies from the University of Hong Kong. He is a Registered Architect, an Authorised Person and is responsible for overseeing all project management matters for all property development projects of the Group in Hong Kong. He has extensive project management experience and participated in various significant projects in the Mainland China and Hong Kong.

Ms. Huang Shaomei, Echo, aged 55, was appointed as an Executive Director in May 2020. Ms. Huang is a member of the Executive Committee of the Board of Directors of NWD. She joined the Group as the deputy chief executive officer of NWCL in October 2015 and promoted to Director & Chief Executive Officer of NWCL in February 2020. Ms. Huang is also a director of certain subsidiaries of the Group. She has over 20 years of experience in the real estate sector, having served in a consulting capacity for large-scale urban infrastructures, urban planning and urban renewal in mainland China for extensive periods, providing the Government of The People's Republic of China with professional recommendations on property development and urban planning. Prior to joining the Group, Ms. Huang held senior position with an international consulting firm. She was appointed as managing director (Southern China) of a Hong Kong-listed property developer, overseeing its property development throughout the southern China region. She has proven experience in China's real estate sector. Ms. Huang is a member of Guangdong Province Committee of the Chinese People's Political Consultative Conference of The People's Republic of China, and a Deputy Secretary-General of Silk Road Chamber of International Commerce.

Ms. Chiu Wai-Han, Jenny, aged 52, was appointed as an Executive Director in May 2020. Ms. Chiu is a member of the Executive Committee of the Board of Directors of NWD. She is a non-executive director of New World Department Store China Limited, a listed public company in Hong Kong. Ms. Chiu joined the Group in 2004 and is currently the Senior Director – Human Resources of NWD. Ms. Chiu is responsible for planning and driving full spectrum of strategic human resources direction, including talent acquisition, talent development and management, reward management and human resources partnering services. Prior to joining the Group, she had taken up managerial role in renowned corporations in information and communications technology services and property development industries. Ms. Chiu was graduated from The Chinese University of Hong Kong. She is an Associate Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chiu possesses over 20 years of experience in human resources and corporate management. Ms. Chiu is a member of the Employees Retraining Board.

Mr. Doo Wai-Hoi, William BBS, JP, aged 79, was appointed as the Vice-chairman and Non-executive Director in July 2013. Mr. Doo is an independent non-executive director of Shanghai Industrial Urban Development Group Limited and an alternate director to Dr. Cheng Kar-Shun, Henry, the chairman and non-executive director of FSE Lifestyle Services Limited, all being listed public companies in Hong Kong. Mr. Doo is also a director of certain subsidiaries of the Group. He is the chairman and director of Fungseng Prosperity Holdings Limited and a non-executive director of Lifestyle International Holdings Limited (a listed public company in Hong Kong until its delisting on 20 December 2022). Mr. Doo is a Justice of the Peace in Hong Kong and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. He is also the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. He was promoted to the Officier de l'Ordre National de la Légion d'Honneur by the Republic of France in 2019. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, and the uncle of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Chi-Ming, Brian and Mr. Cheng Chi-Heng.

Mr. Cheng Kar-Shing, Peter, aged 71, was appointed as a Director in October 1994. Mr. Cheng is also an independent non-executive director of King Fook Holdings Limited, a listed public company in Hong Kong.

He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of NWD. Mr. Cheng is a director of NWCL, New World Hotels (Holdings) Limited and certain subsidiaries of the Group. Mr. Cheng is committed to community services and is serving as the chairman of Chow Tai Fook Charity Foundation, the chairman of Chow Tai Fook Medical Foundation Limited, the chairman of Antonia Welfare Fund Limited, the vice-chairman of Hong Kong Economic Exchange and a director of Green Council. He is the University Assembly member of University of Macau. He is a Fellow of The Hong Kong Institution of Engineers, Hong Kong Institute of Arbitrators, Hong Kong Construction Arbitration Centre and The Chartered Institute of Arbitrators. He is a CEDR Accredited Mediator and on the lists of the Mediators of Hong Kong Mediation Accreditation Association Limited, Hong Kong International Arbitration Centre, Hong Kong Mediation Centre and Financial Dispute Resolution Centre. He is on the Panel of Arbitrators of South China International Economic and Trade Arbitration Commission/Shenzhen Court of International Arbitration, an Arbitrator of Huizhou Arbitration Commission, a member of Society of Construction Law Hong Kong and a member of Hong Kong Institute of Mediation. Mr. Cheng is the brother of Dr. Cheng Kar-Shun, Henry, the brother-in-law of Mr. Doo Wai-Hoi, William, the father of Mr. Cheng Chi-Heng, and the uncle of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian.

Mr. Cheng Chi-Heng, aged 46, was appointed as an Executive Director in June 2010 and re-designated as Non-executive Director in December 2022. Mr. Cheng also acts as director of certain subsidiaries of the Group. He is a vice-chairman and executive director of Chow Tai Fook Jewellery Group Limited, a listed public company in Hong Kong. Mr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of NWD. Mr. Cheng had worked at a Hong Kong-based investment company as a corporate finance executive. He obtained his Bachelor of Arts Degree majoring in Economics from the University of Western Ontario, Canada in 1999. He is the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William, and the cousin of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian.

Mr. Cheng Chi-Ming, Brian, aged 41, was appointed as a Non-executive Director in December 2022. Mr. Cheng is an executive director and co-chief executive officer of NWSH, the chairman and a non-executive director of Integrated Waste Solutions Group Holdings Limited and a non-executive director of Haitong International Securities Group Limited and Wai Kee Holdings Limited, all being listed public companies in Hong Kong. He is also a director of certain subsidiaries of the Group. Mr. Cheng is currently a member of the Fourteenth Shanghai Municipal Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Before joining the Group, he had been working as a research analyst in the infrastructure and conglomerates sector for CLSA Asia-Pacific Markets. Mr. Cheng holds a Bachelor of Science Degree from Babson College in Massachusetts in the U.S.A. Mr. Cheng is the son of Dr. Cheng Kar-Shun, Henry, the brother of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

Mr. Lee Luen-Wai, John BBS, JP, aged 74, was appointed as an Independent Non-executive Director in August 2004. Mr. Lee is the chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Board of Directors of NWD. Mr. Lee is the managing director and chief executive officer of Lippo Limited, an executive director and the chief executive officer of Lippo China Resources Limited and Hongkong Chinese Limited, as well as an independent non-executive director of UMP Healthcare Holdings Limited, all being listed public companies in Hong Kong. Mr. Lee is a Fellow of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He was a partner of Price Waterhouse (now PricewaterhouseCoopers) in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong, a Justice of Peace in Hong Kong and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. He

serves as a member on a number of Public Boards and Committees including the Chairman of the Hospital Governing Committee of Hong Kong Children's Hospital.

Mr. Ip Yuk-Keung, Albert, aged 71, was appointed as an Independent Non-executive Director in June 2018. Mr. Ip is a member of the Audit Committee, the Nomination Committee and the Sustainability Committee of the Board of Directors of NWD. Mr. Ip is an independent non-executive director of Power Assets Holdings Limited and Hutchison Telecommunications Hong Kong Holdings Limited, both are listed public companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited, as manager of Champion Real Estate Investment Trust (a listed real estate investment trust) and an independent non-executive director of Lifestyle International Holdings Limited (a listed public company in Hong Kong until its delisting of 20 December 2022). Mr. Ip is an international banking and real estate executive with 33 years of experience at Citigroup, First National Bank of Chicago, Wells Fargo and Merrill Lynch in Hong Kong, Asia and the United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. Mr. Ip is a Senior Advisor to the President of The Hong Kong University of Science and Technology; a Special Advisor to the Dean of the School of Business and Management at The Hong Kong University of Science and Technology; an Adjunct Professor of City University of Hong Kong, The Hong Kong University of Science and Technology, The Hang Seng University of Hong Kong, The University of Hong Kong, and the Faculty of Business Administration at The Chinese University of Hong Kong; an Adjunct Distinguished Professor in Practice of University of Macau; Honorary Advisor of School of Humanities and Social Science at The Hong Kong University of Science and Technology; a Member of the Court at City University of Hong Kong; a Member of the Court at The Hong Kong University of Science and Technology; and a member of the Science and Technology Council, Macau SAR. Mr. Ip holds a Bachelor of Science degree at Washington University in St. Louis (*summa cum laude*) and Master of Science degrees at Cornell University and Carnegie-Mellon University. He is an Honorary Fellow of City University of Hong Kong, Vocational Training Council and the Hong Kong University of Science and Technology.

Mr. Chan Johnson Ow, aged 58, was appointed as an Independent Non-executive Director in September 2021. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Sustainability Committee of the Board of Directors of NWD. Mr. Chan is a managing director of Key Step Capital Limited. He is also a consultant to a leading global alternative investment management firm. He has over 28 years of experience in investment banking and investments at Morgan Stanley, Lehman Brothers, SSG Capital Management (now known as ARES SSG) and Deutsche Bank AG. Mr. Chan holds a Bachelor of Arts Degree in Legal Studies from University of California, Berkeley.

Mrs. Law Fan Chiu-Fun Fanny GBM, GBS, JP, aged 70, was appointed as an Independent Non-executive Director in December 2022. Mrs. Law is a member of the Sustainability Committee of the Board of Directors of NWD. Mrs. Law is an independent non-executive director of China Taiping Insurance Holdings Company Limited, China Unicom (Hong Kong) Limited, Nameson Holdings Limited and Minmetals Land Limited, all being listed public companies in Hong Kong. She was an independent non-executive director of CLP Holdings Limited (a listed public company in Hong Kong) up to her resignation in May 2023 and an external director of China Resources (Holdings) Co., Ltd. from 2016 to 2022. Mrs. Law holds a Bachelor Degree (Honours) in Science from the University of Hong Kong, a Master Degree in Public Administration from Harvard University (named a Littauer Fellow) and a Master Degree in Education from the Chinese University of Hong Kong. Mrs. Law was appointed as a Justice of Peace and awarded the Grand Bauhinia Medal and the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. She was a Hong Kong Deputy to the National People's Congress and a member of the Executive Council of the Government of the Hong Kong Special Administrative Region. During her 30 years in the civil service, Mrs. Law had worked in many fields, including medical and health, economic services, housing, land and planning, home affairs, social welfare, civil service, transport, education and manpower. Mrs. Law was the Commissioner of the Hong Kong Independent Commission Against Corruption before her retirement.

Ms. Lo Wing-Sze, Anthea BBS, JP, aged 52, was appointed as an Independent Non-executive Director in December 2022. Ms. Lo is a member of the Audit Committee of the Board of Directors of NWD. Ms. Lo is an independent non-executive director of Virtual Mind Holding Company Limited, Goldlion Holdings Limited, China Resources Mixc Lifestyle Services Limited and Lee & Man Paper Manufacturing Limited, all being listed public companies in Hong Kong. She was an independent non-executive director of Finsoft Financial Investment Holdings Limited (a listed public company in Hong Kong) up to her resignation in July 2023. Ms. Lo holds a Bachelor of Economics Degree from the University of Sydney and a Master of Commerce in Finance Degree from the University of New South Wales in Australia. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Certified Practising Accountant of CPA Australia. She is the general manager and financial director of Million Tour Limited and the founder and financial director of M1 Hotel Group. Ms. Lo was appointed as a Justice of the Peace in 2017 and awarded the Bronze Bauhinia Star in 2020 by the Government of the Hong Kong Special Administrative Region. She is a member of the Election Committee 2021 (The Fourth Sector) of the Hong Kong Special Administrative Region and was a member of the Election Committee for the Fifth Government of the Hong Kong Special Administrative Region. Ms. Lo is a member of the Social Workers Registration Board, the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials, the Advisory Committee on Admission of Quality Migrants and Professionals, the District Fire Safety Committee (Wan Chai District) and the Chief Executive's Policy Unit Social Development Expert Group. She is also an Honorary Court Member of the Lingnan University.

Ms. Wong Yeung-Fong, Fonia, aged 47, was appointed as an Independent Non-executive Director in December 2022. Ms. Wong is a member of the Sustainability Committee of the Board of Directors of NWD. Ms. Wong holds a Bachelor of Arts in Marketing Degree from the Hong Kong Polytechnic University and a Degree in China Law from the Tsinghua University. She is a certified international wealth manager and a certified financial planner. Ms. Wong is a senior director and head of business development (South Pacific) at EBSI Private of China Everbright Securities International Company Limited. Ms. Wong is a council member of the Lingnan University, the president and co-founder of the Hong Kong Digital Asset Society, founder of Hong Kong Youth Service Leader Award, charter president of Rotary Club of Central, Hong Kong, charter president of Rotary Alumni Association, Rotary International District 3450, founding convener of Investment Chat for Charity and an executive committee member of The Neighbourhood Advice-Action Council. Ms. Wong won the Ten Outstanding Young Persons Award of the Junior Chamber International Hong Kong in 2016. She was also on the 2021 list of Kindness & Leadership, 50 Leading Lights Asia Pacific. In 2017, Ms. Wong was the winner of the Advanced Management and Leadership Program Outstanding Alumni Award of the University of Oxford for her exceptional services to the society.

SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' INTERESTS

Directors' Interests in Securities

As at 30 June 2023, the interests of the Directors and their associates in shares, underlying shares and debentures of NWD or any of its associated corporations which were recorded in the register required to be kept by NWD under Section 352 of the Securities and Futures Ordinance (the "SFO") were as follows:

(I) Long positions in shares

	Number of shares				Approximate % of shareholding as at 30 June 2023
	Personal interests	Spouse interests	Corporate interests	Total	
NWD					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry.....	5,168,909	—	—	5,168,909	0.21
Dr. Cheng Chi-Kong, Adrian.....	2,559,118	—	—	2,559,118	0.10
Mr. Cheng Kar-Shing, Peter.....	213,444	141,641 ⁽¹⁾	—	355,085	0.01
Mr. Cheng Chi-Heng.....	133,444	—	—	133,444	0.01
Ms. Cheng Chi-Man, Sonia.....	825,672	—	—	825,672	0.03
Ms. Chiu Wai-Han, Jenny.....	29,899	—	—	29,899	0.00
New World Department Store China Limited					
(Ordinary shares of HK\$0.10 each)					
Ms. Cheng Chi-Man, Sonia.....	92,000	—	—	92,000	0.01
NWS Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-Shun, Henry.....	18,349,571	—	12,000,000 ⁽²⁾	30,349,571	0.78
Mr. Doo Wai-Hoi, William.....	—	5,800,000	—	5,800,000	0.15
Mr. Cheng Kar-Shing, Peter.....	656,870	774,000 ⁽¹⁾	6,463,227 ⁽³⁾	7,894,097	0.18
Sun Legend Investments Limited					
(Ordinary shares)					
Mr. Cheng Kar-Shing, Peter.....	—	—	9,500,500 ⁽⁴⁾	9,500,500	50.00

Notes:

- (1) These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.
- (2) These shares were beneficially owned by a company which was wholly-owned by Dr. Cheng Kar-Shun, Henry.
- (3) These shares were beneficially owned by a company which was wholly-owned by Mr. Cheng Kar-Shing, Peter.
- (4) These shares were beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

(II) Long positions in share options

(i) NWSH

Name of Directors	Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercisable price per share <i>HK\$</i>
Dr. Cheng Kar-Shun, Henry.....	25 July 2022	(1)	10,990,000	7.83
Dr. Cheng Chi-Kong, Adrian.....	25 July 2022	(1)	5,495,000	7.83

Mr. Ma Siu-Cheung	25 July 2022	(1)	7,693,000	7.83
Mr. Cheng Chi-Ming, Brian	25 July 2022	(1)	6,868,750	7.83
			<u>31,046,750</u>	

Note:

- (1) Details of the vesting schedule are as follows:
- (i) 15% of the share options were vested on 25 August 2022 and are exercisable from 25 August 2022 to 24 July 2032;
 - (ii) 15% of the share options shall be vested on 25 July 2023 and become exercisable from 25 July 2023 to 24 July 2032;
 - (iii) 20% of the share options shall be vested on 25 July 2024 and become exercisable from 25 July 2024 to 24 July 2032; and
 - (iv) 50% of the share options shall be vested on 25 July 2025 and become exercisable from 25 July 2025 to 24 July 2032.

(III) Long positions in debentures

(i) The Issuer

Name of Directors	Amount of debentures issued by the Issuer				Approximate % of the total amount of debentures in issue as at 30 June 2023
	Personal interests	Spouse interests	Corporate interests	Total	
	HK\$	HK\$	HK\$	HK\$	
Mr. Doo Wai-Hoi, William.....	—	78,000,000 ⁽¹⁾	—	78,000,000	0.26
Mr. Ip Yuk-Keung, Albert	—	3,900,000 ⁽²⁾	—	3,900,000	0.01
	—	81,900,000	—	81,900,000	

Notes:

- (1) These debentures were issued in U.S.\$ and had been translated into HK\$ using the rate of U.S.\$1.0=HK\$7.8.
- (2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse, and were issued in U.S.\$ and had been translated into HK\$ using the rate of U.S.\$1.0=HK\$7.8.

(ii) NWD Finance (BVI) Limited (“NWD Finance”)

Name of Directors	Amount of debentures issued by NWD Finance				Approximate % of the total amount of debentures in issue as at 30 June 2023
	Personal interests	Spouse interests	Corporate interests	Total	
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	
Mr. Doo Wai-Hoi, William.....	—	87,875,000	10,000,000 ⁽¹⁾	97,875,000	2.08
Mr. Cheng Kar-Shing, Peter	5,500,000	—	—	5,500,000	0.12
Mr. Ip Yuk-Keung, Albert	—	750,000 ⁽²⁾	—	750,000	0.02
Ms. Lo Wing-Sze, Anthea	250,000	—	—	250,000	0.01
	5,750,000	88,625,000	10,000,000	104,375,000	

Notes:

- (1) These debentures were beneficially owned by a company which was wholly-owned by Mr. Doo Wai-Hoi, William.
- (2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse

(iii) NWCL

Amount of debentures issued by NWCL					Approximate % of the total amount of debentures in issue as at 30 June 2023
Name of Director	Personal interests	Spouse interests	Corporate interests	Total	
	HK\$	HK\$	HK\$	HK\$	
Mr. Doo Wai-Hoi, William.....	—	390,000,000 ⁽¹⁾	—	390,000,000	5.49

Note:

(1) These debentures were issued in U.S.\$ and had been translated into HK\$ using the rate of U.S.\$1.0=HK\$7.8.

(iv) Celestial Dynasty Limited (“CDL”)

Amount of debentures issued by CDL					Approximate % of the total amount of debentures in issue as at 30 June 2023
Name of Director	Personal interests	Spouse interests	Corporate interests	Total	
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	
Mr. Doo Wai-Hoi, William.....	—	800,000	—	800,000	0.33

(v) Celestial Miles Limited (“CML”)

Amount of debentures issued by CML					Approximate % of the total amount of debentures in issue as at 30 June 2023
Name of Directors	Personal interests	Spouse interests	Corporate interests	Total	
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	
Mr. Doo Wai-Hoi, William.....	—	34,600,000	—	34,600,000	2.69
Mr. Cheng Kar-Shing, Peter	4,500,000	1,000,000 ⁽¹⁾	—	5,500,000	0.43
	4,500,000	35,600,000	—	40,100,000	

Note:

(1) These debentures were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive had or deemed to have any interest or short positions in the shares, underlying shares and debentures of NWD or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by NWD pursuant to Section 352 of the SFO or were required to be notified to NWD and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Substantial Shareholders' Interests in Securities

As at 30 June 2023, the interests or short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of NWD as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in the shares of NWD

Name	Number of shares of NWD			Approximate % of shareholding as at 30 June 2023
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") ⁽¹⁾	—	1,138,428,609	1,138,428,609	45.24
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") ⁽²⁾	—	1,138,428,609	1,138,428,609	45.24
Chow Tai Fook Capital Limited ("CTFC") ⁽³⁾	—	1,138,428,609	1,138,428,609	45.24
Chow Tai Fook (Holding) Limited ("CTFHL") ⁽⁴⁾	—	1,138,428,609	1,138,428,609	45.24
Chow Tai Fook Enterprises Limited ("CTFE") ⁽⁵⁾	1,035,392,823	103,035,786	1,138,428,609	45.24

Notes:

- (1) CYTFH holds 48.98 per cent. direct interest in CTFC and is accordingly deemed to have an interest in the shares of NWD deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65 per cent. direct interest in CTFC and is accordingly deemed to have an interest in the shares of NWD deemed to be interested by CTFC.
- (3) CTFC holds 81.03 per cent. direct interest in CTFHL and is accordingly deemed to have an interest in the shares of NWD deemed to be interested by CTFHL.
- (4) CTFHL holds 100 per cent. direct interest in CTFE and is accordingly deemed to have an interest in the shares of NWD interested by or deemed to be interested by CTFE.
- (5) CTFE together with its subsidiaries.

Other Person's Interests in Securities

As at 30 June 2023, the interests or short positions of persons (other than Directors or chief executive or substantial shareholders (as defined in the Listing Rules) of NWD) in the shares and underlying shares of NWD as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in the shares of NWD

Name	Capacity	Number of shares/ underlying shares held	Total	Approximate % of shareholding as at 30 June 2023
BlackRock, Inc.	Interest of controlled corporation	177,767,063	177,767,063 ⁽¹⁾	7.06

Short positions in the shares of NWD

Name	Capacity	Number of shares/ underlying shares held	Total	Approximate % of shareholding as at 30 June 2023
BlackRock, Inc.	Interest of controlled corporation	380,000	380,000 ⁽²⁾	0.02

Notes:

- (1) The interests included interest in 4,186,000 underlying shares through its holding of certain cash settled unlisted derivatives.
- (2) The interests included interest in 244,000 underlying shares through its holding of certain cash settled unlisted derivatives.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 30 June 2023.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular all of which are subject to changes 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, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax 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 consequences 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.

British Virgin Islands

As the Issuer is incorporated pursuant to the BVI Business Companies Act (As Revised) of the British Virgin Islands (the "BVI") (i) payment of principal, premium, (if any) and interest in respect of the Notes will not be subject to taxation in the BVI, (ii) no withholding tax will be required to be deducted by the Issuer on such payments to any holder of a Note, and (iii) if neither the Company nor any subsidiary holds an interest in real estate in the BVI, no stamp duty is payable in respect of the issue of the Notes or on an instrument of transfer in respect of the Notes. Gains derived from the disposal of the Notes will not be subject to BVI income or corporation tax, provided that the payments are made to persons who are not resident in the BVI. No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the BVI with respect to 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, in respect of any capital gains arising from the sale of the Notes or in respect of payments under the Guarantee of the Notes.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes issued outside Hong Kong in any circumstances or, if issued in Hong Kong, provided either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (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 or transfer 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 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 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.

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 the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company 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 company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (“**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a company, 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 the Notes may be subject to profits tax. Sums received by or accrued to a company, 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 the Notes may be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, 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 of.

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 Bonds 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.

PRC Taxation

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In 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. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Pursuant to the BIT 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 bodies” are within the territory of the PRC shall be PRC tax resident enterprises for the purpose of the BIT 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 the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the BIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside PRC. As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the BIT Law. On that basis, holders of the Notes will not be subject to withholding tax, income tax or any other taxes or duties (including stamp duty) imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the BIT Law and related implementation regulations in the future. Pursuant to the BIT Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or its income has no actual connection to its establishment inside the PRC shall pay enterprise income tax at the rate of 10 per cent. on the incomes sourced inside the PRC, and such income tax shall be withheld at source by the PRC entity making payment, who shall be obliged to withhold the tax amount from each payment or payment due. Accordingly, in the event the 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 Noteholder. 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.

Non-PRC Noteholders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Notes consummated outside mainland China between non-PRC Noteholders, except however, if the Issuer is treated as a PRC tax resident enterprise under the BIT Law and related implementation regulations in the future, any gain realised by the non-PRC 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.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

United States’ Foreign Account Tax Compliance Act (“FATCA”) Tax Provisions

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 United Kingdom)

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 publication of the final regulations defining “foreign passthru payment” and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “*Terms and Conditions – 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.

Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

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 control imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified and trades through e-commerce can also be settled in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The PBoC also permit enterprises in the China (Shanghai) Free Trade Pilot Zone (“**Shanghai FTZ**”) to establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pooling programme. In November 2016, PBoC Shanghai Headquarters further allowed banks in Shanghai to provide multinational enterprise groups with services of full-function onshore cash pooling, which will enable broader scope for utilising pooled cash.

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.

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.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms, foreign enterprises are now permitted use Renminbi to settle all capital account items that can be settled in foreign currencies. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements specifically for capital account payments in Renminbi are being removed gradually.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as “foreign debt”) and lend Renminbi-denominated loans to foreign borrowers (which are referred to as “outbound loans”), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as “cross-border security”). Under current rules promulgated by the State Administration of Foreign Exchange of the PRC (“SAFE”) and PBoC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, PBoC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

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. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

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. PBoC has relaxed the quota control for RQFII, initiated a bond market mutual access scheme between mainland China and Hong Kong 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).

Interbank foreign exchange market is also opening-up. In 2018, CFETS further relaxed qualifications, application materials and the procedures for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

The Dealers have, in an amended and restated dealer agreement dated 24 January 2024 (as amended and restated or supplemented from time to time (the “**Dealer Agreement**”)), agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. The Issuer (failing which, the Guarantor) will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Where the Issuer agrees to sell to the Dealer(s), who agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, Notes at an issue price (the “**Issue Price**”), any subsequent offering of those Notes to investors may be at a price different from such Issue Price. The Issuer (failing which, the Guarantor) has agreed to reimburse the Arrangers for certain of its expenses incurred in connection with the establishment, and any future update, of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement. The Issuer, the Guarantor and the relevant Dealer(s) may also, in relation to any Tranche of Notes, agree to pay private banks or other selling agents a commission in order to facilitate the offering of the Notes.

The Issuer (failing which, 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 order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation action or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilisation activities may only be carried on by the Stabilisation Manager(s) named in the applicable Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) 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 and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that an offering of Notes 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, such offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer or the Guarantor in such jurisdiction.

Selling Restrictions

United States of America

The Notes and the Guarantee of the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The 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.

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 represents and agrees, 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 European Economic Area.

For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”);
- (b) 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
- (c) not a qualified investor as defined in Article 2 of the EU Prospectus Regulation; and

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.

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 European Economic Area (each, a “**Relevant State**”), each Dealer has represents and agrees 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 Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) 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 EU Prospectus Regulation in that Relevant 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 Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, **provided that** any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the EU 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;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

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

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant 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 “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

The Netherlands

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or spaarbewijzen as defined in The Netherlands Savings Certificates Act (Wet inzake spaarbewijzen, the “**SCA**”)) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

As used herein “Zero Coupon Notes” are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United Kingdom

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 represents and agrees, 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 United Kingdom.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (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**");
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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
- (c) not a qualified investor as defined in the UK Prospectus Regulation; and

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.

If the Pricing Supplement in respect of any Notes specifies the "*Prohibition of Sales to UK Retail Investors*" as "Not Applicable", each Dealer has represents and agrees 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 United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) if the Pricing Supplement in relation to the Notes specify 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 has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above 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 the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) 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 as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) 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 would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) 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 United Kingdom.

Hong Kong

In relation to each Tranche of Notes to be issued by the Issuer under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) 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 "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) 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.

British Virgin Islands

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with respect to offers and sales of any Notes, that it has not and will not make any invitation to the public or any member of the public in the British Virgin Islands to purchase the Notes and the Notes may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

PRC

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes may not be offered or sold directly or indirectly in the PRC (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Region or Taiwan). Neither this Offering Circular nor any material or information contained or incorporated by reference herein relating to the Notes, which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission (“CSRC”) or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. The material or information contained or incorporated by reference in this Offering Circular relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Notes may only be offered or sold to PRC investors that are authorised to engage in the purchase of the Notes of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and accordingly, each Dealer has represented, warranted 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 or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws 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 and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular 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 (the “SFA”)) pursuant to Section 274

of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

None of the Issuer, the Guarantor or the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. These selling restrictions may be modified by the agreement of the Issuer and the relevant 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 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 Issuer in such jurisdiction.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of their business.

Important Notice to CMIs (including private banks) Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs 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 Dealers 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. CMIs 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.

CMIs 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.

CMIs 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 CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs 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. CMIs should not place “X-orders” into the order book.

CMIs 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.

CMIs (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, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs 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 CMIs.

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 an affiliated Dealer (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); and
- 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 offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant offering. The Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and

may request other CMI (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 CMI (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A “Sanctions Restricted Person” means an individual or entity (a “**Person**”): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current “Specially Designated Nationals and Blocked Persons” list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the “**SSI List**”), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “**EU Annexes**”), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security (“**BIS**”) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China” (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled “Addressing the threat from Securities Investments that Finance Chinese Military Companies”; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons.; or (v) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria and the Crimea region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic. “Sanctions Authority” means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

GENERAL INFORMATION

1. **Listing:** Application has been made to the Hong Kong Stock Exchange for the listing of the Programme, under which Notes may be issued by way of debt issues to Professional Investors only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The issue price of Notes issued under the Programme and 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 next business day following the date of listing of the relevant Notes.
2. **Authorisation:** The establishment of the Programme and the issue of the Notes thereunder were authorised by a resolution of the board of directors of NWD (MTN) Limited passed on 10 July 2012 and by a resolution of the board of directors of the Guarantor passed on 10 July 2012. The update of the Programme was authorised by a resolution of the board of directors of NWD (MTN) Limited passed on 22 January 2024 and by a resolution of the board of directors of the Guarantor on 22 January 2024. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee of the Notes relating to them.
3. **Legal and Arbitration Proceedings:** None of the Issuer, the Guarantor and any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.
4. **Significant/Material Change:** Save as disclosed in this Offering Circular, since 30 June 2023, there has been no material adverse change in the financial position or prospects nor any significant change in the financial or trading position of the Issuer, the Guarantor and the Group.
5. **Auditor:** PricewaterhouseCoopers (Certified Public Accountants), the Guarantor's independent auditor has audited, and rendered unqualified auditor's reports on, the consolidated financial statements of the Guarantor as at and for the years ended 30 June 2023 and 2022.
6. **Documents on Display:** Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the specified offices of the Fiscal Agent and the CMU Lodging and Paying Agent at Level 24, HSBC Main Building, 1 Queen's Road Central, Hong Kong for so long as the Notes are capable of being issued under the Programme:
 - (i) the memorandum and articles of association of the Issuer and the Guarantor;
 - (ii) the audited consolidated financial statements of the Guarantor for financial year ended 30 June 2023;
 - (iii) copies of the latest annual report and audited annual consolidated financial statements, and any condensed consolidated interim financial statements (whether audited or unaudited) published subsequently to such audited annual financial statements, of the Guarantor;
 - (iv) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation will only be available for inspection by a holder of such Note and

such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);

- (v) a copy of this Offering Circular, together with any supplement to this Offering Circular;
- (vi) the Agency Agreement;
- (vii) the Dealer Agreement;
- (viii) the Deed of Guarantee;
- (ix) the Deed of Covenant; and
- (x) the Programme Manual dated 24 January 2024 (which contains the forms of the Notes in global and definitive form).

7. **Clearing of the Notes:** The Notes may be accepted for clearance through Euroclear, Clearstream and the CMU. The appropriate common code and the International Securities Identification Number or CMU Instrument Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

ISSUER

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AUDITOR OF THE GUARANTOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
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