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This announcement and the listing document referred to herein are for information purposes only and are not for distribution, directly or indirectly, in or into the United States. This announcement and the listing document referred to herein do not constitute or form a part of an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction, or an inducement to enter into investment activity, or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. No public offering of the securities referred to herein will be made in the United States. None of the Notes (as defined below) will be offered to the public in Hong Kong or elsewhere.

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 below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and the Programme (as defined below) has been and the Notes (to the extent they 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



HLP Finance Limited

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

Hang Lung Properties Limited

(incorporated in Hong Kong with limited liability)
(the “**Guarantor**”)

Stock Code: 00101

US\$4,000,000,000

Medium Term Note Programme
(the “**Programme**”)

arranged by

The Hongkong and Shanghai Banking Corporation Limited

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 “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

Please refer to the offering circular dated April 8, 2025 (the “**Offering Circular**”) in relation to the Programme appended herein. As disclosed in the Offering Circular, the notes to be issued under the Programme (the “**Notes**”) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on the Hong Kong Stock Exchange on that basis.

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

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any notes of the Issuer and no such inducement is intended.

Hong Kong, April 9, 2025

As at the date of this announcement, the board of directors of HLP Finance Limited comprises the following directors: Mr. Adriel CHAN, Mr. Weber W.P. LO and Mr. Kenneth K.K. CHIU

As at the date of this announcement, the board of directors of Hang Lung Properties Limited comprises the following directors:

Executive Directors: Mr. Adriel CHAN, Mr. Weber W.P. LO and Mr. Kenneth K.K. CHIU

Independent Non-Executive Directors: Mr. Nelson W.L. YUEN, Mr. Philip N.L. CHEN, Dr. Andrew K.C. CHAN, Ms. Anita Y.M. FUNG and Ms. Holly T.F. LI

APPENDIX – OFFERING CIRCULAR DATED APRIL 8, 2025

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED 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 AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you and your customers you represent are outside the United States and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession 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 authorized to, deliver this Offering Circular to any other person.

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 such dealers or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer nor The Hongkong and Shanghai Banking Corporation Limited (the “**Arranger**”) nor Australia and New Zealand Banking Group Limited, Bank of China (Hong Kong) Limited, BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch (Asia Pacific) Limited, Mizuho Securities Asia Limited, MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, UBS AG Hong Kong Branch nor United Overseas Bank Limited (the “**Dealers**”) nor any person who controls the Arranger or the Dealers, nor any director, officer, employee nor agent of the Issuer or Hang Lung Properties Limited or the Arranger 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.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this document, 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 e-mail software, will be ignored or rejected.

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

OFFERING CIRCULAR



HLP Finance Limited

(incorporated in the British Virgin Islands with limited liability)

(as Issuer)

Hang Lung Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 00101)

(as Guarantor)

US\$4,000,000,000

Medium Term Note Programme

Under the US\$4,000,000,000 Medium Term Note Programme described in this Offering Circular (the "**Programme**"), HLP Finance Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") unconditionally and irrevocably guaranteed (the "**Guarantee**") by Hang Lung Properties Limited (the "**Guarantor**"). Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed US\$4,000,000,000 (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*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**") and together the "**Dealers**", which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed 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 such Professional Investors only.

Notice to Hong Kong investors — The Issuer and the Guarantor confirm that the Notes are intended for purchase by Professional Investors only and the Programme and the Notes (to the extent the 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 document, 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 document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Group or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

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*") 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.

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 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 Arranger 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 distributor should take into consideration the target market assessment; however, a distributor subject to 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 set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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 ("**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 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**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**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 as amended ("**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.

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 of Singapore, as modified and amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

The Notes of each Series (as defined in "*Summary of the Programme*") 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 S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes and the Guarantee 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 fulfill their respective obligations in respect of the Notes are discussed under "Risk Factors".

Arranger

HSBC

Dealers

ANZ
Bank of China (Hong Kong)
Citigroup
DBS Bank Ltd.
Goldman Sachs
Mizuho
OCBC
UBS

BofA Securities
BNP PARIBAS
Crédit Agricole CIB
Deutsche Bank
HSBC
MUFG
Standard Chartered Bank
United Overseas Bank

The date of this Offering Circular is April 8, 2025

Each of HLP Finance Limited (the “**Issuer**”) and Hang Lung Properties Limited (the “**Guarantor**”) having made all reasonable enquiries confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and its subsidiaries taken as a whole (the “**Group**”) and the Notes that is material in the context of the issue and offering of the Notes; (ii) the statements contained in it relating to the Issuer, the Guarantor and the Group are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor, the Group or 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, and each of the Issuer and the Guarantor accepts responsibility accordingly.

Each Tranche (as defined under “*Terms and Conditions of the Notes*”) 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 a document specific to such Tranche called a pricing supplement (the “**Pricing Supplement**”). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKSE Rules**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. 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. This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Information 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.

The Issuer and the Guarantor have confirmed to the Dealers named under “*Summary of the Programme*” below that this Offering Circular contains all information which is, in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee, material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee) misleading in any material respect; and that all proper enquiries have been made to verify the foregoing. The Issuer and the Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in “*Subscription and Sale*”) that they shall, subject to certain exceptions, update or amend this Offering Circular by the publication of a supplement thereto or a new Offering Circular in the event that a significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme.

No person has been authorized by the Issuer and 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, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Guarantor, any Dealer, or the Arranger.

None of the Arranger, the Dealers or any of their respective affiliates has authorized the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular. 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.

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. None of the Issuer, the Guarantor, the Arranger or the Dealers represents that this Offering Circular 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 Arranger or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor 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. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Arranger and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States 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 or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act or, in the case of bearer notes, the U.S. Internal Revenue Code of 1986, as amended). 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*”.

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 Arranger, 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.

Important Notice to Prospective Investors

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 Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer or 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 the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

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, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**EU MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (“**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 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**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 Financial Services and Markets Act 2000 as amended (“**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.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed US\$4,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Programme 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 Programme Agreement.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilization manager(s) (the “**Stabilization Manager**”) (or persons acting on behalf of any Stabilization Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization 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 cease 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 stabilization action or over-allotment must be conducted by the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, neither the Arranger 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 Arranger 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 Arranger, 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 Arranger 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.

Notes issued as Green, Social or Sustainability Notes

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green, Social or Sustainability Notes or the Group’s Sustainable Finance Framework (the “**SFF**”) or the independent opinion issued by Sustainalytics (the “**Second Party Opinion**”) on the SFF. None of the Dealers makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such “green”, “sustainable”, “social” or similar labels (including but not limited to to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”) and any related technical screening criteria, the EUGB label or the optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds under Regulation (EU) 2023/2631 (the “**EU Green Bond Regulation**”), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”) and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any market standards or guidance, including green, sustainable or social bond principles or other similar principles or guidance published by ICMA (the “**ICMA Principles**”) or any requirements of such labels or market standards as they may evolve from time to time. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion. None of the Dealers is responsible for (i) the use or allocation of proceeds for any Notes issued as Green, Social or Sustainability Notes, (ii) the impact or monitoring or reporting of such use of proceeds or (iii) the alignment of the Notes with the SFF or alignment of the SFF with the ICMA Principles.

None of the Dealers undertakes to ensure that there are at any time sufficient Eligible Projects (as defined in the Group's SFF) to allow for allocation of a sum equal to the net proceeds of the issue of such Green, Social or Sustainability Notes in full. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Dealers, or any other person to buy, sell or hold any Green, Social or Sustainability Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn.

In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular 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 advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyze 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 is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger 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 Arranger 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 Arranger or the Dealers or any of them.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "PRC", "China" and "mainland China" are to the People's Republic of China and for geographical references only exclude Hong Kong, Macau and Taiwan, to "Hong Kong" or "Hong Kong SAR" are to the Hong Kong Special Administrative Region of the People's Republic of China, to "HK\$" are to the lawful currency of Hong Kong, to "CNY", "Renminbi" or "RMB" are to the lawful currency of the PRC, to "US\$" are to the lawful currency of the United States of America, to "sterling" or "£" are to the lawful currency of the United Kingdom and to "euro" or "€" are to the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time.

FORWARD LOOKING STATEMENTS

This Offering Circular includes forward-looking statements and other information that involve risks. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the Issuer’s and Guarantor’s financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer’s and/or Guarantor’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s and/or Guarantor’s present and future business strategies and the environment in which the Issuer and Guarantor expect to operate in the future.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”. Forward-looking statements speak only as of the date of this Offering Circular and the Issuer and the Guarantor expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Offering Circular to reflect any change in each such Issuer’s and Guarantor’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, neither the Issuer nor the Guarantor can assure you that projected results or events will be achieved and the Issuer and the Guarantor caution you not to place undue reliance on these statements.

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the published audited annual financial statements for the years ended December 31, 2023 and 2024 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 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) at the specified offices of the Paying Agents set out at the end of this Offering Circular.

As at the date of this Offering Circular the Issuer has not published and does not propose to publish any financial statements. The Guarantor has prepared annual audited financial statements for the financial year ended December 31, 2024. See “*Index to Financial Statements*”. Any unaudited financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit nor taken as an indication of the expected financial condition and results of operations of the Guarantor for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Guarantor’s financial condition, results of operations and results.

The financial statements of the Guarantor were prepared in conformity with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants. See “*General Information*” for a description of the financial statements currently published by the Guarantor.

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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: HLP Finance Limited

Guarantor: Hang Lung Properties Limited

Risk Factors: Investing in the 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 “*Risk Factors*” below.

Arranger: The Hongkong and Shanghai Banking Corporation Limited

Dealers: Australia and New Zealand Banking Group Limited, Bank of China (Hong Kong) Limited, BNP PARIBAS, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch (Asia Pacific) Limited, Mizuho Securities Asia Limited, MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, UBS AG Hong Kong Branch, United Overseas Bank Limited 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,
Transfer Agent, CMU
Lodging Agent and
Registrar:** 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), 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.

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 by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The listing of the Programme on the Hong Kong Stock Exchange is expected to become effective on April 9, 2025.</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>
Clearing Systems:	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 (or, the CMU Lodging Agent, as the case may be), and the relevant Dealer.
Programme Amount:	Up to US\$4,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Form of Notes:	Notes may be issued in bearer form or in registered form.

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 depository or a common depository 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 be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of a nominee for, one or more clearing systems are referred to as "Global Certificates".

- Currencies:** Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
- Status of the Notes:** The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer, as described in "*Terms and Conditions of the Notes — 4. Status and Guarantee*".
- Status of the Guarantee:** The payment obligations of the Guarantor under the Guarantee are direct, general, unconditional, unsubordinated and (subject to Condition 5) unsecured obligations of the Guarantor as described in "*Terms and Conditions of the Notes — 4. Status and Guarantee*".
- Issue Price:** Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
- Maturities:** Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption:	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).
Optional Redemption:	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.
Tax Redemption:	Except as described in “ <i>Optional Redemption</i> ” above, early redemption will only be permitted for tax reasons as described in Condition 10 (<i>Redemption and Purchase – (b) Redemption for tax reasons</i>).
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 have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 14 (<i>Events of Default</i>).
Withholding Tax:	All payments in respect of Notes and the Guarantee will be made free and clear of withholding taxes of the British Virgin Islands or 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, had no such withholding been required.
Governing Law:	The Notes, the Guarantee and any non-contractual obligations arising out of or in connection with the Notes and the Guarantee 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' rights against the Issuer will be governed by a Deed of Covenant dated 29 April 2011, 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 the 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, Japan, Singapore, the British Virgin Islands and the People's Republic of China, see "*Subscription and Sale*" 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 depositary 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:** 254900TAEQ6UHRHWZS23

RISK FACTORS

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

Risks relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer was established specifically for the purpose of raising funds pursuant to the Programme and will on-lend the net proceeds from the issue of the Notes to the Guarantor and/or the Guarantor's subsidiaries for general corporate purposes. The Issuer does not and will not have any business activities other than the issue of debt securities and on-lending of the proceeds thereof to the Guarantor and/or its subsidiaries, and its ability to make payments under the Notes will depend on its timely receipt of funds from the Guarantor and/or the Guarantor's subsidiaries and other members of the Guarantor.

Risks relating to the Guarantor

The Guarantor has limited operations of its own

The Guarantor depends, to a significant extent, upon the receipt of dividends from its subsidiaries and jointly controlled entities to make payments with respect to its obligations, including its obligations under the Guarantee, and in order to provide funds to its subsidiaries and jointly controlled entities. The ability of subsidiaries and jointly controlled entities of the Guarantor to pay dividends to their shareholders (including the Guarantor) is subject to the performance and cash flows requirements of such subsidiaries and jointly controlled entities and to applicable law and restrictions contained in debt instruments of such subsidiaries and jointly controlled entities, if any. There can be no assurance that the Guarantor will have sufficient cash flows from dividends to satisfy its obligations, including obligations under the Guarantee or otherwise to enable the Issuer to make payments under the Notes, or that its subsidiaries and jointly controlled entities will pay dividends at all.

Holding company structure

The Guarantor primarily operates through its subsidiaries and jointly controlled entities. As a result, the Guarantor's obligations under the Guarantee will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and jointly controlled entities (other than the Issuer). All claims of creditors of these subsidiaries and jointly controlled entities, including trade creditors, lenders and all other creditors, will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including Noteholders as beneficiaries of the Guarantee.

Fluctuations in the capital markets

Property development and property investment require significant amounts of capital. The Guarantor has traditionally financed land acquisition, property development and property investment, through a combination of equity, borrowings and the debt capital markets. As the Guarantor's current unsecured bank borrowings are on a floating rate basis, fluctuations in interest rates may increase its interest expenses for both new borrowings and existing borrowings. In the event of any adverse change in the capital markets, the Guarantor may have difficulty in accessing new financing sources, which could make it more difficult or expensive to obtain funding in the future. In light of the above, there can be no assurance that the Guarantor will be able to raise financing at a reasonable cost.

Project development risks pertaining to "build and operate" investment model

The Guarantor undertakes property development and is exposed to significant risks when compared with companies which acquire existing investment properties. Such risks, among other things, include the financing risks for property under development, construction not being completed on schedule or within budget due to unforeseen infrastructure or engineering problems, delays in land site clearance, workforce shortages, unexpected building cost increases, property design feasibility, interruption caused by environmental and weather constraints, problems with independent contractors and changes to governmental policies and regulations. All these risks may adversely affect the timeliness of project completion and investment returns to be generated from any property development undertaken by the Guarantor. Construction costs are a major component of the Guarantor's cost of sales relating to property developed for sale and rental properties held for long term investment. Construction costs encompass the costs of the design and the 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. Inflation in the broader economy may also have an impact on the Guarantor's construction costs and a wider impact on other costs. Construction costs may also fluctuate as a result of the volatile price movement of construction materials such as steel and cement. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), the Guarantor will be required to re-negotiate existing construction contracts or make a top-up or refund thereunder, depending on the price movement, under existing construction contracts. Additionally, should existing contractors fail to perform under their contracts, the Guarantor may be required to pay more to contractors under replacement contracts. The Guarantor's profit margin is sensitive to changes in construction costs and will be adversely affected if the Guarantor cannot pass increased construction costs on to buyers and tenants of its properties.

Global economic factors and unforeseen circumstances may affect the Guarantor's business

The Guarantor derives a substantial portion of its revenue and operating profits from tenants of shopping malls, arcades and office properties which are closely tied to general commercial market sentiment and consumer demand. Any change in such general commercial market sentiment and consumer demand can affect overall economic outlook and investor confidence leading to changes in the tenant mix and credit standing of tenants and have an adverse effect on the Guarantor's revenue and operating profits. Slower GDP growth in Hong Kong and mainland China and the decrease in the number of visitors to Hong Kong in recent years may lead to an increase in vacancy rates and delayed openings of malls and other commercial properties.

Any prolonged downturn, recession or other condition that adversely affects the Guarantor's business and economic environment, including the COVID-19 pandemic or any other infectious disease, could materially and adversely impact its business, financial condition and results of operations.

The COVID-19 pandemic in different parts of the world, including places in which the Guarantor operates, has had a significant adverse impact on most economies due to the community standstill, disruption of business activities, and weakened sentiment in the consumption and tourism related sectors. Although restrictions and regulations imposed as a result of COVID-19 have been rescinded, it is difficult to predict whether they will be reinstated in the future and how such a disruption to the Guarantor's business would have a lasting impact on the performance of the Guarantor. There can also be no assurance that any precautionary measures taken against infectious diseases would be effective, or that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it may have an impact on the operations of the Guarantor and its results of operations may suffer.

Further, the ongoing trade disputes between the United States, China and other major nations create uncertainties in the world economy and global financial market. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, foreign policies or other matters. The continuing tensions between China and the United States may also lead to restrictions on certain international business transactions and economic activities. Any lasting impacts the trade war may have on the Hong Kong and China economies remain uncertain. Failure of trade negotiations between the United States and China may lead to material adverse consequences on the economies of Hong Kong and other Asia Pacific countries, which could, in turn, have a material adverse effect on the Guarantor's business and growth prospects.

In addition, competition from new market entrants and fluctuations in the level of disposable household wealth may adversely affect the relative bargaining position of the Guarantor with its tenants in terms of lease rates, tenure and frequency of rental revisions, and thus adversely affect the Guarantor's revenue and financial performance. In addition, the Guarantor carries out renovation and upgrades to its properties to enhance the value and improve the quality of its property portfolio from time to time, which results in short-term fluctuations in the revenue generated by those properties.

Furthermore, while the global economy is recovering from disruptions brought about by the outbreak of COVID-19, it is facing uncertainties and the global financial markets are experiencing significant volatilities. Any potential economic slowdowns may also negatively affect the purchasing powers of potential property purchasers, which may lead to a decline in the general demand for Guarantor's properties and erosion of the selling prices of such properties. Moreover, governments may also impose various monetary and regulatory policies to combat potential economic slowdowns. Such policies may include measures affecting the property market. If the global financial markets continue to experience volatility or if the Hong Kong or the PRC economy continues to slow down, the Guarantor's business, financial condition and outlook may be adversely affected.

The continuing success of the Guarantor depends on key management personnel

The success of the Guarantor depends on key management personnel and on the continued service of its executive officers and other skilled managerial and technical personnel. Competition in the property development and property investment industry for qualified personnel is intense. The Guarantor's business could suffer if the services of a number of key personnel were lost and if the Guarantor could not recruit suitable replacements in a timely manner. Furthermore, as the business of the Guarantor continues to grow, the Guarantor will need to recruit and train additional qualified personnel. If the Guarantor fails to attract and retain qualified personnel, its business and prospects may be adversely affected.

Property revaluation

The Guarantor reassesses the fair value of its investment properties as at the end of each reporting period. Although fair value gains or losses do not change the Guarantor's cash position as long as the relevant investment properties are held by the Guarantor, any major or extended decline in property values may result in an accounting loss for the Guarantor and hence increase the Guarantor's gearing, which may constrain its ability to access additional financing in the future. See note 10 (*investment properties and property, plant and equipment*) to the financial statements of the Guarantor as of and for the year ended December 31, 2024 for further information.

Cash conversion risks of property assets

As the Guarantor's core business is property investment and property development, its ability to liquidate assets may be limited or it may be required to discount property prices significantly to ensure a timely sale in case of any market downturn if the Guarantor is not able to satisfy its payment and repayment obligations from cash and bank balances, committed undrawn banking facilities or from the capital markets.

The property leasing business of the Guarantor is affected by local, regional and international economic conditions and changes in market conditions

The Guarantor's property leasing business is affected by local, regional and international economic conditions including changes to monetary policy, fiscal policy, interest rates, stock market indices, exchange rates, taxation rates and inflation. It may also be affected by changes in market conditions and is exposed to economic cycles and market volatility.

Changes to these economic and financial market conditions may have an effect on the level of activity and demand for the leasing of investment properties of the Guarantor. This may result in the Guarantor not being able to negotiate rental lease extensions with some existing tenants as lease terms expire, or replace expiring leases with leases on equivalent terms. The occurrence of such events may have an adverse effect on the income of the Guarantor, the value of its property portfolio, its financial performance and condition.

Also, certain of the Guarantor'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 Guarantor.

The global credit markets may have a negative effect on the economy

Economic developments outside of mainland China and Hong Kong could adversely affect the property markets in China and Hong Kong and the Guarantor's overall business. Since the second half of 2007, global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions which have originated from the liquidity disruptions in the United States and the European Union credit and sub-prime residential mortgage markets. In particular, the sovereign debt crisis in some European countries (including Greece, Ireland, Italy, Spain and Portugal) since early 2010 and the downgrading of the credit rating for the United States' sovereign debt in August 2011 have contributed to an economic slowdown in most economies around the world, substantial volatility in financial markets globally and the tightening of liquidity in global financial markets. A number of other related events have also caused fundamental and wide-reaching disruptions to the global credit markets. Such events include the collapse of a number of financial institutions and other entities in 2023, rising government deficits and debt levels, ratings downgrades for the United States and certain European Union sovereign debt, debt reduction measures taken by various countries and notably in the United States and the continued deterioration of certain European economies, and more recently, the tapering of the stimulative quantitative easing policy, the interest rate increases by the U.S. Federal Reserve and the subsequent rate cuts announced towards the end of 2024.

In addition, the exit of the United Kingdom from the European Union, political instability in the Korean Peninsula, a slump in commodity prices and fears of a slowdown in the PRC economy have resulted in instability and volatility in the capital markets. Furthermore, fears over ongoing trade tensions between the United States and the PRC have caused greater volatility in global markets. Sustained or escalating tension between the United States and the PRC over trade policies could significantly undermine the stability of the global economies.

Furthermore, military conflicts between Russia and Ukraine and between Israel and Palestine have resulted in increased volatility in the markets for certain securities and commodities, including oil, natural gas and other sectors. The United States and certain other countries and international organisations have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations. The extent and duration of the military conflicts, resulting sanctions and future market disruptions in the region are impossible to predict, and there could be significant adverse effects on the region and the global financial markets.

These events have had and may 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 continue to 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 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 any stimulus measures implemented or proposed by governments will improve economic growth or consumer sentiment in these countries.

In addition, changes in or any tightening of the global credit and financial markets may affect the availability of credit and lead to an increase in the general cost of financing, which could make it more difficult or expensive for the Guarantor to obtain funding in the future. Whilst the

Guarantor currently has substantial undrawn committed facilities that enable it to meet its current funding needs and future business expansion, the Guarantor may have difficulty in the future in accessing the financial markets, which could make it more difficult or expensive to obtain funding. There can be no assurance that the Guarantor will be able to raise finance at a reasonable cost, or at all. The Guarantor may also be subject to solvency risks of its banks and counterparts in its financial investments and arrangements. These may have a material adverse impact on the operations of the Guarantor.

The Guarantor's business may be affected by sanctions or other measures imposed by foreign governments relating to Hong Kong

On 30 June 2020, the Standing Committee of the National People's Congress of the PRC passed the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (the "**Hong Kong National Security Law**"), which took effect on 30 June 2020 upon gazettal in Hong Kong.

Following the enactment of the Hong Kong National Security Law, then U.S. President Donald Trump issued an executive order on 14 July 2020 to officially sign into law the Hong Kong Autonomy Act, which withdraws certain privileges granted to Hong Kong under the Hong Kong Policy Act of 1992, and the U.S. government indicated that it may impose sanctions or other measures relating to Hong Kong, e.g. higher tariffs, tougher investment rules, asset freezes and more onerous visa rules.

There have been some comments that Hong Kong's standing as an international financial centre could be at risk. Among other things, U.S. tariffs on China and restrictions on technology transfer and investment could become applicable to Hong Kong or Hong Kong entities or persons. Certain other foreign governments and organisations have also taken actions in response to or expressed concern regarding the enactment of the Hong Kong National Security Law and there is a risk that actions that have or may be taken by all or some of them may be detrimental to Hong Kong. There is a risk that actions that have or may be taken by all or some of them may be detrimental to Hong Kong. The Guarantor has not been and will not be able to assess the impact of such actions on Hong Kong and the Guarantor.

Potential liability for environmental problems could result in costs to the Guarantor

The Guarantor is subject to various laws and regulations concerning the protection of health and the environment. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, its environmental condition, the present and former uses of the site, as well as any adjoining properties. Environmental laws and conditions may result in delays to the Guarantor's property development projects, may cause the Guarantor to incur compliance and other costs and could prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow

Design, construction or other latent property or equipment defects in the Guarantor's properties may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the Guarantor's earnings and cash flows.

The Guarantor is subject to risks relating to accidents or other hazards which may not be covered by insurance

The Guarantor maintains insurance coverage on 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 Guarantor may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs disproportionate to the level of risks concerned or other reasons, including but not limited to certain types of losses incurred due to hazards such as war, civil disorder, acts of terrorism and large-scale unexpected natural disasters. Any losses may significantly affect the Guarantor's business operation and the Guarantor may not have sufficient funds to replace any property destroyed as a result of such hazards. In addition, any payments the Guarantor makes to cover any losses, damages or liabilities could have an adverse effect on its business, financial condition and results of operations.

Further, notwithstanding the Guarantor's insurance coverage, any damage to the Guarantor'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 an adverse effect on the its business, financial condition and results of operations.

Furthermore, whilst there are systems and policies set up for prevention of accidents, and every care is taken by the Guarantor 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 Guarantor to liability or other claims by its customers and other third parties.

Although the Guarantor 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 could lead to litigation or otherwise adversely affect the reputation, business, financial condition and results of operations of the Guarantor. It is also possible that litigants may seek to hold the Guarantor responsible for the actions of its independent contractors.

Risks relating to the Guarantor's business in mainland China

The PRC Government's policies may affect the Guarantor's business

The government of the PRC (the "**PRC Government**") exercises significant control over the economic growth of mainland China 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. Any future actions and policies adopted by the PRC Government could materially affect the economy of mainland China, which may adversely affect the Guarantor's business, financial condition and results of operations.

The Guarantor's business is dependent on continued economic growth in mainland China. The PRC Government, in the past, has imposed restrictions on direct foreign investment in the property sector to curtail the overheating economy. Property developers in mainland China 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 Guarantor's business. The Guarantor must obtain various permits, certificates, relevant approvals from the relevant administrative authorities at various stages of development,

including land use rights documents, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on the satisfactory compliance with certain requirements or conditions. The Guarantor can give no assurance that it will not encounter material delays or other impediments in fulfilling the conditions precedent to obtain these approvals.

The Guarantor's business may be affected by economic conditions in mainland China

The Guarantor is one of the leading developers of world-class commercial complexes across mainland China. Therefore, the performance of China's economy affects, to a significant degree, the Guarantor's business, financial condition, results of operations and prospects. The economy of the PRC experienced rapid growth in the past 30 years. However, notwithstanding the increase in the growth rate of the PRC's GDP in 2021, there has in general been a slowdown in the growth of the PRC's GDP in recent years and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2022, 2023 and 2024 was 3.0%, 5.2% and 5.0%, respectively.

The future performance of China's economy is not only affected by the economic and monetary policies of the PRC Government, but it is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world, such as the United States. In addition, China's economic growth may slow down due to weakened exports as well as recent developments surrounding the trade tensions between China and the United States. China and the United States will likely need to make further concessions in order to end the trade tensions. The resolution of the trade war remains uncertain, and lasting impacts of the trade war may have on the PRC economy and the PRC real estate industry also remain uncertain. Should the trade war between the United States and China materially impact the PRC economy, the purchasing power of the Guarantor's customers in the PRC may be negatively affected. The United States has also recently made statements and taken certain actions beyond tariffs that may lead to changes to the U.S. and international policies, which has led to greater uncertainties in the geopolitical situation in other parts of the world affecting mainland China and Hong Kong.

There is no assurance that the PRC economy will continue to grow at historical growth rates, if at all. Continued slowdown in the economic growth in the PRC may cause a slowdown of the property market, which in turn may have a material and adverse effect on the Guarantor's business, results of operations and financial condition.

Fluctuation in the value of Renminbi or the rate of inflation in mainland China in general may have a material adverse effect on the Guarantor's business

The value of Renminbi against other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. The conversion of Renminbi into foreign currencies, has been based on rates set by the People's Bank of China ("PBoC"). In the past few years, Renminbi has undergone significant reform and the PRC Government may adopt further reforms of its exchange rate system, including making Renminbi freely convertible in the future. The PRC Government may adopt further reforms of its exchange rate system, including making Renminbi freely convertible in the future. A significant appreciation or depreciation of the Renminbi may materially and adversely affect the Guarantor's cash flow, earnings and financial position. For example, an appreciation of Renminbi against the U.S. dollar would make any new Renminbi-denominated investments or expenditures more costly to the Guarantor, to the extent that the Guarantor needs to convert, for example, HK dollars into Renminbi for such purposes.

The PRC economy has experienced periods of rapid expansion followed by periods of reduced rates of economic growth and fluctuating rates of inflation. This has led to the adoption by the PRC Government, from time to time, of various correction measures designed to influence the availability of credit or regulate growth or inflation across the broader mainland China economy or in certain sectors only. Such actions in the future could materially and adversely affect the Guarantor's business, financial condition and results of operations.

Mainland China is a competitive market for property development and it may be difficult to acquire suitable sites for development in the future

The Guarantor may not be able to obtain additional prime urban sites in major population centers for property development that meet its development criteria. The Guarantor's development criteria necessitate a longer period of time for negotiation with the local municipal government. The local municipal government may also have policy constraints, township planning, environment protection and other development considerations.

The supply of substantially all of the land in mainland China is controlled and regulated by the PRC Government. The land supply policies adopted by the PRC Government directly impact the Guarantor's ability to acquire land use rights for development and the costs of such acquisitions.

In recent years, a large number of property developers based in mainland China have begun to undertake property development and investment projects in mainland China. In addition, a number of international developers have expanded their operations into mainland China, including a number of leading Hong Kong real estate development and investment groups. Many of these developers, both private and state-owned, have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition between property developers is intense and may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties in certain parts of mainland China, a decrease in property prices, a slowdown in the rate at which new property development projects will be approved and/or reviewed by the relevant government authorities, an increase in construction costs, and difficulty in obtaining high quality contractors and qualified employees. The consequences of any such risks eventuating may adversely affect the Guarantor's business, results of operations and financial position. In addition, the real estate market in mainland China is rapidly changing. If the Guarantor cannot respond to changes in market conditions more swiftly or effectively than the Guarantor's competitors do, the ability of the Guarantor to generate revenue, financial condition and results of operations of the Guarantor will be adversely affected.

Performance risks of independent contractors

As the Guarantor is expanding its business into additional cities in mainland China, there may be a shortage of contractors that meet its quality requirements in such cities. The contractors are invited to tender bids and decisions are made with reference to their reputation for quality, track record, price and references. Once a contract is awarded, the Guarantor supervises the construction progress. However, contractors may undertake projects for other developers, the time taken and the costs involved in completing construction can also be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, natural disasters, labor disputes, disputes with subcontractors, accidents, changes in governmental priorities and other unforeseen circumstances. Major contractors may experience financial or other difficulties which may affect their ability to carry out construction

works, thus delaying the completion of the Guarantor's development projects or resulting in additional costs for the Guarantor. There can be no assurance that the Guarantor's projects will be completed in a timely manner, be of satisfactory quality or remain within the original budget.

Delays in land clearance may hinder the pace of new project developments

The Guarantor 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 property developments in accordance with the relevant PRC laws and regulations. The complicated administrative process and possibility of unfavorable settlement regarding the amount of compensation may increase the cost of the development and materially adversely affect the Guarantor's cash flow, business operations and financial condition.

The real estate market in mainland China has been volatile as it is affected by numerous factors

Historically, the mainland China property market has been cyclical and it is affected by numerous factors, including the supply of and demand for comparable properties, the amount of new land made available by the Municipal Bureaus of Land and Resources, the rate of urbanization in mainland China, governmental and tax policies towards the property market as well as political and economic developments. For example, the rapid expansion of the property market in certain major cities, including Shanghai and Beijing, in the early 1990s culminated in oversupply by the mid-1990s and a corresponding decrease in property values and rentals in the second half of the decade. Since the late 1990s, private residential property prices and the number of residential property development projects have gradually increased in major cities in mainland China as a result of an 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. In recent years however, certain major cities have seen cyclical changes in their property markets, with individual cities continuing to implement differentiated policies in accordance with local conditions along with other controlling measures so as to ensure steady housing prices. The PRC Government, at both the central and local levels, has in recent years been imposing and may continue to impose various economic measures with an aim of cooling the overheated real estate market in mainland China, including home purchase restrictions and strengthened supervision over PRC real estate developers, some of which have experienced tightened cashflow, difficulty in refinancing or even default in their own loan obligations, which would affect relevant segments of the economy and may in turn affect the Guarantor's business and operation. In the event of actual or perceived real estate over-supply in mainland China, together with the effect of government policies to dampen the real estate market, real estate prices may fall significantly which would adversely affect the Guarantor's revenue and results of operations.

There can be no assurance that the Guarantor's continued exposure to mainland China will not have a negative impact on the Guarantor's earnings or an adverse effect on the Guarantor's business, financial condition or results of operations or that the economic and political environment in mainland China will remain favourable to the Guarantor's business in mainland China in the future.

There is also no assurance that the problems of oversupply, falling property prices and tightening of credit provided by lenders will not recur or that the recurrence of such problems with respect to the mainland China property market will not adversely affect the business, financial condition and results of operations of the Guarantor.

The Guarantor's business is subject to PRC Government actions and its land use rights are subject to forfeiture risks

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 monetary penalty on the developer or require the developer to forfeit the land granted to the developer. Although the Guarantor has never been subject to any such penalties, there can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future.

The Guarantor's subsidiaries in mainland China are subject to regulatory restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor and its other subsidiaries

The ability of the Guarantor's subsidiaries in mainland China to pay dividends and repay intercompany loans or advances is subject not only to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of the subsidiaries, applicable laws and restrictions, but also PRC's foreign exchange controls. These restrictions could reduce the payment amounts or delay the timing of the payment that the Guarantor receives from its subsidiaries in mainland China, which would restrict the Guarantor's ability to meet the Guarantor's payment obligations in respect of the Notes.

Risks relating to the Guarantor's business in Hong Kong

Political and legal developments in and outside of Hong Kong may negatively affect the Guarantor's business

The Guarantor's operations are subject to various laws and regulations of Hong Kong and other jurisdictions in which such operations are located. Developing properties, refurbishment and other redevelopment 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 Guarantor'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 Guarantor 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 Guarantor to obtain additional approvals and licenses from the relevant authorities for the conduct of its operations. In such event, the Guarantor may incur additional expenses to comply with such requirements. This may, in turn, affect the Guarantor's financial performance as its business costs will increase. There can be no assurance that such approvals or licenses will be granted to the Guarantor promptly or at all. If the Guarantor experiences delays in obtaining, or is unable to obtain, such required approvals or licenses, it may have a material adverse impact on the business, financial condition or results of operations of the Guarantor.

In addition, the general state of the Hong Kong political environment has a significant impact on the Guarantor's business and financial condition. Hong Kong is a Special Administrative Region of the People's Republic of China, with its own government and legislature. The Joint Declaration between the PRC and British governments and the Basic Law provide that Hong Kong will have a high degree of legislative, judicial and economic autonomy for a period of 50 years until June 30, 2047. On March 23, 2024, the Safeguarding National Security Ordinance

took effect in Hong Kong to implement Article 23 of the Basic Law. Any such similar changes in the political or legal environment in Hong Kong could adversely affect the Guarantor's business and financial condition.

Hong Kong property market risks

The property market in Hong Kong is relatively mature and competitive. Prices for land sites are high and there are limited redevelopment opportunities and prime locations suitable for development. The competition among property developers in Hong Kong may increase even further if real estate investment trusts are permitted to undertake property development. In recent years, a number of measures have been introduced to regulate the real estate market in Hong Kong.

On February 22, 2013, the Hong Kong Monetary Authority announced a series of macro-prudential measures with immediate effect to: (i) increase the mortgage rate upward adjustment for stress testing property mortgage loan applicants' debt servicing ability from at least two per cent. to at least three per cent., (ii) lower the applicable loan-to-value ratio ("**LTV Ratio**") limits for non-residential property mortgage loans by 10 percentage points, and (iii) limit the maximum LTV Ratio and debt-servicing ratio for standalone car park space mortgage loans to the levels applicable to non-residential property mortgage loans, and the maximum loan tenor to 15 years.

The Residential Properties (First-hand Sales) Ordinance became law on April 29, 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**") was deemed to have come into operation on October 27, 2012 and became law on February 27, 2014. Under the Amendment Ordinance, any residential property acquired on or after October 27, 2012, either by an individual or a company (regardless of where it is incorporated), and resold within 36 months, is subject to Special Stamp Duty ("**SSD**") and residential properties acquired by any person (including a company incorporated) except a Hong Kong permanent resident, a Buyer's Stamp Duty ("**BSD**") is to be charged at a flat rate of 15 per cent. on all residential properties, on top of the existing stamp duty and the SSD, if applicable.

The Stamp Duty (Amendment) (No. 2) Ordinance 2014 ("**Amendment Ordinance No. 2**") was deemed to have come into operation on February 23, 2013 and became law on July 24, 2014. Amendment Ordinance No.2 provides that the ad valorem stamp duty ("**AVD**") payable on certain instruments dealing with immovable properties executed on or after February 23, 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 AVD, 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 Hong Kong Government has further implemented several measures affecting the property market. The Stamp Duty Ordinance was amended to impose a 15% Ad Valorem Duty (AVD) on all residential property transactions from November 5, 2016. Further amendments on April 12, 2017, tightened exemptions, subjecting acquisitions of more than one residential property to

the same rate. The Stamp Duty (Amendment) Ordinance 2018, effective from the same date, differentiated AVD rates for residential and non-residential properties, with the latter receiving a reduced rate during the economic downturn influenced by COVID-19 as of November 26, 2020. Adjustments to the value bands for Scale 2 rates were introduced by the 2023 Amendment Ordinance No. 2, effective from February 22, 2023.

Mortgage eligibility was also expanded under the Mortgage Insurance Programme, with increased property value caps for first-time buyers and adjustments to loan-to-value ratios, most recently updated on July 7, 2023, to include properties up to HK\$30 million with specific loan caps. These regulatory changes reflect ongoing efforts to manage the property market dynamics and provide support for homebuyers in Hong Kong.

On October 25, 2023, the Hong Kong government announced the adjustment of demand-side management measures for residential properties. The relevant adjustments included shortening the applicable period of the SSD from three years to two years, reducing the rates of the BSD and the New Residential Stamp Duty (“**NRSD**”) by half, and introducing a stamp duty suspension arrangement for incoming talents’ acquisition of residential properties.

On February 28, 2024, the Hong Kong government announced the cancellation of all demand-side management measures for residential properties with immediate effect. As a result, no SSD, BSD or NRSD needs to be paid for any residential property transactions starting from the announcement day. On the same day, the Hong Kong Monetary Authority announced that for mortgage loans assessed based on the net worth of mortgage applicants, the maximum LTV ratio will be adjusted from 50% to 60%. This adjustment is applicable to both residential properties and non-residential properties.

There can be no assurance that the Hong Kong Government will not adopt additional and more stringent measures in the future, which could also adversely affect the Guarantor’s residential property development business in Hong Kong.

Economic developments in and outside Hong Kong may negatively affect the Guarantor’s business

A substantial share of the Guarantor’s assets are located in Hong Kong and a significant portion of the Guarantor’s revenue is derived from Hong Kong. As a result, the general state of the Hong Kong economy has a significant impact on the Guarantor’s operating results and financial condition. Any disruption to Hong Kong’s economy, such as an increase in the unemployment rate, a reduction in consumer spending, an upsurge in interest rates, persistent volatility in commodity prices, health epidemics or outbreaks of communicable diseases (including COVID-19), slower economic growth in mainland China, weakened consumer sentiment in general, fewer travelers to Hong Kong for shopping or business and the rising frequency of outbound travel from Hong Kong, may have an adverse impact on the Guarantor’s financial condition, asset value, results of operations and prospects.

Economic developments outside Hong Kong could adversely affect the property sector in Hong Kong. The global financial markets have experienced, and may continue to experience, significant volatility including liquidity disruptions in the credit markets and fluctuations in the commodity, stock and foreign exchange markets. The global economic outlook for the near future continues to remain uncertain, particularly in light of the continuing geopolitical and social instability in the former republics of the Soviet Union, including the military conflicts between Russia and Ukraine and between Israel and Palestine. Any volatility in the global markets may contribute to a slowdown in the global economy, and may lead to significant declines in employment, household income, consumer demand and the announcement of

stimulus measures by a number of governments including quantitative easing and negative interest rates. Such economic developments may have a significant adverse impact on, among other things, the prospects for GDP growth and international trade, the demand for real estate, the availability and cost of credit and consumer sentiment. Recently, slower GDP growth in Hong Kong and mainland China and decreasing numbers of visitors from mainland China has affected retail sales in Hong Kong. These factors may lead to a decrease in consumer demand and may have a negative impact on the Hong Kong economy, and in turn, business, results of operations, financial condition and prospects of the Guarantor.

Any disruption to Hong Kong's economy may lead to the Guarantor, along with other Hong Kong property companies, experiencing market pressures such as those from tenants or prospective tenants to provide rent reductions or reduced market prices for sale properties. Rental values may also be affected by factors such as local, regional and global economic downturns, increased market supply, political developments, governmental regulations and changes in planning or tax laws, interest rate levels and inflation. There can be no assurance that rents and property values will not continue to decline, credit provided by banks will be further tightened or interest rates will not continue to rise in the future. This could have an adverse effect on the Guarantor's business, operating results and financial condition. Volatility in Hong Kong's property market may also affect 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 as well as the sale of existing properties, means that the Guarantor's results from its property development and sale activities may be susceptible to significant fluctuations from year to year.

Market volatility of Hong Kong property market

Historically, the Hong Kong property market has been cyclical and Hong Kong property values and rental levels have been affected by the supply and demand of comparable properties, prevailing interest rates, the rate of economic growth in Hong Kong and political and economic developments in mainland China. In 2024, the Hong Kong government cancelled all demand-side management measures for residential properties with immediate effect. As a result, no SSD, BSD or NRSD needs to be paid for any residential property transactions. Any downturn in the Hong Kong property market would have an adverse impact on the business prospects of property developers. These extraneous factors, which are beyond control of the Guarantor, could adversely affect the business, results of operations and financial performance of the Guarantor.

Risks relating to Notes issued under the Programme

The Notes may not be a suitable investment for all investors

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

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

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

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Modification and waivers

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

The Conditions also provide that the Agents may, without the consent of Noteholders or Couponholders agree, to (i) any modification of any of the provisions of the Agency Agreement (as defined under "*Terms and Conditions of the Notes*") that is of a formal, minor or technical

nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Agency Agreement), and any waiver or authorization of any breach or proposed breach, of any of the provisions of the Agency Agreement that is, in the opinion of the Issuer and the Agents, not materially prejudicial to the interests of the Noteholders.

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

The Conditions of the Notes 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 and holders of a beneficial interest in a Global Note 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. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, or lodged with CMU (each of Euroclear, Clearstream and the CMU, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note, 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. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes, the Issuer, failing which, the Guarantor, will discharge its payment obligations under the Notes by making payments to or, to the order of, the common depositary for Euroclear and Clearstream, or, as the case may be, via the CMU Lodging Agent, for distribution to their account holders. A holder of a beneficial interest in a Global Note 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.

Holders of beneficial interests in the Global Notes 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 denomination may be illiquid and difficult to trade

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

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

Risks relating to the structure of a particular issue of Notes

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

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

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands or Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

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.

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

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

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

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

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

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

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

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

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

Regulation of benchmarks may lead to future reforms or discontinuation

The Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the “**EU Benchmarks Regulation**”) applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, 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, as amended (the “**UK Benchmarks Regulation**”) applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index — for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be “no longer representative”. Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also 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”.

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 the Euro Short Term Rate (“**€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.

Methodologies for the calculation of risk-free rates (including overnight rates or forward-looking rates) as reference rates for Floating Rate Notes may vary and may evolve

“Risk-free” rates, such as the Sterling Overnight Index Average (“**SONIA**”), the Secured Overnight Financing Rate (“**SOFR**”) and the euro short-term rate (“**€STR**”), as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

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.

Such variations could result in reduced liquidity or increased volatility or might otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time. In addition, investors should consider how any mismatch between applicable conventions for the use of 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. Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

It is not possible to calculate interest rates in advance for Notes which reference SONIA, SOFR, €STR or any related indices

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 therefore 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.

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 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

Newer reference rates or any related indices and rates that fall outside the scope of the EU Benchmarks Regulation and UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, 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.

Interest rate “fallback” arrangements may lead to Notes performing differently or the effective application of a “fixed rate”

If a relevant benchmark (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, occurs, the Conditions of the Notes provide for certain fallback arrangements. 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. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Moreover, 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. Additionally, 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, which 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.

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 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.

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

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

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

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

Investors may lose part or all of their investment in any Index-Linked Interest Notes issued

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Interest 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.

If the Notes are perpetual securities, investors have no right to require redemption

Certain Notes may be perpetual and have no maturity date. The Issuer is under no obligation to redeem at any time or on any particular maturity date and such Notes can only be disposed of by sale. However, holders who wish to sell their Notes may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for such Notes.

Risks relating to Green, Social or Sustainability Notes

Notes issued as Green, Social or Sustainability Notes with a specific use of proceeds, may not meet investor expectations or requirements

The Pricing Supplement relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply an amount which, at the Issue Date of the relevant Notes, is equal to the net proceeds of the issue of such Notes to Eligible Projects in accordance with the SFF. A prospective investor should have regard to the information set out in the section "*Description of the Guarantor — Sustainability*" and any relevant Pricing Supplement and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular, with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the SFF (including, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles).

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such “green”, “sustainable”, “social” or similar labels (including, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any market standards or guidance, including the ICMA Principles or any requirements of such labels or market standards as they may evolve from time to time.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of any Notes issued as Green, Social or Sustainability Notes to Eligible Projects and to report on the allocation of the net proceeds and the Eligible Projects as described in the SFF and/or in the applicable Pricing Supplement, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in, or substantially in, the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use an amount equal to the net proceeds of the issue of such Green, Social or Sustainability Notes for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of an amount equal to the net proceeds of the issue of such Green, Social or Sustainability Notes in full.

An amount equal to the net proceeds of the issue of any Green, Social or Sustainability Notes which, from time to time, are not allocated as funding for Eligible Projects is intended by the Issuer to be held pending allocation to an alternative Eligible Project(s) that comply with the green and/or social financing eligibility criteria outlined in the SFF.

Each prospective investor should have regard to the factors described in the SFF and the relevant information contained in this Offering Circular and any applicable Pricing Supplement and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Green, Social or Sustainability Notes before deciding to invest. The SFF may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The SFF does not form part of, nor is incorporated by reference, in this Offering Circular.

No assurance can be provided with respect to the suitability or reliability of the Second Party Opinion from Sustainalytics or that any Green, Social or Sustainability Notes issued under the Programme will conform to the SFF. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold any such Green, Social or Sustainability Notes and is current only as of the date it was issued. The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn at any time. Prospective investors must

determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Offering Circular.

No assurance that Green, Social or Sustainability Notes will be admitted to trading on any dedicated “green”, “sustainable”, “social” (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

In the event that any such Notes are listed or admitted to trading on a dedicated “green”, “sustainable”, “social” or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

Risks relating to the market generally

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

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

Notes issued under the Programme may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favorable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application will be made for the Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Furthermore, 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, the Notes. In addition, the market for investment grade and crossover grade debt securities has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

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

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or a currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the

Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

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

Meeting certain of the Guarantor's debt obligations requires access to foreign currency which could be limited or not available to the Guarantor at all

The Guarantor has incurred significant indebtedness to finance its property development and property investment activities. The Guarantor's core business consists of property development and leasing in Hong Kong and mainland China and primarily earns revenue in Hong Kong dollars and Renminbi. Its ability to satisfy any current outstanding or future indebtedness denominated in foreign currency other than Hong Kong dollars or Renminbi is dependent on obtaining and remitting sufficient foreign currency. Tighter foreign exchange controls or changes with respect to the foreign exchange market that limit or prevent entirely the Guarantor from obtaining foreign currency could have a material adverse impact on the Guarantor's ability to meet its obligations under indebtedness denominated in currencies other than Hong Kong dollars or Renminbi.

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

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

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. Investors should consult their own legal advisers to determine whether and to what extent (i) the Notes are legal investments, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions that 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 relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

Renminbi is not freely convertible and there are regulations on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi 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 regulation by the PRC Government in recent years, particularly in respect of 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 liberalize cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilization 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 internationalization pilot programme and efforts in recent years to internationalize the currency, there can be no assurance that the PRC Government will not impose interim or long-term regulations 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 Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the regulations 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 centers 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 regulations 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 Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi 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 Renminbi 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 Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalized its regulation of interest rates in recent years. Further liberalization may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of PRC laws and regulations on foreign exchange and prevailing market conditions.

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

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

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. and Euroclear Bank S.A./N.V. or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial center in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or, (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial center in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations or (iv) by transfer through the Cross-Border Interbank Payment System in accordance with relevant rules and regulations, if so specified in the Pricing Supplement. 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 Renminbi 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 realized on the transfer of Renminbi 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 Renminbi 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 Renminbi Notes.

However, uncertainty remains as to whether the gain realized from the transfer of Renminbi 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 Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi 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 liberalize 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 Issuer will use the net proceeds from the issue of the Notes to on-lend to the Guarantor and/or the Guarantor's subsidiaries for general corporate purposes.

FORM OF THE NOTES

Bearer Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream. Each Global Note will have an International Securities Identification Number (“ISIN”) and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note only through Euroclear or Clearstream or the CMU, as the case may be.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through the CMU. Each Global Certificate will have an ISIN and a Common Code or a CMU Instrument Number. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream or the CMU, as the case may be.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream or the CMU will be permitted only in the circumstances set forth in “*Summary of Provisions Relating to the Notes while in Global Form — Exchange — Restricted Global Certificates*”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates.

Clearance and Settlement

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

The Clearing Systems

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

Euroclear and Clearstream

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

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

CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority 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.

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream), the Hong Kong Monetary Authority does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Notes. Instead, the Hong Kong Monetary Authority advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Notes are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the Hong Kong Monetary Authority will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from the records of the CMU obtained by request from the Hong Kong Monetary Authority for this purpose.

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, save for the words in italicised text, 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 held on behalf of Euroclear Bank S.A./N.V. (“Euroclear”), Clearstream Banking S.A. (“Clearstream”) or the Hong Kong Monetary Authority, as operator of the Central Moneymarkets Unit Service (the “CMU”) will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described in such Note in global form and under “Summary of Provisions Relating to the Notes while in Global Form”.

1. Introduction

- (a) *Programme:* HLP Finance Limited (the “**Issuer**”) has established a Medium Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$4,000,000,000 in aggregate principal amount of notes (the “**Notes**”) guaranteed by Hang Lung Properties 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 fiscal and paying agency agreement dated 6 May 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 agent (the “**CMU Lodging Agent**”, which expression includes any successor CMU lodging 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 Hongkong and Shanghai Banking Corporation Limited as the paying agents named therein (together with the Fiscal Agent and the CMU Lodging 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 Hongkong and Shanghai Banking Corporation Limited as transfer agent named therein (together with the Registrar, 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 Agent and all such references shall be construed accordingly.

- (d) *Deed of Guarantee:* The Notes are the subject of an amended and restated deed of guarantee dated 6 May 2019 (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 29 April 2011 (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 by Noteholders of the relevant series at the specified office of each of the Paying Agents and the 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;

“**Auditors**” means KPMG, or any other independent auditor appointed by the Guarantor or any of its Subsidiaries from time to time;

“**Business Day**” 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, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency (and which if the currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) and in each (if any) Additional Business Centre;
- (c) only for the purposes of Fixed Rate Notes denominated in Renminbi, any day (other than a Sunday or a Saturday) on which (i) if the Notes are lodged with the CMU, the CMU is operating and (ii) commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong 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; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the 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;

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

“CMU” means the Hong Kong Monetary Authority, as operator of the Central Moneymarkets Unit Service;

“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 (1) 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 (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non- leap year divided by 365);

(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;

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

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

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 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;

- (vii) 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:

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

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, in which case D₂ will be 30; and

- (viii) 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:

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

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

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

“Euro-Securities” means any present or future Indebtedness (i) in the form of, or represented by, bonds, notes, debentures, loan stock, certificates or other securities which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market, having an original maturity of more than one year from its date of issue and (ii) denominated in any currency other than Hong Kong dollars and Renminbi;

“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” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“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) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability (other than goods or services obtained on normal commercial terms in the ordinary course of trading) in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement other than goods or services obtained on normal commercial terms in the ordinary course of trading) having the commercial effect of a borrowing;

“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 (or, if the Notes are redeemed on any earlier date, the relevant redemption 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;

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

“Material Subsidiary” means a company which is Subsidiary of the Guarantor:

- (a) whose profit before taxation and exceptional items (**“pre-tax profit”**) (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Guarantor, as shown by its latest audited income statement, is at least 10 per cent. of the consolidated pre-tax profit of the Guarantor based on the latest published audited consolidated income statement of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated companies and after adjustments for non-controlling interests; or
- (b) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Guarantor, as shown by its latest audited statement of financial position, are at least 10 per cent. of the consolidated net assets of the Guarantor based on the latest published audited consolidated statement of financial position of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the investment of the Guarantor and its consolidated Subsidiaries in each Subsidiary whose financial statements are not consolidated with the financial statements of the Guarantor and of associated companies and after adjustment for non-controlling interests,

provided that, in relation to (a) and (b) above:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest audited consolidated financial statements of the Guarantor relate, the reference to the then latest audited consolidated financial statements of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until audited consolidated financial statements of the Guarantor and its Subsidiaries for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest audited consolidated financial statements of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited financial statements (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such financial statements;
- (ii) if at any relevant time in relation to any Subsidiary which itself has Subsidiaries no consolidated financial statements are prepared and audited, the pre-tax profit and net assets of any such Subsidiary shall be determined on the basis of consolidated financial statements prepared for this purpose by the Guarantor and reviewed by the Auditors;
- (iii) if at any relevant time in relation to any Subsidiary, no financial statements are audited, the pre-tax profit and net assets (consolidated, if appropriate) shall be determined on the basis of financial statements (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor and reviewed by the Auditors; and

- (iv) 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 consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor.

Any Subsidiary of the Guarantor to which is transferred the whole or substantially the whole of the assets of a company which immediately prior to such transfer is a Material Subsidiary shall thereupon become a Material Subsidiary, **provided that** the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Material Subsidiary at the date on which the first published audited financial statements (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Material Subsidiary on the basis of such financial statements by virtue of the provisions of paragraphs (a) or (b) above. The Guarantor shall promptly upon the request of the Fiscal Agent deliver to the Fiscal Agent a certificate signed by one director setting out the Material Subsidiaries;

“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) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*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;

“Payment Business Day” means:

(a) if the currency of payment is not euro, any day which is:

- (1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- (2) in the case of payment by transfer to an account, 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; or

- (b) if the currency of payment is euro, any day which is:
- (1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (2) 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;

“Permitted Security” means (a) 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 (**provided that** the principal amount secured by such security may not be increased without the approval by an Extraordinary Resolution of the Noteholders); and (b) 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” 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; and
- (b) in relation to Australian dollars, it means either 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;
- (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 in accordance with Condition 10(e) (*Redemption at the option of Noteholders*);

“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 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, HIBOR, 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;

“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 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 or cancel 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” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first 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;

“Voting Stock” means, with respect to any Person, the issued share capital of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person; 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) (*Definitions*) 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 the register in accordance with the provisions of the Agency Agreement (“**Register**”). 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 ordinary 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 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 any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10(b) (*Redemption for tax reasons*) or Condition 10(c) (*Redemption at the option of the Issuer*);
 - (iii) after any such Note has been called for redemption pursuant to Condition 10(b) (*Redemption for tax reasons*) or Condition 10(c) (*Redemption at the option of the Issuer*);
 - (iv) after a Put Option Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 10(e) (*Redemption at the option of Noteholders*); 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 or made available (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (k) *Exercise of Options or Partial Redemption in Respect of Registered Notes:* In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Note Certificate, a new Note Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding of Registered Notes not redeemed. New Note Certificate(s) shall only be issued against surrender of the existing Note Certificate(s) to the Registrar or any Paying Agent.

4. Status and Guarantee

- (a) *Status of the Notes:* The Notes and any relative Coupons constitute direct, general, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured 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 and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (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 a direct, general, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated 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 or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer and the Guarantor will not, and the Guarantor will procure that no Material Subsidiary will, create or permit to subsist any Security Interest other than Permitted Security upon the whole or any part of its undertaking, assets or revenues present or future to secure the repayment or payment of principal, premium or interest of or on any Euro-Securities, or any guarantee of or indemnity given in respect of the repayment or payment of principal, premium or interest of or on any Euro-Securities unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Coupons or, as the case may be, the Guarantor's obligations under the Guarantee of the Notes (a) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

6. Fixed Rate Note Provisions

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) 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 on their outstanding nominal amount (or, in the case of a partly paid note, on the nominal amount paid up) from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments — Bearer Notes*) and Condition 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. Where the amount of interest payable in respect of any Note comprises two or more Interest Periods, the amount of interest payable per Calculation Amount in respect of such period shall be the sum of the Interest Amounts payable in respect of each of those Interest Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

7. Floating Rate Note and Index-Linked Interest Note Provisions

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) 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 on their outstanding nominal amount (or, in the case of a partly paid note, on the nominal amount paid up) from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments — Bearer Notes*) and Condition 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, **provided that** if five or more Reference Rates are available on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, the highest (or, if there is more than one such highest Reference Rate, only one of such Reference Rates) and the lowest (or, if there is more than one such lowest Reference Rate, only one of such Reference Rates) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean of such Reference Rates;
 - (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 three 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 major 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 (a) the Euro-zone inter-bank offered rate (EURIBOR) or (b) 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 (Screen Rate Determination):*

- (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, 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, 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):

“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 do, 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 or if no such period is specified, five U.S. Government Securities Business Days;

“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;

“SOFRI” 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.
- (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 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
 - (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vii) 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 (Screen Rate Determination)*

- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, 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, and “Index Determination” is specified in the relevant Pricing Supplement as being applicable.
- (ii) 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:

$$\frac{\text{SOFR Compounded Index End}}{\text{SOFR Compounded Index Start}} - 1 \times \frac{360}{d}$$

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;

“**Relevant Decimal Place**” shall, unless otherwise specified in the Pricing Supplement, be the seventh decimal place, rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 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 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 SOFR (as defined in Condition 7(e) (*Interest — Floating Rate Notes referencing SOFR (Screen Rate Determination)*)) 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 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 Replacement (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 Issuer, the Paying Agents and (subject to the Calculation Agent having been notified of the contact particulars for such purpose) 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 (save for the liability arising

from gross negligence, or wilful misconduct) 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; or
 - (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 Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 7(m)).

- (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 Paying Agents and the Noteholders, **provided that** the Agents shall not be bound by or be obliged to give effect to any Benchmark Replacement, Benchmark Replacement Adjustment, Benchmark Replacement Conforming Changes or Benchmark Amendments, if in the reasonable opinion of such Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer and the Guarantor), the same would not be operable or would expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or any documents to which it is a party in any way.

(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) for a commensurate period and 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 (*Zero Coupon Note Provisions*) 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 (*Dual Currency Note Provisions*) 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 Condition 11 (*Payments — Bearer Notes*) and Condition 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 Fixed Rate Note Provisions for Notes denominated in Renminbi, 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 Fixed Rate Note Provisions for Notes denominated in Renminbi, 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 15 nor more than 30 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) (1) 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 (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) (1) the Guarantor has or would 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 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 of issue of 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 would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction 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 would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction 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 a certificate signed by one director of the Issuer stating that the Issuer is entitled to effect such redemption and the conditions precedent to the right of the Issuer so to redeem have occurred.

- (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 15 nor more than 30 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 interest (if any) to such date).
- (d) *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.

So long as the Notes are in global form and the certificate representing or evidencing such Notes is held on behalf of Euroclear, Clearstream, the CMU and/or an Alternative Clearing System, the selection of Notes for redemption under Condition 10(d) (Partial redemption) shall be effected in accordance with the rules of the relevant clearing system.

- (e) *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(e), 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(e), may be withdrawn without the prior consent of the Issuer; **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(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Early 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(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *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.

- (i) *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 and upon such cancellation, the obligations of the Issuer and Guarantor under such Notes shall be discharged.

11. Payments — Bearer Notes

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made 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 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.
- (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 by CMU to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU and payment made in accordance thereof shall discharge the obligations of the Issuer, or, as the case may be, the Guarantor, in respect of that payment.

- (c) *Payments in the United States:* 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 with Specified Offices 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 without involving, in the opinion of the Issuer, any adverse tax consequences to the Issuer.
- (d) *Payments subject to fiscal laws:* As provided in Condition 13 (*Taxation*), all payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or the Guarantor or their respective Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.
- (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 subparagraph 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*) 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 Interest Payment Date in respect 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 in respect of Registered Notes shall be made, 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 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 in respect of Registered Notes shall be made, 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 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 by CMU to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU and payment made in accordance thereof shall discharge the obligations of the Issuer, or, as the case may be, the Guarantor, in respect of that payment.

- (c) *Payments subject to fiscal laws:* As provided in Condition 13 (*Taxation*), all payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or the Guarantor or their respective Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders, Receipholders or Couponholders in respect of such payments.
- (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 ensure 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 enfaced 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 or Hong Kong 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 and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal and interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 7 days (in the case of principal) and 14 days (in the case of interest) 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 or the Guarantee of the Notes and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, 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 Material Subsidiary:
 - (i) any Indebtedness of the Issuer, the Guarantor or any of the Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

- (ii) any such Indebtedness 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 Material Subsidiary or **(provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
- (iii) the Issuer, the Guarantor or any of the Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in a sub-paragraph (iii) above individually or in the aggregate exceeds US\$30,000,000 (or its equivalent in any other currency or currencies) and such event has occurred for not less than 7 days; or

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) is rendered against the Issuer, the Guarantor or any of the Material Subsidiaries in respect of, the whole or any substantial part of its undertaking, assets or revenue and continue(s) unsatisfied and unstayed for a period of 45 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 any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Material Subsidiaries and shall not be discharged or stayed or in good faith contested by actions within 45 days thereafter; or
- (f) *Insolvency etc:* (i) the Issuer, the Guarantor or any of the Material Subsidiaries 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 of the Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Material Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any of the 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 any of its Indebtedness or any Guarantee of any Indebtedness given by it; or
- (g) *Winding up etc:* a final order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of the Material Subsidiaries or the Issuer, the Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary, whereby all or substantially all of undertaking and assets of the Material Subsidiary subsisting immediately prior to such reconstruction, amalgamation, reorganisation, merger or consolidation are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of the Material Subsidiaries; or
- (h) *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 and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Deed of Guarantee admissible in evidence in the courts of the British Virgin Islands and Hong Kong is not taken, fulfilled or done

and, if capable of remedy, remains unremedied for 30 days after written notice thereof has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or

- (i) *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 or the Deed of Guarantee; or
- (j) *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; or
- (k) *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 the foregoing.

Then any Noteholder 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 the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality unless if such event of default is capable of remedy, shall have been remedied prior to the delivery of such written notice. Notice of any such declaration shall promptly be given to the Noteholders.

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 in relation to Notes accepted for clearance through the CMU, a CMU lodging agent;
- (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 one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing more than one half 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 three-quarters or, at any adjourned meeting, one quarter 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 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders 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 correct a manifest error or comply with mandatory provision of law, or make any modifications which is of formal, minor or technical nature. In addition, the parties to the Agency Agreement may agree to modify, waive or authorise any breach or proposed breach of or any failure to comply with any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, or the Couponholders, to any such modification, waiver or authorisation unless it is of a formal, minor or technical nature, it is made to

correct a manifest error or to comply with mandatory provision of law, or it is, in the opinion of the Issuer and the Agents (as defined in the Agency Agreement), 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 daily newspaper of general circulation in Hong Kong. If any such publication is not practicable, notice shall be validly given if published, in a leading English language daily newspaper published and having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first publication. 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 mail 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.

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 per cent. being rounded up to 0.00001 per cent.), (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 any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer and the Guarantor agree 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 (*Governing Law and Jurisdiction*) 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, EC2N 4AG, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or the Guarantor, 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 30 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer 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 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 [●]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**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 (as amended the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**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.]

EU MiFID II product governance/target market — *[appropriate target market legend to be included]*

Legend for issuances involving one or more EU MiFID Firm manufacturers

[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]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. 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.]

Legend for issuances involving one or more UK MiFIR firm manufacturers

[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. 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 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]¹

[(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**")) (the "**Professional Investors**") only.

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

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

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 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.]

¹ To delete if the offering is only made to accredited investors and institutional investors in Singapore.

HLP Finance Limited
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by
Hang Lung Properties Limited
under the US\$4,000,000,000 Medium Term Note 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 [**date**]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [**date**], save in respect of the Conditions which are extracted from the Offering Circular dated [**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: | HLP Finance Limited |
| | (ii) Guarantor: | Hang Lung Properties Limited |
| (2) | [(i) Series Number:] | [●] |
| | [(ii) Tranche Number:] | [●] |

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

- | | | |
|-----|-----------------------------------|--|
| (3) | Specified Currency or Currencies: | [●] <i>[(The Renminbi is not freely convertible. Holders of beneficial interests in the Notes may be required to provide certification and other information in order to allow such holders to receive payments in Renminbi.)]</i> |
| (4) | Aggregate Nominal Amount: | [●] |
| | [(i)] [Series]: | [●] |
| | [(ii) Tranche: | [●]] |
| (5) | Net Proceeds: | [●] |

- (6) Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
- (7) (i) Specified Denominations: [●]^{1 2 3}
- (ii) Calculation Amount: [●]
- (8) (i) Issue Date: [●]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- (9) Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]⁴*
- (10) Interest Basis: [[●]% Fixed Rate]
- [[Specify reference rate] +/- [●]% Floating Rate]
- [Zero Coupon]
- [Index Linked Interest]
- [Other (Specify)]
- (further particulars specified below)
- (11) Redemption/Payment Basis: [Redemption at par]
- [Index Linked Redemption]
- [Dual Currency]
- [Partly Paid]
- [Instalment]
- [Other (Specify)]

¹ 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).

² If the specified denomination is expressed to be EUR100,000 or its equivalent and multiples of a lower principal amount (for example EUR1,000), insert the additional wording as follows: EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000. In relation to any issue of Notes which are a “Global Note exchangeable for Definitive Notes” in circumstances other than “in the limited circumstances specified in the Global Notes”, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

³ Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HKD500,000 (or equivalent in other currencies).

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.

- (12) Change of Interest or Redemption/
Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
- (13) Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- (14) Listing: [Hong Kong/Other (*specify*)/None] (*For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes*)
- (15) Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- (16) **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●]% per 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 Centre(s) for the definition of "Business Day"] not adjusted*]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount⁵
- (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)/Actual/365 (Fixed)⁶/other]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/Condition 6]

⁵ 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 RMB0.01, RMB0.005 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.

⁶ Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

(17) **Floating Rate Note Provisions**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Interest Period(s): [●]

(ii) Specified Period: [●]

(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")

(iii) Specified Interest Payment Dates: [●]

(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")

(iv) [First Interest Payment Date]: [●]

(v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*] [Adjusted/ Unadjusted]

(vi) Additional Business Centre(s): [Not Applicable/*give details*]

(vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]

(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): *[[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]*

(ix) 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 Shift 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)]*

(x) ISDA Determination:

- Floating Rate Option: *[●]*
- Designated Maturity: *[●]*
- Reset Date: *[●]*
- ISDA Definitions: *2006 (if different to those set out in the Conditions, please specify)*

(xi) Margin(s): *[+/-][●]% per annum*

(xii) Minimum Rate of Interest: *[●]% per annum*

- (xiii) Maximum Rate of Interest: [●]% per annum
- (xiv) Day Count Fraction: [●]
- (xv) 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: [●]
- (18) **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Amortisation/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(g)]]*
- (19) **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: [●]
- (vi) 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:	[●]	<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>
(viii) 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>
(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:	[●]	
(20) 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:	[give details]	
(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: [●]
- (v) Day Count Fraction [●]

PROVISIONS RELATING TO REDEMPTION

- (21) **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]

- (22) **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]

- (23) **Redemption Amount of each Note** [●] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: *[give or annex details]*

(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[●]
(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
(iv)	Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable:	[●]
(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
(vi)	[Payment Date]:	[●]
(vii)	Minimum Final Redemption Amount:	[●] per Calculation Amount
(viii)	Maximum Final Redemption Amount:	[●] per Calculation Amount
(24)	Early Redemption Amount	[Applicable/Not Applicable]
	<p>Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons 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):</p>	<p><i>(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]</i></p>

GENERAL PROVISIONS APPLICABLE TO THE NOTES

(25) **Form of Notes:**

[Bearer Notes]

[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]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]⁷

[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]⁷

[Registered Notes]

Global Registered Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Registered Note

(26) Financial Centre(s) or other special provisions relating to payment dates:

Financial centres are: *[list out all applicable Financial Centre(s)]*

Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(vi) and 16(x) relate

(27) Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. *If yes, give details*]

⁷ If the Specified Denominations of the Notes in paragraph (vii) includes language substantially to the following effect: "[EUR50,000]/[EUR100,000] and integral multiples of [EUR1,000] in excess thereof up to and including [EUR99,000]/[EUR199,000]", the Temporary Global Note or Permanent Global Note shall not be exchangeable on [●] days' notice or at any time.

- (28) Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
- (29) Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
- (30) Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●] apply]
- (31) Consolidation provisions: The provisions in Condition [●] (*Further Issues*) [annexed to this Pricing Supplement] apply]
- (32) Other terms or special conditions: [Not Applicable/*give details*]
- (33) Stamp duty payable [Yes/no]

DISTRIBUTION

- (34) (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (35) If non-syndicated, name and address of Dealer: [Not Applicable/*give names and address*]
- (36) 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*
- (37) Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]
- (38) Additional selling restrictions: [Not Applicable/*give details*]

- | | | |
|------|---|---|
| (39) | Prohibition of Sales to EEA Retail Investors: | <p>[Applicable/Not Applicable]</p> <p><i>(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.)</i></p> |
| (40) | Prohibition of Sales to UK Retail Investors: | <p>[Applicable/Not Applicable]</p> <p><i>(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.)</i></p> |

OPERATIONAL INFORMATION

- | | | |
|------|---|--|
| (41) | ISIN Code: | [●] |
| (42) | Common Code: | [●] |
| (43) | Legal Entity Identifier: | 254900TAEQ6UHRHWZS23 |
| (44) | Any clearing system(s) other than Euroclear, Clearstream and the CMU and the relevant identification number(s): | [Not Applicable/give names(s) and number(s)] |
| (45) | CMU Instrument Number: | [●] |
| (46) | Delivery: | Delivery [against/free of] payment |
| (47) | Additional Paying Agent(s) (if any): | [●] |

HONG KONG SFC CODE OF CONDUCT

- (48) 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 CMLs 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]
- (49) Contact email addresses of the [Overall Coordinators]/[Managers] where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the [Overall Coordinators]/[Managers] where the underlying investor information should be sent – [Overall Coordinators]/[Managers] to provide]/[Not Applicable]
- (50) Marketing and Investor Targeting Strategy [As set out in the Offering Circular]/[set out if different from the Offering Circular]

GENERAL

- (51) [Use of Proceeds: [The net proceeds from the issue of the Notes will be used exclusively to fund or refinance, in whole or in part, new or existing projects that fall under one or more of the “Eligible Projects” under the Issuer’s Sustainable Finance Framework] [Include if different from the use of proceeds set out in the Offering Circular.]]
- (52) 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/US\$]

(53) [Ratings: (if any)]

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.)

(54) In case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong: [●]

(55) In case of Bearer Notes, specify the location of the office of the Registrar if other than Hong Kong: [●]

[LISTING APPLICATION]

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US\$4,000,000,000 Medium Term Note Programme of HLP Finance Limited.]

[STABILISING]

In connection with the issue of the Notes, the Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, 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 Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

[MATERIAL ADVERSE CHANGE STATEMENT]

[Except as disclosed in this document, there] has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Group since [insert date of last audited financial statements or interim financial statements (if later)] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Group since [insert date of last published annual financial statements.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the Hong Kong Stock Exchange] of the Notes described herein pursuant to the US\$4,000,000,000 Medium Term Note Programme of HLP Finance Limited.

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes. Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

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

Signed on behalf of HLP Finance Limited:

By: _____
Duly authorised

Signed on behalf of Hang Lung Properties Limited:

By: _____
Duly authorised

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream or a sub-custodian for the CMU.

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

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

Relationship of Accountholders with Clearing Systems

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

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

Exchange

Temporary Global Notes

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

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

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

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the temporary Global Note for an interest in a permanent Bearer Global Note or for Definitive Notes is improperly withheld or refused.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under the following paragraph, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or, if specified in the relevant Pricing Supplement, at any time or having given a specified number of days’ notice to holders.

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.

Permanent Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

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

- (i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) in whole or in part with the consent of the Issuer,

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

Partial Exchange of Permanent Global Notes

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

Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the programme manual dated April 29, 2011 (the "**Programme Manual**"). On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

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

Amendment to Conditions

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

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for enfacement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which enfacement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 13(a)(iii) and Condition 17(b) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “**business day**” set out in Condition 11(g) (*Payments on business days*).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note are credited (as set out in any relevant notification supplied to the CMU Lodging Agent by the CMU) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 15).

Meetings

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

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Fiscal Agent for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

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

Issuer's Option

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

Noteholders' Options

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

Notices

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

Partly Paid Notes

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

DESCRIPTION OF THE ISSUER

The Issuer was incorporated on March 8, 2011 in the British Virgin Islands and is subject to the provisions of the BVI Business Companies Act, Revised Edition 2020 which provides for, *inter alia*, the constitution of companies, directors' liabilities and powers, creditors' rights and liquidations. The Issuer is constituted by its Memorandum of Association and Articles of Association and has the capacity and the rights, power and privileges of a natural person which include the capacity, right and power to enter into financial transactions.

The Issuer is a special purpose financing vehicle and a wholly-owned subsidiary of the Guarantor. Its sole purpose and activity is the issuing of debt securities, the proceeds of which are on-lent to the Guarantor and/or the Guarantor's subsidiaries for the purpose of financing the Guarantor's and/or the Guarantor's subsidiaries' general corporate funding requirements. Other than the making of arrangements with respect to the issue of Notes, the on-lending of the proceeds thereof to the Guarantor and/or the Guarantor's subsidiaries and the establishment and update of this Programme, the Issuer has not undertaken any business activities since the date of its incorporation. The Issuer does not sell any products or provide any services.

The registered office of the Issuer is at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The Issuer is authorized to issue 50,000 shares with a par value of US\$1.00 each. Its issued share capital is US\$1.00, consisting of one share, which is fully paid up.

As at the date of this Offering Circular, the Issuer does not have any bank overdraft, short term and long term loans, outstanding debt securities or any hire purchase commitments, guarantees or contingent liabilities, save for an aggregate principal amount of HK\$12.9 billion (or the equivalent thereof in other currencies) of Notes which are outstanding under this Programme.

Under the laws of the British Virgin Islands, the Issuer is not required to publish any of its financial statements. However, the Issuer is required to provide certain financial information to their registered agent of British Virgin Islands on an annual basis in the form of an annual return. The annual return is not publicly available.

Board and Management

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

Mr. Adriel Wenbwo Chan
Mr. Weber Wai Pak Lo
Mr. Kenneth Ka Kui Chiu

None of the directors holds any share in the Issuer, nor any option to purchase or subscribe for, or other beneficial interests in, shares in the Issuer.

The business address of each member of the Issuer's board of directors is 28th Floor, 4 Des Voeux Road Central, Hong Kong.

SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

The summary financial information set forth below has been derived from the audited consolidated financial statements of the Guarantor for the year ended and as at December 31, 2024.

Summary Financial Information Data	Year ended December 31,	
	2023	2024
	HK\$ million	
Results data		
Property leasing		
— Mainland China	6,813	6,466
— Hong Kong	3,349	3,049
Property sales		
— Mainland China	—	56
— Hong Kong	—	1,482
Hotels	154	189
Total revenue	10,316	11,242
Profit from operations before changes in fair value of properties	6,762	5,840
Net profit attributable to shareholders	3,970	2,153

	Year ended December 31,	
	2023	2024
Per share data		
Basic earnings per share	HK\$0.88	HK\$0.46
Dividend per share		
— Interim	HK\$0.18	HK\$0.12
— Final	HK\$0.60	HK\$0.40

	As at December 31,	
	2023	2024
	HK\$ million (except ratios)	
Financial position data		
Cash and deposits with banks	5,352	10,303
Total assets	217,302	221,648
Total debt ⁽¹⁾	50,704	57,376
Net debt ⁽²⁾	45,352	47,073
Shareholders' equity	132,408	131,587
Total equity	142,123	141,050
Net debt to equity ratio ⁽²⁾	31.9%	33.4%
Debt to equity ratio	35.7%	40.7%

	As at December 31,	
	2023	2024
Per share data		
Net assets attributable to shareholders per share	HK\$29.4	HK\$27.5

Notes:

(1) Total debt is calculated as long-term bank loans and other borrowings plus short-term bank loans and other borrowings.

(2) Net debt represents total debt less cash and deposits with banks.

CAPITALIZATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets out the consolidated capitalization and indebtedness of the Guarantor as at December 31, 2024 on an actual basis which has been derived from the audited consolidated financial statements of the Guarantor as at the same date. The table should be read in conjunction with the audited consolidated financial statements of the Guarantor as at December 31, 2024 and the notes thereto included in this Offering Circular.

	As at December 31, 2024
	HK\$ million
Short-term bank loans and other borrowings (including current portion of long-term bank loans)	9,340
Long-term bank loans and other borrowings (net of current portion)	48,036
	<u>57,376</u>
Shareholders' equity:	
Share capital	42,051
Reserves	89,536
Shareholders' equity	<u>131,587</u>
Total capitalization	<u>188,963</u>

Notes:

- (1) All of the short-term and long-term bank loans and other borrowings were unsecured as at December 31, 2024.
- (2) Total capitalization is calculated as short-term bank loans and other borrowings and long-term bank loans and other borrowings plus shareholders' equity.
- (3) The Guarantor recommended on January 24, 2025 a final dividend for the year ended December 31, 2024 of HK\$1,913 million, which was not recognized as a liability as at December 31, 2024.
- (4) Subsequent to December 31, 2024 and up to February 28, 2025, there was a net decrease of approximately HK\$7.3 billion in total short-term and long-term bank loans and other borrowings of the Guarantor.

Since December 31, 2024, the Guarantor has continued utilising external financing to finance its operations in the ordinary course of business. In January 2025, the Guarantor obtained a HK\$10 billion five-year syndicated term loan and revolving credit facility.

There has been no material change in the capitalization, indebtedness or contingent liabilities and guarantees of the Guarantor since December 31, 2024 save as disclosed herein.

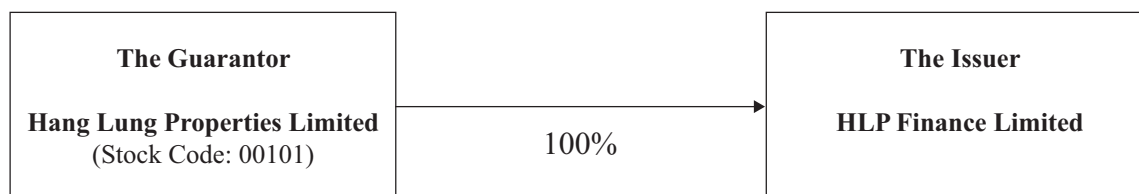
DESCRIPTION OF THE GUARANTOR

Introduction

The Guarantor (stock code: 00101) is a well-established, top-tier property developer with customer-centricity at the heart of the operations. The Guarantor has a diversified portfolio comprising numerous properties in Hong Kong and nine cities in mainland China, including Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan, and Hangzhou. Through its luxury positioning under the “66” brand, the Guarantor’s mainland China portfolio has established a leading position as the “Pulse of the City”.

The Guarantor is a constituent stock of Hong Kong’s Hang Seng Index, the Hang Seng Corporate Sustainability Index and FTSE4Good Index, The Guarantor maintains an “AA” rating in the MSCI ESG Ratings assessment, an “AA” rating in the Hang Seng Corporate Sustainability Index, a “low ESG risk” rating from Sustainalytics, and a “4-star” rating from GRESB. As at December 31, 2024, the Guarantor was approximately 63.7% owned by, and was a subsidiary of, Hang Lung Group Limited (“**HLG**”) (stock code: 00010).

The following sets forth the simplified corporate structure of the Group as at December 31, 2024:



History and Development

HLG was incorporated on September 13, 1960 and founded by Mr. Chan Tseng-Hsi. In 1980, HLG acquired control of the Guarantor, previously called The Amoy Canning Corporation (Hong Kong) Limited from Sime Darby Group. In 1987, the Guarantor changed its name to Amoy Properties Limited and acquired most of HLG’s investment properties and became the property investment arm of HLG. From 1989 onwards, the Guarantor expanded its investment properties portfolio to include a series of projects such as the sites now known as Fashion Walk in Causeway Bay, Peak Galleria on The Peak, Standard Chartered Bank Building in Central, and Grand Plaza in Mongkok.

On January 1, 1991, Mr. Ronnie C. Chan took over as Chair of the Guarantor and he foresaw opportunities presented by mainland China’s economic growth. The Guarantor embarked upon its new direction by venturing into the commercial real estate market in mainland China. Targeting “the best locations in major populated centers”, the Guarantor took its first steps into mainland China in Shanghai in 1992 by participating in the development of a commercial complex in the Xuhui district of Shanghai, which is now known as Grand Gateway 66. In 1993, the Guarantor acquired the right to develop a site as a commercial/office complex at Jing’an district in Shanghai, which is now known as Plaza 66. In addition, the Guarantor took the opportunity to replenish its land bank by acquiring development sites and investment properties in the Hong Kong property market, thereby rebuilding its portfolio in Hong Kong to better position itself for future expansion. The Guarantor was also successful in securing the Airport Railway Kowloon Station Package Four Development project (now named as The HarbourSide) in 1999. Pursuant to plans to reorganize its overall business structure, the Guarantor changed its name to Hang Lung Properties Limited on December 27, 2001.

Since entering into mainland China over 30 years ago, the Guarantor's land acquisitions and construction have paved the way for its portfolio of ten completed world-class commercial complexes comprising Plaza 66 and Grand Gateway 66 in Shanghai, Palace 66 and Forum 66 in Shenyang, Parc 66 in Jinan, Center 66 in Wuxi, Riverside 66 in Tianjin, Olympia 66 in Dalian, Spring City 66 in Kunming and Heartland 66 in Wuhan. The other "66" branded projects under development include Westlake 66 in Hangzhou, the remaining phases of Center 66 and Forum 66. Accordingly, the Guarantor has gradually transformed itself from a business operation which was focused on property development in Hong Kong, then in Shanghai, into one of the leading property developers and operators of world-class commercial complexes across mainland China. As the Guarantor's business continues to grow, it plans to develop into a highly-admired and leading national real estate company.

On April 26, 2024, Mr. Ronnie C. Chan retired as the Chair and an Executive Director of the Guarantor and HLG. In recognition of Mr. Chan's many contributions, the boards of the Guarantor and HLG bestowed upon him the title of "Honorary Chair" on the same date.

Mr. Adriel Chan was appointed as the Chair of the Guarantor and HLG on April 26, 2024. Mr. Adriel Chan joined the Hang Lung Group in 2010. In November 2016, he was appointed as an Executive Director to the boards of the Guarantor and HLG. From September 2020 to April 2024, he held the position of Vice Chair of the Guarantor and HLG and was appointed as the Chair of the Guarantor and HLG from April 26, 2024, and oversees all aspects of the Hang Lung Group and chairs the Sustainability Steering Committee of the Hang Lung Group.

Sustainability is one of the Guarantor's core values and is embedded across its operating properties and development projects. Through numerous sustainable practices and initiatives, it aims to create long-term value for its stakeholders and contribute positively to the communities in which it operates.

The Guarantor continues to set robust goals and targets to drive our sustainability agenda, which include the 25 x 25 Sustainability Targets to be achieved in 2025 and the 2030 Sustainability Goals and Targets. The Guarantor is also committed to reducing emissions and achieving net zero emissions by 2050, aligning with the Science-Based Target initiative's (SBTi's) Net-Zero Standard.

Further to the Guarantor's 2030 Sustainability Goals and Targets, outlined in 2021, it sets out 25 new targets to be achieved by the end of 2025, which present quantifiable measures to address significant sustainability challenges. These targets also provide a clear agenda for its long-term ambition to become one of the most sustainable real estate companies in the world.

Following the announcement of its sustainability partnership with the LVMH Group, launched in October 2022, the Guarantor has unveiled the inaugural 2023 Common Charter, which outlined 20 sustainability initiatives across Climate Resilience, Resource Management, People and Wellbeing, and Sustainability Governance, a 2024 Common Charter was announced in October 2024. The Common Charter offers a transparent progress report on both Groups' efforts, stakeholder perspectives, lessons learned, achievements, and evolving plans.

Strategy

The Guarantor intends to continue pursuing a well-defined corporate direction of steady and sustainable growth and has developed the following strategies to achieve its objectives:

Long-term vision to build and manage world-class commercial complexes in mainland China and to develop into a national enterprise

The Guarantor's key business strategy in mainland China revolves around building and operating quality projects in premium locations. The Guarantor aims to enter the "right markets with the right projects at the right time". As one of the early pioneers amongst Hong Kong's property developers to expand into mainland China, the Guarantor established a presence in mainland China in the early 1990s when it began building a portfolio of world-class commercial complexes and city landmarks for long-term investment. On-the-ground experience and a solid development track record have laid the foundations for the Guarantor's success.

The Guarantor intends to build on the "66" brand it has established in Shanghai and replicate the business model in other prime urban locations of major cities in mainland China. By remaining focused on long-term development, the Guarantor has become one of the leading developers of world-class commercial complexes across mainland China.

Selective and well-controlled land acquisitions and project cost control

The Guarantor's strategy is to adopt a disciplined approach to land acquisition. It considers that land acquisitions at reasonable prices, relative to the expected returns of the finished properties, is a critical factor in managing financial risk and achieving superior profitability. The Guarantor's aim is to maintain the track record that has been established over the past three decades in mainland China and to look for the best and most central commercial sites in fast-growing cities in mainland China, while resisting the temptation to buy at "top-of-the-market" prices.

Keep the property portfolio competitive

The Guarantor believes that renovations to maintain and upgrade its investment properties enhance the tenant mix, hence result in rental growth. The Guarantor continues to keep its investment properties competitive with renovations and asset enhancement programs for long-term sustainable growth of its leasing operations.

Sell residential units when market conditions are right

The Guarantor is to offer high-quality residences to the market in Hong Kong and mainland China via a disciplined sales approach and to optimize value and for capital recycling.

Competitive Strengths

The Guarantor believes it has the following competitive strengths:

Owning a Strategically-Located and Diversified Investment Property Portfolio

Founded in Hong Kong, the Guarantor has a strong presence in Hong Kong as an investment property owner and operator and has further expanded into mainland China since 1990s to transform itself into a leading nationwide mixed-use property complex developer and owner.

The Guarantor's Hong Kong investment property portfolio encompasses retail, office buildings and residential and serviced apartments, all located in prime areas of Hong Kong ensuring stable foot traffic and revenue streams and provides not only shopping experiences but also functional services to the local residents.

In mainland China, the Guarantor presents a diversified investment property portfolio strategically positioned across key cities in mainland China, targeting the burgeoning middle-class demographic. The Guarantor's malls, developed and operated under the "66" brand, are strategically situated in prominent areas of major first-tier and second-tier cities in mainland China, and serve as dynamic commercial centers that resonate with the aspirations and lifestyles of their respective communities. The complex structure of these projects also provide complementary and synergistic values across their respective shopping malls, office towers, hotels, residential and serviced apartments, ensuring that these are the focal points of commercial activity which offers unparalleled business, shopping, dining, and entertainment experiences, which underpin their enduring appeal to tenants and consumers alike.

Furthermore, the Guarantor's strategic presence in certain emerging cities contributes significantly to local economic development and urban revitalization efforts.

With a deep understanding of market dynamics and consumer behavior, the Guarantor continues to invest judiciously in prime locations, safeguarding the stability and growth potential of the investment property portfolio.

Wide Market Recognition of "66" Brand – A Distinctive and Proven Business Model

Leveraging on its extensive experience and reputation for quality developments in Hong Kong and its track record under the established "66" brand in Shanghai, the Guarantor has been able to take advantage of development opportunities in other fast-growing cities in mainland China which were not made available to later entrants in mainland China property market, as they would not have had as much time as the Guarantor to build a brand and relationships with local governments and other stakeholders.

Furthermore, the Guarantor believes that its site acquisition strategy and its focus on the development of quality mixed-use complexes enable it to maintain its reputation as a developer and landlord of quality properties. Plaza 66 and Grand Gateway 66 have established the Guarantor's "66" brand as the pulse of the city and the one-stop lifestyle destinations for visitors in mainland China, further paves its way to leverage on this "66" brand for business expansion into other cities and connects young movers and shakers to the most cutting-edge brands from mainland China and across the world.

Optimization of Tenant Mix through Strong Execution Capabilities and Highly-Regarded Well-Established Brands

In Hong Kong and in mainland China, the Guarantor constantly reviews and, where necessary, upgrades its tenant mix while regularly refurbishing its existing developments so as to maximize the returns from its portfolio of investment properties. The Guarantor fine-tunes tenant mixes and arranges customized promotional activities for each property to attract local shoppers. The Guarantor will continue to diversify trade sectors and broaden the Guarantor's tenant mix. These strategic moves aim to increase rental yields.

The Guarantor has also historically demonstrated its capabilities in enhancing asset values via different initiatives. In order to maintain the high quality and attractiveness of its portfolio and to support the long-term capital value of its investment portfolio, the Guarantor established Asset Enhancement Initiative (“**AEI**”) for its malls and offices. The Guarantor regularly invests in AEI to enhance the competitiveness of its investment property portfolio, aiming to bring a more diverse product offering to enhance the shopping environment and boosting the leading position of our luxury malls. Some notable examples would be the upgrade initiatives implemented for Plaza 66 and Grand Gateway 66 in Shanghai, Peak Galleria in Hong Kong and the ongoing works at the Parc 66 in Jinan. For example, the completion of the AEI at Grand Gateway 66 had transformed the retail property and the successful attraction of some of the most eminent global brands to open their flagship stores at Grand Gateway 66 is a testament to the Guarantor's strong execution capabilities and the quality and leadership of its investment properties.

Furthermore, HANGOUT, the Guarantor's branded multifunctional workspace solution debuted in 2020, demonstrates the Guarantor's nimbleness in tailoring to evolving needs of its client base and capturing new business opportunities. HANGOUT is not only a high-end office and business space but also delivers bespoke business solutions that is customized to meet individual needs of its clients. HANGOUT continue to attract small- to medium-sized tenants of excellent caliber.

Established Customer Relationship Management Programs to Enhance Customer Loyalty and Create Synergistic Values

Focusing on brand awareness, customer loyalty and consumer stickiness as the three pillars of luxury mall's long-term success, the Guarantor introduced “HOUSE 66” and “hello Hang Lung Malls Rewards Program”, its customer relationship management (“**CRM**”) programs, respectively, in mainland China and Hong Kong, to build a unique customer experience and drive client engagement through exclusive service offering.

HOUSE 66 was launched in 2019 with an aim to offer its members a series of unique and personalized services in order to build a personal and enduring relationship with customers. This program in mainland China focuses on exclusive experiences for top-tier members via customized seasonal events which feature celebrity appearances, special artiste performances, exclusive branded product showcases, gourmet parties with Michelin-starred chefs, etc. The membership experience also extends to rewards, with a diverse range of rewards and redemption options. Over the past five years, HOUSE 66 has grown rapidly and now offers a unified membership experience across ten Hang Lung Properties' malls in eight different cities, with more than 2,000 participating tenants.

In Hong Kong, the “hello Hang Lung Malls Rewards Program”, launched in 2021, offers a unified bespoke shopping experience across the Guarantor's local malls. Customers would be able to earn hello points for in-mall spending to redeem exclusive privileges and unique

experiences, or convert to hello dollar and use as cash at hello dollar participating tenants. The Hong Kong CRM program combines exclusive benefits, exquisite rewards, distinct partner privileges, with stellar services.

These programs have shown considerable positive effects in helping the Guarantor to foster deeper relationships with loyal customers, broaden customer base, and ultimately increase retail sales for its mall tenants. Through these initiatives, the Guarantor endeavors to develop lasting relationships with discerning clients while creating synergistic values that benefit both the customers and tenants.

Long-term Strategic Partnership with Prestigious International and Regional Enterprises

The Guarantor forms strategic partnership to reinforce its leadership positioning and pave the way for long-term growth, and is committed to build long-term partnership with prestigious international and regional enterprises.

Given the premium locations of its upscale establishments and its executional track record, the Guarantor emerges as the preferred choice for these leading international and regional enterprises' retail outlets and offices, cultivating partnerships that extend beyond mere tenancy agreements.

The Guarantor's sustainability partnership with LVMH in 2022 reimagines the relationship between landlords and tenants on sustainability and strengthens the relationship between the two groups. The partnership includes a Common Charter with an ambitious range of sustainability actions the two Groups pursue together each year.

The Guarantor launched in December 2023 a tenant partnership program, Changemakers, to invite all tenants across mainland China and Hong Kong to collaborate on sustainability. The Changemakers program aims to strengthen impact through collaboration and to provide recognition for tenants at various stages of their sustainability journey.

Through sustainability partnership with LVMH Group and the Changemakers program, the Guarantor has engaged 46 sustainability tenants from diverse sectors — including office, retail, food and beverage, and hospitality — across 17 properties, comprising a total leased area of more than 210,000 square meters.

Through these initiatives, the Guarantor aligns with the values and aspirations of its the brand partners and enhances appeal of its malls to environmentally and socially conscious consumers.

Moreover, the esteemed shopping mall tenants actively participate in the Guarantor's exclusive VIP events, adding prestige and allure to these occasions. These synergistic collaborations reinforce the reputation of the malls as premier destinations for luxury shopping and lifestyle experiences, further solidifying the Guarantor's position as a leading player in the retail real estate sector.

Prudent Financial Management with Healthy Financial Position

The Guarantor aims to maintain a healthy financial position to finance its development projects on hand whilst having sufficient reserves to opportunistically take on further projects in mainland China or in Hong Kong when the right set of circumstances are fulfilled. The Group continues to position itself with a prudent level of liquidity and banking facilities to meet future commitments. As at December 31, 2024, the Group had cash and deposits with banks of

HK\$10.3 billion and total bank loans and other borrowings of HK\$57.4 billion, implying a net debt balance of HK\$47.1 billion. The Guarantor had HK\$12.5 billion undrawn committed banking facilities as at December 31, 2024.

In November 2024, the Guarantor launched an HKD syndicated loan facility to the market. With the support of a consortium of more than 10 leading international, Chinese and local banks, the Guarantor signed a HK\$10 billion five-year syndicated term loan and revolving credit facility in January 2025. This transaction reflects its banking partners' confidence in the future growth of the Guarantor, lengthens its loan maturity profile and enhances its funding sources for business development.

Seasoned Management Team with Strong Track Record

The Guarantor believes its success and future prospects depend on the quality of its people. The Guarantor's management team has extensive experience in property development and leasing. The Guarantor has also recruited senior and mid-level executives with expertise in various fields, which has attracted significant new management talent and contributed to the Guarantor's success. The Guarantor believes that the extensive experience built up by its senior management and key executives in property investment, development, leasing and management enables it to compete effectively.

Recognition for focus on environmental issues

In line with the Guarantor's long-term business model, from design to operation and management of properties, "building to own and building to last", environmental and efficiency considerations are embedded throughout the life-cycle of the Guarantor's buildings. By adopting internationally-recognized environmental certification for all new buildings, the Guarantor is committed to achieving a Gold rating or above under the Leadership in Energy and Environmental Design (LEED) certification program or equivalent, for all of its new properties in mainland China and in Hong Kong. All of the Guarantor's existing properties in mainland China have received LEED Gold rating or above issued by the U.S. Green Building Council. As a step towards the Guarantor's net-zero commitment, Spring City 66 in Kunming is the Guarantor's first property and the first commercial complex in Yunnan Province, to achieve net zero carbon emissions in terms of annual electricity consumption. Following Spring City 66, Parc 66 in Jinan is the first commercial development in Shandong Province to achieve net-zero carbon emissions from electricity. The Guarantor has expanded the use of renewable energy to its Shanghai and Wuxi properties since April 2024. Five of the Guarantor's properties in mainland China, namely Spring City 66, Parc 66, Center 66, Grand Gateway 66, and Plaza 66, are powered by renewable energy through power purchase agreements. Spearheading the effort to decarbonize real estate across China, the Guarantor announced a groundbreaking achievement with the first use of nearly 100% low carbon emissions steel for all aboveground structural plates and reinforcing bars in its Plaza 66 Pavilion Extension project in Shanghai. This initiative, in collaboration with Baoshan Iron & Steel Co., Ltd., is expected to deliver a 35% reduction in embodied carbon emissions compared to conventional steel alternatives, providing an essential example of real estate decarbonization in mainland China.

In Hong Kong, the Guarantor also continues to aspire to BEAM Plus (Building Environmental Assessment Method) certification with notable successes including a Platinum Rating for the Standard Chartered Bank Building. This scheme aims to enhance the life performance of structures through upgraded performance, careful assessment of the building, award of certification and recognizable labeling.

As part of the Guarantor's environmental, social and governance ("ESG") initiatives, it had made good progress in sustainable finance in recent years. In January 2023, the Guarantor published its SFF, which was developed as an update of the Issuer's Green Finance Framework established in 2019. With the set-up of the SFF, the Guarantor demonstrates its intention to enter into sustainable finance transactions, when and where applicable, to fund projects that will deliver environmental and/or social benefits to support the business strategy and vision of the Group. As of December 2024, green bonds, green loan facilities and sustainability-linked loan facilities accounted for 60% of the Guarantor's total debt and available facilities. The green bonds and green loans are used for qualifying green projects, as defined by the sustainable finance framework, while the sustainability-linked loan facilities are for supporting various corporate initiatives and general corporate financing.

Business

The Guarantor has a diversified property portfolio of retail, offices, hotels, residential and serviced apartments in mainland China and Hong Kong over the past decades, the Guarantor has gradually transformed itself from a business operation which was focused on property development in Hong Kong then in Shanghai, into a multi-city operation to become one of the leading property developers of world-class commercial complexes across mainland China.

The Guarantor classifies its property activities into three types:

- (a) Property leasing — properties held for generating rental income and/or capital appreciation;
- (b) Properties sales and development — properties developed for subsequent sale to realize development profit; and
- (c) Hotels — properties owned for generating revenue from room rental and food and beverage sales.

The following table sets forth the Guarantor's results of operation during the year indicated below:

Selected Financial Data

	2023				2024			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
	HK\$ million							
Revenue								
— Mainland China	6,813	—	154	6,967	6,466	56	189	6,711
— Hong Kong	3,349	—	—	3,349	3,049	1,482	—	4,531
	<u>10,162</u>	<u>—</u>	<u>154</u>	<u>10,316</u>	<u>9,515</u>	<u>1,538</u>	<u>189</u>	<u>11,242</u>
Profit/(loss) from operations before changes in fair value of properties								
— Mainland China	4,337	(44)	1	4,294	3,990	(197)	(63)	3,730
— Hong Kong	2,465	3	—	2,468	2,158	(48)	—	2,110
	<u>6,802</u>	<u>(41)</u>	<u>1</u>	<u>6,762</u>	<u>6,148</u>	<u>(245)</u>	<u>(63)</u>	<u>5,840</u>
(Decrease)/increase in fair value of properties								
— Mainland China	295	—	—	295	(587)	—	—	(587)
— Hong Kong	(304)	—	—	(304)	(350)	—	—	(350)
	<u>(9)</u>	<u>—</u>	<u>—</u>	<u>(9)</u>	<u>(937)</u>	<u>—</u>	<u>—</u>	<u>(937)</u>
Net interest expense	(621)	—	—	(621)	(884)	—	—	(884)
Share of profits of joint ventures . . .	36	—	—	36	26	—	—	26
Profit/(loss) before taxation	6,208	(41)	1	6,168	4,353	(245)	(63)	4,045
Taxation	(1,573)	1	—	(1,572)	(1,369)	(19)	—	(1,388)
Profit/(loss) for the year	<u>4,635</u>	<u>(40)</u>	<u>1</u>	<u>4,596</u>	<u>2,984</u>	<u>(264)</u>	<u>(63)</u>	<u>2,657</u>

During the year ended December 31, 2024, the Guarantor's total revenue increased to HK\$11,242 million. Property leasing revenue generated by Hong Kong and mainland China properties decreased by 6% year-on-year. In relation to property leasing business, approximately 68% of revenue was attributable to mainland China operations and 32% was attributable to Hong Kong. A total property sales revenue of HK\$1,538 million was recognized in 2024. In terms of hotel business, the total revenue increased by 24% in RMB terms year-on-year, which was mainly contributed by the opening of Grand Hyatt Kunming in August 2024.

Property Leasing

The table below sets out a breakdown of the leasing revenue of the Guarantor's investment properties, by sector and by geography, as at the dates indicated and for the year then ended:

	Year ended December 31,	
	2023	2024
	RMB million	
Mainland China		
— Malls	4,963	4,805
— Offices	1,161	1,095
Total	6,124	5,900
Total in HK\$ million equivalent	6,813	6,466
	Year ended December 31,	
	2023	2024
	HK\$ million	
Hong Kong		
— Retail	2,007	1,816
— Offices	1,108	1,017
— Residential and Serviced Apartments	234	216
Total	3,349	3,049

For the year ended December 31, 2024, approximately 75%, 23% and 2% respectively, of the Guarantor's total property leasing revenue, in Hong Kong dollar terms, was from investment properties for mall/retail use, for office use, and for residential/serviced apartment use.

Tenant Mix and Lease Terms

In Hong Kong and mainland China, the Guarantor's corporate strategy is to constantly review and where necessary, upgrade tenant mixes and enhance existing developments so as to achieve a maximum return on investments. The Guarantor also emphasizes value-added services and incentives, which add to the appeal and marketability of the Guarantor's properties.

The Guarantor continues to organize various promotional events from time to time to improve customer traffic at the Guarantor's shopping malls/arcades. The tenant mix at the various retail outlets of the Guarantor remains under constant review, along with policies on the collection of rental and outstanding debts. Cases are reviewed weekly by management and penalties are imposed for late payment where appropriate.

Office and commercial leases are typically entered into for three to five-year terms with some having the options to renew. Longer-term leases usually contain rent review clauses or rent adjustment provisions. As a result, the Guarantor usually has, on average, one-third of its tenancy agreements up for renewal each year, which reduces the Guarantor's exposure to market fluctuations.

Mainland China Property Leasing

The Guarantor is developing its mainland China property portfolio with a consistent strategy on extending its “66” brand and niche in building and managing world-class retail/commercial complexes to be held by the Guarantor for long-term investment purposes. The “66” brand highlights the Guarantor’s vibrant and dynamic brand personality as well as its service philosophy of “customer centricity”, which will allow the Guarantor to build a stronger connection with its customers and make an even greater impact on the market.

Land acquisitions and construction by the Guarantor in mainland China over many years have paved the way for its portfolio of ten completed world-class commercial complexes comprising Plaza 66 and Grand Gateway 66 in Shanghai, Palace 66 and Forum 66 in Shenyang, Parc 66 in Jinan, Center 66 in Wuxi, Riverside 66 in Tianjin, Olympia 66 in Dalian, Spring City 66 in Kunming and Heartland 66 in Wuhan. The other “66” branded projects under development are Center 66 (Phase 2) in Wuxi, Forum 66 (the remaining phases) in Shenyang and Westlake 66 in Hangzhou.

The table below sets out certain information relating to the Guarantor’s completed investment properties, which are more fully described below:

	Location	Year of Opening	Mall	Office sq.m.	Serviced Apartments	Number of Car Parking Spaces	Equity Interest of the Guarantor %
Luxury							
Grand Gateway 66	Shanghai	1999	122,262	—	—	752	69
Plaza 66	Shanghai	2001 (by phases)	53,700	159,555	—	804	82
Forum 66	Shenyang	2012 (by phases)	101,960	131,723	—	2,001	100
Center 66 (Phase 1)	Wuxi	2013 (by phases)	122,227	137,543	—	1,292	100
Olympia 66	Dalian	2015	221,900	—	—	1,214	100
Spring City 66	Kunming	2019 (by phases)	165,375	167,737	—	1,629	100
Heartland 66	Wuhan	2020 (by phases)	177,140	151,472	14,379	2,265	100
Sub-luxury							
Palace 66	Shenyang	2010	109,307	—	—	844	100
Parc 66	Jinan	2011	171,074	—	—	785	100
Riverside 66	Tianjin	2014	152,831	—	—	800	100

During the year ended December 31, 2024, total property leasing revenue in mainland China decreased by 4% year-on-year to RMB5,900 million. Total property leasing revenue in mainland China accounted for 68% of the Guarantor’s total property leasing revenue, in Hong Kong dollar terms, for the year ended December 31, 2024.

The table below sets forth the occupancy rates for the Guarantor’s investment properties in mainland China for the periods indicated.

	Occupancy Rate (%)			
	2023 Year-End		2024 Year-End	
	Retail	Office	Retail	Office
Luxury				
Grand Gateway 66	99	—	99	—
Plaza 66	100	96	99	87
Forum 66	81	89	87	90
Center 66 (Phase 1)	98	85	99	88
Olympia 66	90	—	94	—
Spring City 66	98	88	98	86
Heartland 66	82	76	85	66
Sub-luxury				
Palace 66	90	—	94	—
Parc 66	93	—	93	—
Riverside 66	90	—	95	—

Luxury segment

Grand Gateway 66, Shanghai

Located atop Xujiahui Station, one of the largest metro stations in Shanghai, Grand Gateway 66 boasts a spectrum of global luxury brands, along with an extensive portfolio of specialty retailers encompassing fashion, cosmetics, jewelry & watches, sports and fitness, digital home appliances, and children’s products. The mall also contains many first-in-China stores, successfully establishing its position as the “Gateway to Inspiration”.

Plaza 66, Shanghai

Located at Nanjing Xi Lu and positioned as the “HOME TO LUXURY”, the five-story Plaza 66 mall accommodates more than 100 prestigious international luxury brands and dining outlets and hosts world-famous luxury brands such as mainland China’s first Louis Vuitton Maison, Hermès flagship boutiques, Fendi, Céline, Bvlgari and Dior Maison. In addition, the world’s first Loro Piana Lounge made its introduction.

The mall is seeing an expansion, with a new standalone building that will be seamlessly connected to the existing mall by a basement link. This addition will increase the retail space by 13%, enhancing the overall customer experience.

The two Grade A office towers at Plaza 66 combine a prime location with top-notch design and premium facilities, attracting prominent multinational and leading domestic tenants in the fields of financial and professional services, fashion, and accessories.

Forum 66, Shenyang

Located in Shenyang’s core commercial area, Forum 66 is a mall housing globally-acclaimed labels and numerous first-in-Shenyang stores. The mall also offers a boutique supermarket, international cuisine options, and lifestyle services.

The prestigious Grade A office tower is considered as the preferred choice in the market, drawing key multinational corporations and high-quality domestic tenants.

Center 66, Wuxi

Center 66 is a world-class commercial complex comprising currently a luxury retail mall and two Grade A office towers. Located in the most prosperous commercial district in downtown Wuxi, Center 66 is the “center” of luxury, featuring over 200 quality retail stores with a line-up of international luxury labels.

The two office towers are home to a strong mix of tenants in finance and professional services. The large number of multinational corporations and leading domestic firms were drawn to the towers’ design and facilities, as well as the Guarantor’s first branded and self-operated multifunctional workspace, HANGOUT.

Center Residences and Xi Zhe Wuxi, Curio Collection by Hilton are under development.

Olympia 66, Dalian

Strategically situated in the commercial hub of Dalian, Olympia 66 is a regional luxury-led mall. It features a rich line-up of international top-tier stores and one-stop shopping options across fashion and accessories, jewelry & watches, beauty and personal care, athleisure and sports, children’s wear and products as well as a stunning array of international culinary delights, advanced leisure and entertainment facilities. The mall also contains an ice-skating rink and the city’s first Palace Cineplex cinema.

Benefitting from its successful transformation into a luxury mall in 2021, Olympia 66 has reinforced its position as a premium shopping and leisure destination in the city. It features a line-up of top-tier brands including Louis Vuitton, Dior, Fendi, Gucci, Bottega Veneta, Bvlgari and Ferragamo. In April 2021, a passenger subway connecting the mall to a metro station on Line 2 was opened, adding convenience and bringing another stream of foot traffic.

Spring City 66, Kunming

Located on Dengfeng Dong Lu, Panlong District, the business and commercial heart of Kunming, Spring City 66 is a commercial complex with a six-story mall, an office tower, the Grand Hyatt Kunming and Grand Hyatt Residences Kunming. Designed to “Bring the Best to Kunming: Showcase the Best of Kunming to the World”, it is the Guarantor’s first project in Southwest China. This location is accessible as the project is connected to the metro interchange station.

Approximately 30% of Spring City 66’s tenants are making their debuts in Kunming and Yunnan Province. The mall is positioned as Kunming’s hub of prime luxury with a line-up of prestigious international brands, including Louis Vuitton, Cartier, Dior and Bvlgari.

Offering an accessible location and a spectrum of high-quality facilities and services, the Grade A office tower is the preferred choice among leading multinational corporations and domestic firms. Spring City 66 is 100% powered by renewable energy, marking it the first development of the Guarantor to achieve net-zero carbon emissions in terms of annual electricity consumption for both landlord and tenant operations.

Heartland 66, Wuhan

Situated in the Qiaokou District, Wuhan’s commercial and business heart with high accessibility, Heartland 66 is the Guarantor’s first large-scale commercial development in Central China. The commercial complex comprises an office tower, a six-level mall and the Heartland Residences.

The mall, opened in March 2021, offers world-class retail, leisure, and entertainment elements and is home to numerous first-in-town flagship or specialty stores such as Celine, Fendi, Loewe, Balenciaga and Chaumet.

The 61-story office tower, opened in November 2020, is the Guarantor's seventh office tower in mainland China and has attracted Fortune 500 companies and leading local companies across professional service, TMT, insurance and securities industries as tenants.

Hang Lung Residences' inaugural project, Heartland Residences, completed in 2023, comprises three uniquely designed towers offering 492 units. Certain units of Heartland Residences have been designated for leasing as serviced apartments.

Sub-luxury segment

Palace 66, Shenyang

Optimally-positioned in Shenyang's commercial hub, Palace 66 showcases over 200 popular brands spanning across fashion, leisure and entertainment, beauty and cosmetics, food and beverage, and more, making it a preferred destination for young and trendy consumers.

Parc 66, Jinan

Situated in Jinan's commercial center, Parc 66 is one of the city's largest and most prestigious malls. Located on Quancheng Lu, the city's "Golden Avenue" and its political, cultural and commercial hub since the Ming Dynasty, the mall has attracted considerable attention both locally and throughout mainland China. It is an established contemporary lifestyle hub offering 350 stores, including international brands, chic fashion labels, first-to-market flagship stores, children's education and entertainment services, international gourmet eateries, an upscale cinema, and a boutique supermarket. The three-year Asset Enhancement Initiative that is nearing completion will further enhance the mall's positioning and luxury content.

Parc 66 has become 100% powered by renewable energy from January 1, 2023, making it the first commercial property in Jinan and Shandong Province to achieve net-zero carbon emissions in terms of annual electricity consumption for both landlord and tenant operations. This is also the Guarantor's second property to be fully powered by renewable energy.

The completion of the first phase of a three-year AEI that commenced in June 2021, enabled the opening of a suite of brands at the mall in 2022. Multiple beauty and first-in-town brands opened stores at the mall, including Chanel Beauty, La Mer, Gucci Beauty and Tom Ford. The Guarantor has been expanding its brand offerings and introducing exclusive stores. The AEI was in its final stage as of December 2024. Enriching the mall's content, including adding more beauty and athleisure brands, enhanced its appeal to customers and contributed to its profitability.

Riverside 66, Tianjin

Strategically located in the heart of Tianjin's Central Business District, Riverside 66 is a trendsetting lifestyle destination with close to 240 international and local brands that offer a full-fledged contemporary consumer experience encompassing shopping, dining, leisure, and entertainment. Riverside 66 has uplifted its positioning from a family lifestyle mall to an international lifestyle and sub-luxury shopping destination via tenant mix enhancement and introduction of new brands and first-in-town stores.

Projects Under Development

Westlake 66, Hangzhou

Located in Bai Jing Fang, Gongshu District in Hangzhou, Westlake 66 is a high-end commercial complex comprising five Grade A office towers, a luxury mall, and a prestigious Mandarin Oriental hotel. The project is set to see a phased completion of multiple office towers and the opening of the shopping mall from 2025 onwards. Pre-leasing efforts are optimistic, as prominent multinational corporations and leading brands, including existing tenants from the 66 series, have expressed keen interest in this iconic destination.

Westlake 66 exemplifies carbon and environmental data collection in keeping with the Guarantor's commitment to sustainability practices. Alongside a construction waste recycling pilot program, Westlake 66 is applying low-carbon concrete bricks and low carbon emissions steel in selected areas, and advancing with a net-zero carbon design proposal for the historical building. The project is also the first commercial project to use low carbon concrete bricks in mainland China and Hong Kong.

Plaza 66, Shanghai (Pavilion Extension)

To enhance the retail and dining experience for customers, Plaza 66 will expand by constructing a low-rise standalone building, the basement of which adjacent to Office Tower Two will be connected to the mall, resulting in a 13% addition in retail space. The project is scheduled for completion in 2026.

Forum 66, Shenyang (remaining phases)

Design and planning works for the remaining mixed-use development of Forum 66 in Shenyang are ongoing. The new developments add to an existing luxury mall, Grade A office tower, and the market-leading Conrad Shenyang hotel at Forum 66 in Shenyang.

Hong Kong Property Leasing

The Guarantor's Hong Kong investment properties are located both on Hong Kong Island and Kowloon, comprising retail, office spaces and residential and serviced apartments.

The Guarantor's residential and serviced apartments leasing portfolio in Hong Kong consists of a mix of both luxury residential properties and serviced apartments.

The table below sets out a breakdown of the gross floor area of the Guarantor's major investment properties in Hong Kong as at December 31, 2024:

	Gross Floor Area (sq.m.)		Residential and Serviced Apartments	Number of Car Parking Spaces
	Retail	Offices		
Central Portfolio				
Standard Chartered Bank Building	4,814	23,730	—	16
Printing House	1,709	5,980	—	—
1 Duddell Street	2,340	6,616	—	—
Baskerville House	1,473	3,379	—	—
Causeway Bay Portfolio				
Hang Lung Centre	8,777	22,131	—	126
Fashion Walk	31,072	—	8,507	—
Peak Galleria	12,446	—	—	493
Hong Kong East Portfolio				
Kornhill Plaza	53,080	10,577	—	1,069
228 Electric Road	1,196	8,559	—	—
Mongkok Portfolio				
Grand Plaza	20,905	31,251	—	40
Gala Place	7,454	30,205	—	478
Amoy Plaza	49,006	—	—	620
Residential and Serviced Apartments				
Summit	—	—	15,225	54
Burnside Villa	—	—	9,212	89
Kornhill Apartments	—	—	35,275	—

The Hong Kong property leasing portfolio contributed 32% of the Guarantor's total property leasing revenue in 2024. Leveraging Hong Kong's ongoing regeneration, the Guarantor effectively optimized its tenant mix and leveraged on its "hello Hang Lung Malls Rewards Program" to increase footfall and customer loyalty. For the year ended December 31, 2024, overall property leasing revenue decreased by 9% year-on-year to HK\$3,049 million and operating profit decreased by 12% year-on-year to HK\$2,378 million. Hong Kong's business landscape remained challenging in 2024 in the face of inevitable competition from nearby cities and regions. Consumer sentiment remained low amid a structural change in tourist spending patterns and the northbound traveling trend of local residents. The performance of its retail properties in Central Business and Tourist District Portfolio receded as a result of negative rental reversions that concluded for some anchor tenants while the Guarantor's Community Mall Portfolio was comparatively resilient. The Guarantor's property leasing revenue from retail and offices decreased by 10% year-on-year to HK\$1,816 million and 8% year-on-year to HK\$1,017 million, respectively, for the year ended December 31, 2024. Occupancy rate of the Guarantor's retail and offices in Hong Kong achieved 95% and 88% as at December 31, 2024, respectively.

Total property leasing revenue from residential and serviced apartments for the year ended December 31, 2024 decreased by 8% year-on-year to HK\$216 million, primarily due to a rental income reduction from Summit in the Mid-Levels district as it began its renovations from September 2023. If excluding the impacts of Summit, revenue grew by 2% as compared with the same period in 2023. The Guarantor is continuing to allow more flexible leasing terms while embracing a more diversified tenant mix to target corporate accounts, local households, expatriates and overseas visitors, and intends to continue to diversify the Guarantor's client base to deliver steady returns.

The table below sets forth the occupancy rates for the Guarantor's investment properties in Hong Kong for the periods indicated. To ensure that high quality is maintained, the Guarantor regularly evaluates and upgrades its investment properties in Hong Kong.

	Occupancy Rate (%)	
	As at December 31,	
	2023	2024
Retail	95	95
Offices	89	88
Residential and Serviced Apartments	77	88

Central Portfolio

The Guarantor's Central portfolio consists of 4 office buildings with retail components, namely the Standard Chartered Bank Building, 1 Duddell Street, Printing House, and Baskerville House.

The Standard Chartered Bank Building, a prestigious Grade A building positioned in the heart of the financial district in Central, is an ideal office location with superb architectural design that blends the artistic with the practical. It is the headquarters of the Guarantor, HLG and its subsidiaries (taken as a whole, the "**Hang Lung Group**") as well as Standard Chartered Bank (Hong Kong).

1 Duddell Street, Printing House, and Baskerville House contain influential tenants from the financial and professional services sectors and are also known for their fine-dining establishments. Together with restaurants in the Standard Chartered Bank Building, these 4 buildings form a thriving fine-dining hub in Central.

Causeway Bay Portfolio

Located in the center of Causeway Bay, one of Hong Kong's most visited districts, the Guarantor's Causeway Bay portfolio is comprised of Fashion Walk and Hang Lung Centre.

Fashion Walk, an elite shopping destination spanning across 3 core areas in Causeway Bay, namely Paterson, Food Street, and Kingston, features numerous internationally-renowned fashion, beauty, jewelry & watch and lifestyle brands. It is also home to a diverse array of culinary delights.

Hang Lung Centre, strategically situated in the heart of Causeway Bay and a key element of Fashion Walk, is a complex comprise retail and commercial that embodies vibrant of retail trade mixes as well as medical and wellness.

Peak Galleria

Ideally located atop Victoria Peak, one of Hong Kong's most famous attractions, Peak Galleria is a major tourist landmark that houses more than 40 popular brands, many of which had made their Hong Kong debuts here, including Monopoly Dream Hong Kong, the world's first Monopoly-themed pavilion. Peak Galleria is also renowned for being one of the most popular pet-friendly malls in town.

Hong Kong East Portfolio

The Guarantor's Hong Kong East Portfolio comprises Kornhill Plaza, Kornhill Apartments and 228 Electric Road.

Conveniently positioned in the east of Hong Kong Island atop the MTR Tai Koo Station, Kornhill Plaza is a community mall hosting AEON STYLE, the largest Japanese department store in Hong Kong, and FRESH, a new supermarket concept that integrates traditional fresh market and modern supermarket elements. The mall also houses diverse and updated food and beverage locations, a cinema with MX4D technology, and an all-in-one education hub.

Attached to Kornhill Plaza is an office tower accommodating a variety of education providers and prominent businesses, and Kornhill Apartments, which features 450 units and is one of the largest serviced apartments in the area.

Close to the MTR Fortress Hill Station, the 22-story development at 228 Electric Road provides exquisitely-designed offices in the vibrant heart of the North Point business district.

Mongkok Portfolio

The Guarantor's Mongkok Portfolio is comprised of Gala Place and Grand Plaza.

Optimally-located at the junction of Dundas Street and Nathan Road with high footfall, Gala Place houses a diverse array of merchants as well as a car park that offers about 500 car parking spaces. Accommodating the mega lifestyle concept store, AEON STYLE, along with a 15,000 square-foot dining floor at the basement level and a 18,000 square-foot dining floor on the eighth floor, Gala Place has positioned itself as a one-stop shopping and dining destination in the Mongkok area.

Grand Plaza, situated beside the MTR Mong Kok Station on Nathan Road, is home to a stellar line-up of global jewelry & watch brands, concepts stores and fashion, lifestyle, and sports labels. The dedicated dining floor features gourmet dining venues where international cuisines are served in stylish surroundings. The office towers house leading operators in the medical and beauty sectors with semi-retail trades.

Amoy Plaza

Located just a few minutes' walk from the MTR Kowloon Bay Station, Amoy Plaza is a one-stop community hub in Kowloon East, comprising extensive casual dining options and business trades like grocery stores, education providers, and entertainment brands. Also containing a number of first-in-Hong Kong concept stores, renowned local delicacies and restaurants, the mall offers a spectrum of lifestyle experiences for residents and office workers in the neighborhood.

Residential and Serviced Apartments

The Guarantor's residential and serviced apartments in Hong Kong mainly comprise Summit in the Mid-Levels district, Burnside Villa in Hong Kong Island South and Kornhill Apartments in Hong Kong Island East.

Property Sales and Development

Mainland China

Hang Lung Residences, a premium serviced residences brand in mainland China with projects planned in Wuhan, Wuxi and Kunming. Developed in line with the Guarantor's vision "to create compelling spaces that enrich lives", the curation of premium residential products and services builds on the Guarantor's established reputation for developing luxury commercial complexes in the mainland China market.

Setting a new benchmark for urban living through quality design, prime location and connectivity, and an unparalleled pivot on owner experience, Hang Lung Residences broadens the Guarantor's customer-centric focus, aligning with the market's aspirations for premium living experiences. Hang Lung Residences will be an expression of premium excellence with an exceptionally spacious interior, and architectural design featuring modern façade window walls. The Residences will come with exclusive and customized premium services, and round-the-clock security for residents.

Properties Completed for Sale

Heartland Residences, Wuhan

Comprising 492 premium units and a luxurious clubhouse, Heartland Residences' prime location in the central business district of Wuhan offers easy access to the top commercial and medical facilities at Central China, Zhongshan Park, and metro Line One and Two.

Set across three towers, the serviced residences seamlessly connect with the Heartland 66 luxury mall and Grade A office tower.

The sales gallery and show flats were launched in April 2022. Pre-sale marketing activities of Tower 3 commenced in July 2022 and the project is handover to buyers commenced in March 2024. Ongoing sales and marketing activities will continue. Up to December 31, 2024, a total of 6 units were sold.

Grand Hyatt Residences, Kunming

The Guarantor's first hotel-branded residence development is an integral part of Spring City 66, a mixed-use development which comprises a luxury shopping mall, Grade A offices, and the brand-new Grand Hyatt Kunming hotel. Occupying the top zone of the 250-meter-tall building, Grand Hyatt Residences includes 251 units with panoramic views and three penthouses.

In 2024, Grand Hyatt Residences received an occupation permit in April. A phased handover commenced in December. Up to December 31, 2024, a total of 5 units were sold.

Project Under Development

Center Residences, Wuxi

Located in the heart of historic Wuxi's central business district, Center Residences comprises 573 premium units and luxurious clubhouses, complementing the luxury mall and Grade A office towers at Center 66. Upon completion, the complex is set to transform the city center into a work-life hub.

The interior fit-out of the two towers commenced in December 2024, with sales and marketing activities set to launch in 2025. Handover is scheduled to commence in 2026.

Hong Kong

The Guarantor has developed a number of urban projects in Hong Kong in the past few decades. Save for the design and construction of projects, which are contracted out to third parties, the Guarantor oversees and largely performs all aspects of its development operations, including the selection and purchase of sites, the preparation of feasibility studies as well as the marketing and leasing of completed properties.

The current development portfolio in Hong Kong is comprised of 23–39 Blue Pool Road in Happy Valley, The Aperture, a upscale residential development in Kowloon East, and the upcoming Shouson Hill Road Redevelopment in the Southern District and Wilson Road Redevelopment in Jardine's Lookout of Hong Kong Island. The Guarantor's developments combine prime locations, modern architectural design, and comprehensive amenities to exemplify urban living.

Properties Completed for Sale

23–39 Blue Pool Road, Happy Valley

Neighboring the verdant residential area of Jardine's Lookout on Hong Kong Island, 23-39 Blue Pool Road comprises just 18 three-story luxurious residences of saleable areas of 4,571 to 4,599 square feet each. As at December 31, 2024, the Guarantor held five unsold semi-detached houses.

The Aperture, Kowloon East

The project, which is located close to MTR Kowloon Bay station and the future East Kowloon Cultural Centre, was re-developed into 294 residential units for sale with retail portions held for investment properties. The project was completed in 2024. The pre-sale was launched in December 2021. Up to December 31, 2024, a total of 137 residential units were sold. The sales campaign for the residential portion is in progress.

Projects Under Development

Shouson Hill Road Redevelopment, Southern District

On September 9, 2020, the Guarantor won the tender for a land site at 37 Shouson Hill Road in the Southern District of Hong Kong Island and the transaction was completed on February 25, 2021. The land site will be re-developed into an exclusive collection of ultra-luxury houses with sweeping views of Deep Water Bay, and the general building plan was approved in August 2022. Demolition work is in progress.

Wilson Road Redevelopment, Jardine's Lookout

In September 2024, the conditions precedent for acquisition of 17 out of 18 units at 8–12A Wilson Road has been fulfilled. The acquisition of the last unit was completed in January 2025. The redevelopment will consist of luxurious detached houses with expansive gardens overlooking Mid-level East and Central skyline. A preliminary development scheme has been submitted for Buildings Department's approval.

Hotels

The table below sets out a breakdown of the hotel revenue as at the dates indicated and for the year then ended:

	Year ended December 31,	
	2023	2024
	RMB million	
Mainland China	<u>139</u>	<u>173</u>
<i>Total in HK\$ million equivalent</i>	<u>154</u>	<u>189</u>

The table below sets out certain information relating to the Guarantor's completed hotel properties, which are more fully described below:

	Location	Year of Opening	Hotel sq.m.	Equity Interest of the Guarantor %
Forum 66	Shenyang	2019	60,222	100
Spring City 66	Kunming	2024	54,229	100

Conrad Shenyang at Forum 66, Shenyang

Commenced operations in September 2019, the five-star Conrad Shenyang is the first hotel in the Guarantor's mainland China portfolio and occupies the top 19 floors of the office tower, offering 315 rooms. The hotel is positioned as the pinnacle of Shenyang's high-end hospitality market and is expected to be a focal point for business and social gatherings in Shenyang. It will also further strengthen Forum 66's position as an upscale shopping destination and prestigious address for businesses.

Grand Hyatt Kunming at Spring City 66, Kunming

The five-star Grand Hyatt Kunming hotel, which opened in 2024, offers 331 rooms and suites, first-class amenities, and restaurants serving the best of Yunnan. Its design, reputation, and exceptional service meant that the hotel attained the leading room rates in the city shortly following its launch.

Projects Under Development

Xi Zhe Wuxi Curio Collection by Hilton at Center 66, Wuxi

Effective in the second half of 2025, Center 66 will add a Curio Collection by Hilton boutique hotel to its existing two Grade A office towers and luxury mall. Curio Collection by Hilton is a hand-picked selection of luxury hotels globally. Fusing old with new to enrich the customer experience, the design-led hotel will occupy a seven-story tower and a three-story heritage building to offer 105 rooms, recreational facilities, and 2 restaurants.

Mandarin Oriental Hangzhou at Westlake 66, Hangzhou

The Mandarin Oriental Hangzhou is expected to open in the second half of 2026, offering about 194 premium guestrooms and suites, a dedicated event and bar space, a spa, and two restaurants.

Sustainability

It is the Guarantor's vision to create compelling spaces that enrich lives and its mission is to pursue sustainable growth by connecting its customers and communities. In support of these objectives, the Guarantor embeds sustainability throughout its business decisions and actions and adheres to a comprehensive agenda of short- and long-term goals that contribute to sustainable development. As a participant in the UN Global Compact, the Guarantor endorses a principles-based approach to doing business and meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

The Guarantor's sustainability framework has four priorities, namely climate resilience, resource management, wellbeing, and sustainable transactions. These priorities are made concrete through the Guarantor's various targets, including annual Strategic ESG KPIs, 25 targets to be achieved by the end of 2025 ("25 x 25 Sustainability Targets" or "25 x 25"), 2030 Sustainability Goals and Targets, and a target to reach net-zero value chain greenhouse gas emissions by 2050.

Climate Resilience

The Guarantor is the first real estate company in Hong Kong and mainland China — and among the first globally — to have its near- and long-term net-zero targets endorsed under SBTi's Net-Zero Standard framework. In keeping with the SBTi Criteria and Recommendations (version 5.0), the Guarantor's target follows a 1.5°C trajectory. From a 2019 base year, the Guarantor is committed to reducing absolute scope 1 and 2 GHG emissions by 46.6% by 2030. From a 2020 base year, the Guarantor is committed to reducing absolute scope 3 GHG emissions from purchased goods and services and downstream leased assets by 25% by 2030. The Guarantor commits to reaching net-zero GHG emissions across the value chain by 2050.

Resource Management

The Guarantor aims to optimize its use and management of natural resources, including energy, water and materials. It also recognizes the potential for biodiversity loss in the construction and operation of its properties as the result of changes in land use, invasive species, air, light and water pollution, greenhouse gas emissions and climate change. The Guarantor's efforts to use resources responsibly encompass the full range of its activities and materials and help support the transition to a circular economy.

Wellbeing

The Guarantor aims to sustain a healthy, inclusive and safe environment for its employees and customers as well as promote wellbeing in the communities where it operates. It actively arranges volunteering activities and health and leisure classes to promote employees' wellbeing and contribute to society, through its "Hang Lung As One Volunteer Team" with 12 teams in 10 cities.

Sustainable Transactions

The Guarantor aims to promote sustainability practices in all types of business transactions at all stages of its value chain, from procuring materials and engaging contractors to sourcing and deployment of capital and collaborating with tenants and customers through partnerships and contractual obligations.

In December 2023, the Guarantor launched its Changemakers: Tenant Partnerships on Sustainability Program, a customized sustainability program applicable to all tenants, including office, retail, F&B, and hospitality sectors across Hong Kong and mainland China. The Changemakers program is a collaborative initiative addressing sustainability challenges that affect the Guarantor's properties, occupants, and communities with the aim of reducing carbon emissions, minimizing waste, advancing circularity, and enhancing community wellbeing.

Sustainable Transactions is a priority and core focus under the Guarantor's sustainability framework. The Group intends to leverage Sustainable Financing Transactions to fund projects that generate sustainable benefits and incentivise its sustainability performance. A significant portion of the Guarantor's total debt and available facilities are from green bonds, green loan facilities, and sustainability-linked loan facilities. In January 2023, the Guarantor updated and renamed the 2019 Green Finance Framework to Sustainable Finance Framework and extended the scope of the SFF to its parent company, HLG. Developed in alignment with best practices in international capital markets, the SFF facilitates access to ESG-based financial instruments and supports the Guarantor's long-term sustainability agenda.

The SFF was developed in line with international guidelines such as the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP), the Green Loan Principles 2021 (GLP) and Social Loan Principles 2021 (SLP). The Guarantor engaged Sustainalytics, an independent environmental, social and governance research, ratings, and analysis firm, to provide a second-party opinion on the SFF to affirm that it is credible, robust, impactful, and fully aligned with current industry standards.

The SFF also demonstrates how the Guarantor intends to enter into Sustainable Financing Transactions (the "**SFT**") to fund projects that will deliver environmental and/or social benefits to support the business strategy and vision of the Guarantor. SFTs may include the following debt instruments: green, social and sustainability bonds, as well as green and social loans; sustainability-linked bonds and loans; any other financing instruments (including but not limited to bonds, revolving credit facilities, bank loans and commercial paper and equity linked structures) with proceeds intended to be deployed towards eligible green and social projects as stipulated in the SFF. In particular, under the SFF, the Guarantor may issue the following types of SFTs:

- **Use-of-Proceeds ("UOP") Financing Instruments.** Bonds classified as UOP Financing Instruments or Green, Social or Sustainability Notes will be in alignment with the 2021 Green Bond Principles ("**GBP**"), 2021 Social Bond Principles ("**SBP**") and 2021 Sustainability Bond Guidelines ("**SBG**") or as these principles and

guidelines may subsequently be updated. The net proceeds of the UOP Financing Instruments or Green, Social or Sustainability Notes will be used exclusively to fund or refinance, in whole or in part, new or existing eligible projects or activities that meet one or more eligibility criteria as described in the SFF. Eligible projects (as defined in the Guarantor's SFF) include eligible green projects and eligible social projects which create environmental and social benefits respectively. The proceeds of green bonds, Notes or loans will be allocated to eligible green projects, the proceeds of social bonds, Notes or loans will be allocated to eligible social projects, and the proceeds of sustainability bonds, Notes or loans will be allocated to a combination of eligible green projects and eligible social projects. Eligible green projects include green buildings, climate change adaptation, energy efficiency, renewable energy, circularity and waste management, pollution prevention and control, sustainable water and wastewater management and clean transportation.

Eligible social projects include accessibility enhancement, development of healthy buildings, regeneration and development of public spaces and community investment and engagement. The eligible projects are identified and selected via a process that involves senior representatives from major business units and corporate functions of the Guarantor. The net proceeds from the UOP Financing Instruments will be managed by the Group's treasury team and an internal record containing key information of the UOP Financing Instruments will be maintained. The Guarantor will provide information on the allocation and impacts of its UOP Financing Instruments in its Sustainability Reports, Annual Report and/or website.

- **Sustainability-Linked ("SL") Financing Instruments.** SL Financing Instruments include bonds and loans aligned to the Sustainability Linked Bond Principles (SLBPs) 2020 or Sustainability-Linked Loan Principles (SLLPs) 2022, or as these principles may be subsequently amended. All SL Financing Instruments will be based around the following five core components: 1. Selection of Key Performance Indicators; 2. Calibration of Sustainability Performance Targets; 3. Financial/Structural Characteristics; 4. Reporting; and 5. Verification.

Materiality Assessment

The Guarantor has a robust approach to materiality assessment, stakeholder engagement, trends analysis and the prioritization of material ESG issues. The Guarantor regularly reviews ESG issues relevant to its business and engages in dialogue with stakeholders to understand how well its sustainability performance meets the expectations of stakeholders. Materiality assessment is critical for advancing the Guarantor's sustainable development efforts. The Guarantor first identifies, analyses and refines its understanding of multiple dynamic ESG issues that could affect its business and its stakeholders. The Guarantor then prioritizes them into a short-list of topics that inform its business strategy, targets and reporting. Every year, the Guarantor engages a third party to review and update its assessment. In 2024, the Guarantor engaged an independent consultant to conduct a double materiality assessment with reference to the methodology recommended by the European Financial Reporting Advisory Group.

Principal Subsidiaries

Set out below are details of the Guarantor's principal subsidiaries as at December 31, 2024:

Company	Issued Share Capital (HK\$)	% Held by the Guarantor's Group	% Held by the Guarantor	Activity	Place of Incorporation and Operations
Antonis Limited*	10,000	100	100	Property leasing	Hong Kong
AP City Limited	2	100	—	Property leasing	Hong Kong
AP Joy Limited	2	100	—	Property leasing	Hong Kong
AP Properties Limited				Property leasing	Hong Kong
“A” shares	34	100	—		
“B” shares	6	100	—		
AP Star Limited*	2	100	—	Investment holding	Hong Kong
AP Success Limited	2	100	—	Property leasing	Hong Kong
AP Universal Limited*	2	100	—	Property leasing	Hong Kong
AP Win Limited*	1,000,000	100	—	Property leasing	Hong Kong
AP World Limited	2	100	100	Property leasing	Hong Kong
Bonna Estates Company Limited	1,000,000	100	100	Property leasing	Hong Kong
Caddo Enterprises, Limited*	4,000,000	100	—	Property leasing	Hong Kong
Country Bond Development Limited				Investment holding	Hong Kong
“A” shares	990	79.8	—		
“B” share	1	100	—		
Dokay Limited*	2	100	—	Property leasing	Hong Kong
Easegood Enterprises Limited*	2	100	—	Investment holding	Hong Kong
Fu Yik Company Limited*	3	100	—	Property leasing	Hong Kong
Gala Ruby Limited*	2	100	100	Investment holding	Hong Kong
Grand Centre Limited	4	100	—	Property leasing	Hong Kong
Grand Hotel Group Limited	10,200	100	—	Apartment operating & management	Hong Kong
Grand Hotel Holdings Limited*				Investment holding	Hong Kong
“A” shares	1,004,834,694	100	—		
“B” shares	6,000,000	100	—		
Hang Chui Company Limited	2	100	—	Property leasing	Hong Kong
Hang Far Company Limited*	2	100	—	Investment holding	Hong Kong
Hang Fine Company Limited	200	100	—	Property leasing	Hong Kong
Hang Kwok Company Limited*	10,000	100	—	Property leasing	Hong Kong
Hang Lung (Administration) Limited	10,000	100	100	Management services	Hong Kong
Hang Lung (Dalian) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Jiangsu) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Jinan) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Kunming) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Liaoning) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Shenyang) Limited*	2	100	—	Investment holding	Hong Kong
Hang Lung (Tianjin) Limited*	2	100	—	Investment holding	Hong Kong
Hang Lung (Wuhan) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung (Wuxi) Limited*	1	100	—	Investment holding	Hong Kong
Hang Lung Gala Place Limited	2	100	—	Property leasing	Hong Kong
Hang Lung Project Management Limited*	10,000	100	100	Project management	Hong Kong
Hang Lung Property Management Limited*	100,000	100	—	Property management	Hong Kong
Hang Lung Real Estate Agency Limited*	2	100	100	Property agencies	Hong Kong
Hang Top Limited*	3	66.7	—	Investment holding	Hong Kong
Hang Wise Company Limited*	200	66.7	—	Property development	Hong Kong
HLP (China) Administrative Limited	1	100	—	Management services	Hong Kong
HLP (China) Limited*	2	100	100	Investment holding	Hong Kong
HLP Finance Limited^	US\$1	100	100	Financial services	British Virgin Islands
HLP Financial Services Limited	RMB1	100	—	Financial services	Hong Kong
HLP Treasury Limited	2	100	100	Financial services	Hong Kong
HLP Treasury Services Limited*	2	100	—	Financial services	Hong Kong
Hoi Sang Limited*	2	100	—	Investment holding	Hong Kong
Lockoo Limited*	1,000,002	100	—	Property development	Hong Kong
Mansita Limited*	2	100	—	Property leasing	Hong Kong
Modalton Limited	2	100	—	Property leasing	Hong Kong
Palex Limited*	2	100	—	Property leasing	Hong Kong

<u>Company</u>	<u>Issued Share Capital</u> (HK\$)	<u>% Held by the Guarantor's Group</u>	<u>% Held by the Guarantor</u>	<u>Activity</u>	<u>Place of Incorporation and Operations</u>
Passion Success Limited*	1	100	—	Investment holding	Hong Kong
Pocaliton Limited	2	100	—	Property leasing	Hong Kong
Rago Star Limited	2	100	—	Property leasing	Hong Kong
Stocket Limited	2	100	100	Property leasing	Hong Kong
Superlane Development Limited	1,000	66.7	—	Property development	Hong Kong
Tegraton Limited	2	100	—	Property leasing	Hong Kong
Total Select Limited	1	100	—	Property development	Hong Kong
Wai Luen Investment Company, Limited*	100,000	100	—	Property leasing	Hong Kong
Yangli Limited*	2	100	—	Property leasing	Hong Kong

<u>Wholly Foreign Owned Enterprises in Mainland China</u>	<u>Registered Capital</u>	<u>% Held by the Guarantor's Group</u>	<u>% Held by the Guarantor</u>	<u>Activity</u>	<u>Place of Incorporation and Operations</u>
Dalian Hang Lung Properties Ltd. . .	RMB5,786,877,355	100	—	Property development & leasing	Mainland China
Hangzhou Hang Lung Properties Ltd.	RMB11,767,500,000	100	—	Property & hotel development	Mainland China
Hubei Hang Lung Property Development Co., Ltd.	RMB7,900,000,000	100	—	Property development & leasing	Mainland China
Kunming Hang Ying Properties Ltd. .	RMB8,455,634,575	100	—	Property development, leasing & hotel investment	Mainland China
Liaoning Hang Lung Properties Ltd. .	RMB8,640,096,324	100	—	Property development, leasing & hotel investment	Mainland China
Shandong Hang Lung Properties Ltd.	US\$385,000,000	100	—	Property development & leasing	Mainland China
Shenyang Hang Lung Properties Ltd.	US\$349,990,000	100	—	Property development & leasing	Mainland China
Tianjin Hang Lung Properties Ltd. . .	HK\$5,329,600,000	100	—	Property development & leasing	Mainland China
Wuxi Hang Lung Properties Ltd. . . .	RMB4,691,746,261	100	—	Property development & leasing	Mainland China
Wuxi Hang Ying Properties Ltd. . . .	RMB1,411,000,000	100	—	Property & hotel development	Mainland China

<u>Equity Joint Ventures in Mainland China</u>	<u>Registered Capital</u> (US\$)	<u>% Held by the Guarantor's Group</u>	<u>% Held by the Guarantor</u>	<u>Activity</u>	<u>Place of Incorporation and Operations</u>
Shanghai Hang Bond Property Development Co., Ltd.	167,004,736	82	—	Property development & leasing	Mainland China
Shanghai Kong Hui Property Development Co., Ltd	165,000,000	69.3 [#]	—	Property development & leasing	Mainland China

[^] Operated in Hong Kong

* Not audited by KPMG

[#] Represents the Hang Lung Group's attributable interest in the commercial portion of the properties held either directly or indirectly by the subsidiary

Maintenance and Insurance

The Guarantor carries out regular maintenance, renovation and upgrading of facilities to uphold the safety and quality of its properties. Insurance cover is in place to protect the properties, operations, directors and employees against accidental losses and other perils.

Property-related insurance includes (a) construction all risks and third party liability; (b) property all risks; (c) public liability; (d) business interruption; and (e) machinery breakdown. Other insurance includes (but is not limited to) directors and officers liabilities, employees' compensation and medical, cyber security, computer all risks, private cars, fidelity guarantee, money all risks and pleasure craft. For contractors working in the Guarantor's properties or the third parties organizing events on site, there are also arranged public liabilities insurance.

Environmental, Health and Safety Matters

With a focus on wellbeing, the Guarantor aims to sustain a healthy, inclusive and safe environment for its employees, customers and communities. The Guarantor has achieved the WELL Health-Safety Rating (WELL HSR) from the International WELL Building Institute (IWBI) for 32 properties located in Hong Kong and eight cities in mainland China. The Guarantor has implemented occupational health and safety management systems in both Hong Kong and mainland China. Around 70% of total construction floor area in Hong Kong is certified to the ISO 45001, whilst the system in mainland China complies with the latest local Work Safety Law.

As a major property developer in Hong Kong and mainland China, the Guarantor makes efforts to minimize the impact its operations have on the environment by building and managing its properties in accordance with best practices for sustainable development.

The Guarantor's property developments will typically undergo environmental assessments and the related environmental impact assessment documents will be submitted to the relevant government authorities for approval prior to the commencement of property development. On completion of each property development, the relevant government authorities inspect the site to ensure compliance with applicable environmental standards.

As mentioned previously, the Guarantor is committed to achieving a Gold rating or above under the LEED certification program or equivalent, for all of its new properties in mainland China and in Hong Kong. Below are some of the Guarantor's relevant environmental commitments:

- The Guarantor signed the Business Environment Council's (BEC's) Net-zero Carbon Charter, under which it is committed to setting carbon reduction targets, implementing corresponding actions and disclosing its Guarantor's progress annually for a net-zero future.
- A Council Member of the BEC, the Guarantor is committed to striving to lead by example in broader environmental issues.
- A platinum patron member of the Hong Kong Green Building Council, a non-profit organization that strives to promote the creation of green building standards, and sustainable buildings, for a more sustainable Hong Kong.

- As a participating company under Hong Kong's Carbon Neutrality Partnership led by the Hong Kong Government Environment and Ecology Bureau, the Guarantor has pledged to support Hong Kong's goal of achieving carbon neutrality before 2050, set decarbonisation targets and timetables and disclose measures and outcomes with the public.
- The Guarantor is also involved in other environmental initiatives organized by the Government of Hong Kong SAR to support its commitment to participate in community-wide campaigns to tackle issues such as climate change and waste reduction and is a signatory to the Food Wise Charter, Energy Saving Charter and 4Ts Charter, Charter on External Lighting, and Glass Container Recycling Charter.
- The Guarantor is the first real estate company in Hong Kong and mainland China — and among the first globally — to have its near- and long-term net zero targets endorsed under SBTi's Net-Zero Standard framework.
- The Guarantor is the first real estate company in mainland China and Hong Kong to join climate Group's SteelZero initiative, according to which the Guarantor commits to transitioning to using 50% lower emission steel by 2030 and setting a clear pathway to using 100% net zero steel by 2050.
- The Guarantor is also a member of the Urban Land Institute's Greenprint initiative, a worldwide alliance of more than 130 leading real estate firms committed to improving the environmental performance of the global real estate industry, and has aligned with the ULI Greenprint Net Zero by 2025 Global.

Directors' Interests

As at December 31, 2024, the interests or short positions of the Directors of the Guarantor in the shares, underlying shares and debentures of the Guarantor and its associated corporations (within the meaning of the SFO) which were recorded in the register required to be kept by the Guarantor under Section 352 of the SFO were as follows:

Name	Capacity	The Guarantor (Long Positions)			HLG (Long Positions)	
		Number of Shares	% of Total Number of Issued Shares ⁽³⁾	Number of Share Options	Number of Shares	% of Total Number of Issued Shares ⁽⁴⁾
Adriel Chan	Personal & Other	3,073,735,406 ⁽²⁾	64.25	13,050,000	551,752,580 ⁽¹⁾⁽²⁾	40.52
Weber W.P. Lo	Personal	1,059,833	0.02	21,750,000	460,000	0.03
Nelson W.L. Yuen	Personal	8,000,000	0.17	—	—	—
Philip N.L. Chen	Personal	—	—	2,500,000	—	—
Kenneth K.K. Chiu	Personal	—	—	6,200,000	—	—

Notes:

1. Other interests included 28,579,500 shares of HLG held by a trust of which Mr. Adriel Chan was a settlor and a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO.
2. Other interests included 3,073,084,096 shares of the Guarantor and 522,423,080 shares of HLG held or deemed to be held by another trust of which Mr. Adriel Chan was a discretionary beneficiary. Accordingly, Mr. Adriel Chan was deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 651,310 shares of the Guarantor and 750,000 shares of HLG, respectively.

3. Shareholding percentages were calculated based on the total number of issued shares of the Guarantor as at December 31, 2024, being 4,783,681,530 shares.
4. Shareholding percentages were calculated based on the total number of issued shares of HLG as at December 31, 2024, being 1,361,618,242 shares.

Save as disclosed above, as at December 31, 2024, none of the Directors of the Guarantor had any interests or short positions in the shares, underlying shares or debentures of the Guarantor or any associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholdings

As at December 31, 2024, details of substantial shareholders' and other persons' (who are required to disclose their interests pursuant to Part XV of the SFO) interests and short positions in the shares and underlying shares of the Guarantor as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Note	Number of Shares or Underlying Shares Held	% of Total Number of Issued Shares ^(Note 4)
		(Long Positions)	(Long Positions)
Adriel Chan	1	3,073,735,406	64.25
Chan Tan Ching Fen	1	3,073,084,096	64.24
Cole Enterprises Holdings (PTC) Limited	1	3,073,084,096	64.24
Merssion Limited	1	3,073,084,096	64.24
HLG	2	3,044,750,996	63.65
Prosperland Housing Limited	3	1,702,350,486	35.59
Purotat Limited	3	389,038,049	8.13
Curicao Company Limited	3	310,265,239	6.49

Notes:

1. These shares were the same parcel of shares held by controlled corporations of Merssion Limited which was held under a trust. As Ms. Chan Tan Ching Fen was the founder, Cole Enterprises Holdings (PTC) Limited was the trustee, and Mr. Adriel Chan was a discretionary beneficiary of the trust, they were deemed to be interested in such shares under the SFO. Mr. Adriel Chan was also personally interested in 651,310 shares of the Guarantor.

The controlled corporations included HLG in which Merssion Limited had 38.37% interests. Accordingly, the 3,044,750,996 shares held by HLG through its subsidiaries were included in the 3,073,084,096 shares.

2. These shares were held by the wholly-owned subsidiaries of HLG.
3. These companies were wholly-owned subsidiaries of HLG, their interests were included in the 3,044,750,996 shares held by HLG.
4. Shareholding percentages were calculated based on the total number of issued shares of the Guarantor as at December 31, 2024, being 4,783,681,530 shares.

Save as disclosed above, as at December 31, 2024, no other interests or short positions in the shares or underlying shares of the Guarantor required to be recorded in the register kept under Section 336 of the SFO has been notified to the Guarantor.

Corporate Governance

HLG, which is the parent of the Guarantor, and the Guarantor are committed to maintaining the highest standards of corporate governance to protect the interests of their stakeholders. The Guarantor believes that strong corporate governance provides a solid foundation for sustainable growth and long-term success. The "We Do It Well" business philosophy extends

from the Board to all of the Guarantor's employees of different positions and at all levels all of who strive to uphold the highest standard of integrity and honesty in every aspect of the business of the Guarantor.

The Guarantor has adopted, and fully complied with, and in many cases exceeded, the code provisions and recommended best practices of the Corporate Governance Code as set out in Appendix C1 of the HKSE Rules.

The Board of Directors of the Guarantor currently comprises eight members, with a balanced composition of three Executive Directors and five Independent Non-Executive Directors, so that there is a strong independent element on the Board which can provide invaluable perspectives and facilitates impartial decision-making. The number of Independent Non-Executive Directors exceeds the minimum number set by the HKSE Rules. Board members of the Guarantor possess diverse academic and professional qualifications or related financial management expertise and bring a wide range of business and financial experience to the Board.

The following individuals have been appointed to serve as existing directors and officer of the Guarantor:

Name	Position
Mr. Adriel Chan	Chair (Executive Director)
Mr. Weber Wai Pak Lo	Chief Executive Officer (Executive Director)
Mr. Nelson Wai Leung Yuen	Independent Non-Executive Director
Mr. Philip Nan Lok Chen	Independent Non-Executive Director
Dr. Andrew Ka Ching Chan	Independent Non-Executive Director
Ms. Anita Yuen Mei Fung	Independent Non-Executive Director
Ms. Holly Tianfang Li	Independent Non-Executive Director
Mr. Kenneth Ka Kui Chiu	Chief Financial Officer (Executive Director)
Ms. Winnie Ma	General Counsel & Company Secretary

Mr. Adriel Wenbwo Chan *Chair (Executive Director)*

Aged 42, Mr. Chan joined the Hang Lung Group in 2010. In November 2016, he was appointed as an Executive Director to the boards of the Guarantor and its listed holding company, HLG. From September 2020 to April 2024, he held the position of Vice Chair of the Guarantor and HLG and was appointed as the Chair of the Guarantor and HLG from April 26, 2024, and oversees all aspects of the Hang Lung Group and chairs the Sustainability Steering Committee of the Hang Lung Group.

Mr. Chan is a Vice-President and an Executive Committee member of The Real Estate Developers Association of Hong Kong and the Chairman of the Committee of Overseers of Morningside College at The Chinese University of Hong Kong. He sits on The Hong Kong University of Science and Technology (the “HKUST”) Business School Advisory Council and is a Council Member of the Academy of Chinese Studies. Mr. Chan was a Court Member of The University of Hong Kong.

Prior to joining the Hang Lung Group, Mr. Chan worked in finance, audit, advisory, and risk management. He holds an Executive Master of Business Administration degree jointly awarded by the Kellogg School of Management at Northwestern University and the HKUST, and a Bachelor of Arts degree in international relations from the University of Southern California. Mr. Chan is a son of Mr. Ronnie Chan, the Honorary Chair of the Hang Lung Group.

Mr. Weber Wai Pak Lo *Chief Executive Officer (Executive Director)*

Aged 54, Mr. Lo joined the boards of the Guarantor and HLG as the Chief Executive Officer Designate in May 2018, and became the Chief Executive Officer in July 2018. He has more than 30 years of experience in business management across the banking and fast-moving consumer goods sectors in Hong Kong and mainland China. Mr. Lo is a Member of the Advisory Committee of The Jockey Club CPS Limited (Tai Kwun) and a Voting Member of The Hong Kong Jockey Club. He was a Director of The Real Estate Developers Association of Hong Kong and a Member of the Board of Inland Revenue of the Government of the HKSAR. Mr. Lo graduated from The University of Hong Kong in 1993 with a Bachelor of Social Sciences degree.

Mr. Nelson Wai Leung Yuen *Independent Non-Executive Director*

Aged 74, Mr. Yuen joined the Hang Lung Group in 1978, became an Executive Director of the Guarantor in 1986, and was appointed as the Managing Director of the Guarantor and HLG in 1992 until he retired in July 2010. He became a Non-Executive Director of the Guarantor in March 2011 and was re-designated as an Independent Non-Executive Director in November 2014. Mr. Yuen is a graduate of The University of Manchester, the U.K. and a Fellow of The Institute of Chartered Accountants in England and Wales.

Mr. Philip Nan Lok Chen *Independent Non-Executive Director*

Aged 69, Mr. Chen joined the boards of the Guarantor and HLG as the Chief Executive Officer in 2010 until he retired in July 2018. Upon his retirement, he was re-designated as a Non-Executive Director of the Guarantor, and was appointed as an Adviser to Chair until July 2019. Mr. Chen was subsequently re-designated as an Independent Non-Executive Director of the Guarantor in January 2023. He has more than 40 years' management experience, mostly in the aviation industry, acquiring a wealth of experience in Hong Kong, mainland China and beyond. Mr. Chen is a Member of the Board of Airport Authority Hong Kong, a Member of the Judicial Officers Recommendation Commission and the former Chairman of The Hong Kong Jockey Club. He graduated from The University of Hong Kong in 1977 with a Bachelor of Arts degree and holds a Master's degree in Business Administration from the same university.

Dr. Andrew Ka Ching Chan *BBS, JP Independent Non-Executive Director*

Aged 75, Dr. Chan joined the Board of the Guarantor as a Non-Executive Director in October 2014 and was re-designated as an Independent Non-Executive Director in December 2015. He is a Senior Consultant of the global Arup Group, one of the world's foremost multi-disciplinary engineering consultants. Dr. Chan was the Chairman and a Member of the Trustee Board of Arup Group until April 2022 and was the Deputy Chairman of Arup Group prior to his retirement in October 2014. He is an expert in civil and geotechnical engineering with over 40 years of experience in the engineering profession, and is distinguished for his leadership in the creation, design and delivery of many innovative and award-winning building projects as well as major infrastructure schemes in many cities in Asia. Dr. Chan is the past President and Gold Medallist of The Hong Kong Institution of Engineers, the Founding Chairman of the Hong Kong Green Building Council, Honorary Fellow of The Hong Kong University of Science and Technology, Fellow and the past President of the Hong Kong Academy of Engineering Sciences, and Fellow of the Royal Academy of Engineering, the U.K.'s national academy. He obtained his PhD degree from the University of Cambridge in Soil Mechanics. Dr. Chan was appointed Justice of the Peace in 2006 and awarded the Bronze Bauhinia Star in 2012.

Ms. Anita Yuen Mei Fung *BBS, JP Independent Non-Executive Director*

Aged 64, Ms. Fung joined the Board of the Guarantor as an Independent Non-Executive Director in May 2015. She is the former Group General Manager of HSBC Holdings plc and the former Chief Executive Officer Hong Kong of The Hongkong and Shanghai Banking Corporation Limited. Ms. Fung held a number of positions with key financial bodies in Hong Kong and has been actively promoting the development of the financial markets of Hong Kong as well as other regions. She is a former Member of the Financial Infrastructure Sub-Committee of the Exchange Fund Advisory Committee of Hong Kong Monetary Authority.

Ms. Fung also previously served on a number of public bodies and advisory bodies including being an Independent Non-Executive Member of the Board of the Airport Authority Hong Kong, a Non-Official Member of the Hong Kong Housing Authority, a Member of the Board of West Kowloon Cultural District Authority, a Member of the Judicial Officers Recommendation Commission, a Member of the Board of M Plus Museum Limited and a Trustee of Aisa Society Hong Kong Center and she is currently a Member of the Hospital Authority. She is also a Court Member of The Hong Kong University of Science and Technology and its former Council Member.

Ms. Fung is an Independent Non-Executive Director of BOC Hong Kong (Holdings) Limited, a former Director of The Hong Kong Mortgage Corporation Limited, a former Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited, China Construction Bank Corporation and Westpac Banking Corporation, and a former Non-Executive Director of Bank of Communications Co., Ltd. and Hang Seng Bank, Limited. She was elected as Steward of The Hong Kong Jockey Club in 2022.

She obtained her Bachelor's degree in Social Science from The University of Hong Kong and Master's degree in Applied Finance from Macquarie University, Australia. Ms. Fung was awarded the Bronze Bauhinia Star in 2013 and appointed Justice of the Peace in 2015.

Ms. Holly Tianfang Li *(also known as Ms. Guanyi Li and Ms. Holly Li) Independent Non-Executive Director*

Aged 55, Ms. Li joined the Board of the Guarantor as an Independent Non-Executive Director in March 2024. Ms. Li has over 20 years of management experience across fast-moving consumer goods, sportswear, and fashion industry in mainland China. She was the Chief Executive Officer of Xtep brand, a brand of Xtep International Holdings Limited, from 2014 to 2022, and was the Chief Executive Officer of the International Business Group (KSGB) from 2021 to 2023, overseeing global brands including K-Swiss and Palladium. She was the Chief Executive Officer, mainland China operations, of Esprit Holdings Limited from 2012 to 2014. Prior to that, she held various positions in adidas AG from 2000 to 2012 with her last position being the Vice President, Greater China, and General Manager, North China.

She holds a Master of Business Administration degree awarded by Macquarie University and a Bachelor degree in Apparel Design and Engineering from Tiangong University.

Mr. Kenneth Ka Kui Chiu *Chief Financial Officer (Executive Director)*

Aged 49, Mr. Chiu joined the boards of the Guarantor and HLG as an Executive Director and the Chief Financial Officer Designate in October 2021, and became the Chief Financial Officer in March 2022. He has over 25 years of experience in investment management, corporate finance, and accounting in the Asia Pacific region. Mr. Chiu previously served as the Chief Financial Officer of Gaw Capital Partners, where he headed the finance function from 2013 to

2021. Prior to joining Gaw Capital Partners, Mr. Chiu worked at Temasek Holdings as a Director in its Investment Group. He served Temasek Holdings from 2007 to 2013 and oversaw its real estate related investments in the Greater China region. Mr. Chiu also worked at Deutsche Bank AG in mergers & acquisitions advisory, and at PricewaterhouseCoopers and Arthur Andersen in audit and assurance. He is a qualified Certified Public Accountant in Hong Kong, and a Chartered Accountant in England and Wales. Mr. Chiu holds a Bachelor of Business Administration in Accounting from The Hong Kong University of Science and Technology and a Master of Science in Finance from the London Business School.

Ms. Winnie Ma *Director — General Counsel & Company Secretary*

Ms. Ma joined the Hang Lung Group in 2021. She possesses over 25 years of legal, compliance and company secretarial experience. She holds a Postgraduate Certificate in Laws and a Bachelor of Laws degree from The University of Hong Kong. She is qualified to practise laws in Hong Kong and the U.K.. Ms. Ma is also a member of The Law Society of Hong Kong.

Employees

As at December 31, 2024, the Guarantor had a total of 3,930 employees, of which 927 were from Hong Kong and 3,003 from mainland China. The total staff costs for the year ended December 31, 2024 amounted to HK\$1,844 million.

The Guarantor has a well-established merit-based remuneration system with an annual review system to assess the performance of its employees in both Hong Kong and mainland China. The Guarantor contributes to social insurance contribution plans organized by local governments in mainland China. The salaries and benefits that the Guarantor's employees receive are competitive in comparison with market rates.

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 emphasized 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

Payment of principal and interest in respect of the Notes will not be subject to income tax in the British Virgin Islands (“**BVI**”) and the Notes will not be liable to stamp duty in the British Virgin Islands. Gains derived from the sale or exchange of Notes issued by the Issuer by persons who are not otherwise liable to BVI income tax will not be subject to BVI income tax. The BVI currently has no capital gains tax, estate duty, inheritance tax or gift tax.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be subject to profits tax in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution, 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 (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes may be subject to 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. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 (Cap. 112) of Hong Kong (the “**Amendment Ordinance**”) came into effect on January 1, 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes and gains from the sale, disposal or redemption of Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong are regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when they are received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such 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 Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) the 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) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2% (of which 0.1% is payable by each of the seller and the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If

stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. 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.

The proposed financial transactions tax (“FTT”)

On February 14, 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

PRC CURRENCY CONTROLS

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

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside mainland China 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 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.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) regime and the China Interbank Bond Market (“**CIBM**”), have been further liberalized for foreign investors. PBoC has relaxed the quota control for RQFII, initiated a bond market mutual access scheme between mainland 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 categorized as capital account items. There is no assurance that the PRC Government will continue to gradually liberalize 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 categorized 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 Programme Agreement

The Dealers have, in an amended and restated programme agreement (the “**Programme Agreement**”) dated April 8, 2025, 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*” in this Offering Circular. The Issuer (failing which, the Guarantor) will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer (failing which, the Guarantor) has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment, and any 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 (failing which, the Guarantor) has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme 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 stabilize, 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 stabilize 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 stabilization transactions or otherwise. The effect of these transactions may be to stabilize 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 stabilizing or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilizing activities may only be carried on by the Stabilization Manager(s) named in the applicable Pricing Supplement (or persons acting on behalf of any Stabilization 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 have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States 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

If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of 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.

If the Pricing Supplement in respect of any Notes does not include a legend entitled “Prohibition of Sales to EEA Retail Investors”, in relation to each Member State of the European Economic Area (each, a “**Member State**”), each Dealer has represented, warranted and agreed that, it has not made and will not make an offer of such Notes which are the

subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) 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
- (c) 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 paragraphs (a) to (c) above shall require the Issuer, the Guarantor 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 Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**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

If the Pricing Supplement in respect of any Notes includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by

the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

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

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer, the Guarantor 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 having 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 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 any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer 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

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 (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; 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.

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 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

Unless the Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and

agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular 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 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.

If the Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular 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 SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

British Virgin Islands

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

People’s Republic of China

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 authorized 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/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the

National Financial Regulatory Administration 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.

Important Notice to CMIs (including private banks)

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 Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. 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, 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 the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

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

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); 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 and the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

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://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) to (vi), to the extent that it will not result in a violation of any sanctions by the CMLs (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 (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk’s People’s Republic or Luhansk People’s Republic. “Sanctions Authority” means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People’s Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) 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

None of the Issuer, the Guarantor and the Dealers represents 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.

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

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.

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 on the Hong Kong Stock Exchange by way of debt issue to Professional Investor only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the date of listing of the relevant Notes. Notes issued under the Programme to Professional Investors to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HK\$500,000 (or equivalent in other currencies).

2. Authorization

The update of the Programme was authorized by a resolution of the board of directors of the Issuer passed on April 7, 2025, and by a resolution of the board of directors of the Guarantor passed on July 7, 1997 and a resolution of the executive committee of the board of directors of the Guarantor passed on April 7, 2025. The Issuer and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes and the giving of the Guarantee relating to them.

3. Legal and Arbitration Proceedings

There are no 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 or the Guarantor and its Material Subsidiaries.

4. Significant/Material Change

Since December 31, 2024, save as disclosed herein, 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 its Material Subsidiaries.

5. Financial Statements

KPMG, at 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, Certified Public Accountants and independent auditors of the Guarantor, have audited, and rendered unqualified audit report on, the consolidated financial statements of the Guarantor for the year ended December 31, 2024.

As at the date of this Offering Circular, the Issuer has not published and does not propose to publish any financial statements.

6. Documents on Display

Copies of the following documents may be inspected during normal business hours at the specified offices of the Fiscal Agent at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong and of the Guarantor at 28/F, Standard Chartered Bank Building, 4 Des Voeux Road Central, Hong Kong for as long as the Notes are issued pursuant to this Offering Circular:

- (i) the Memorandum and Articles of Association of the Issuer and the Articles of Association of the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor for the year ended December 31, 2024;
- (iii) copies of the latest annual report and audited annual financial statements, and any interim financial statements (whether audited or unaudited) published subsequent to the publication of 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 Prospectus Directive 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 Deed of Guarantee;
- (viii) the Deed of Covenant;
- (ix) the Programme Agreement; and
- (x) the Programme Manual (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 CMU. The appropriate common code and the International Securities Identification 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.

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Note:

The consolidated financial statements have not been specifically prepared for inclusion in this Offering Circular.

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the members of Hang Lung Properties Limited

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Hang Lung Properties Limited ("the Company") and its subsidiaries ("the Group") set out on pages 145 to 205, which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties and investment properties under development

(Refer to note 10 (investment properties and property, plant and equipment) and note 1(e) (accounting policy))

The Key Audit Matter	How the matter was addressed in our audit
<p>The aggregate fair values of the Group's investment properties and investment properties under development as at December 31, 2024 amounted to HK\$190,520 million, representing 86% of the Group's total assets as at that date.</p> <p>The decrease in fair values of the Group's investment properties and investment properties under development recorded in the consolidated statement of profit or loss for the year ended December 31, 2024 amounted to HK\$937 million.</p> <p>The Group's investment properties, which are located in Hong Kong and Mainland China, mainly comprise shopping malls, office premises, industrial premises, residential premises and car parking bays.</p> <p>The fair values of the Group's investment properties and investment properties under development were assessed by management based on independent valuations prepared by an external property valuer.</p> <p>We identified valuation of the Group's investment properties and investment properties under development as a key audit matter because of the significance of investment properties and investment properties under development to the Group's consolidated financial statements and because the determination of the fair values involves significant judgement and estimation, including selecting the appropriate valuation methodology, capitalization rates and market rents and, for investment properties under development, an estimation of costs to complete each property development project.</p>	<p>Our audit procedures to assess the valuation of investment properties and investment properties under development included the following:</p> <ul style="list-style-type: none">• assessing the competence, capability, experience of the locations and types of properties subject to valuation and objectivity of the external property valuer;• evaluating the valuation methodology used by the external property valuer based on our knowledge of other property valuers for similar types of properties;• on a sample basis, comparing the tenancy information included in the valuation models, which included committed rents and occupancy rates, with underlying contracts and related documentation;• discussing the valuations with the external property valuer in a separate private session and challenging key estimates adopted in the valuations, including those relating to market selling prices, market rents and capitalization rates, by comparing them with historical rates and available market data, taking into consideration comparability and other local market factors, with the assistance of our internal property valuation specialists; and• for investment properties under development, comparing the estimated construction costs to complete each property development project with the Group's updated budgets (see further details set out in the key audit matter below).

Assessing the development costs of investment properties under development

(Refer to note 10 (investment properties and property, plant and equipment) and note 1(e) (accounting policy))

The Key Audit Matter

The fair value of the Group's investment properties under development is determined using the direct comparison valuation methodology, with reference to comparable market transactions, to derive the fair value of the property and, where appropriate, after deducting (1) the estimated development costs to be expended to complete each property development project and (2) the estimated profit margin.

Therefore, any increase in the estimated development costs to be expended to complete each property development project compared with the original management approved budgets could have a significant negative impact on the fair value of the Group's investment properties under development and, hence, the results for the year.

The Group's investment properties under development comprise shopping malls, office premises and residential premises.

We identified the assessing of development costs of the Group's investment properties under development as a key audit matter because the determination of estimated development costs involves significant management judgement and estimation, in particular in relation to project feasibility studies, estimating future development costs to be expended to complete each property development project and the estimated profit margin.

How the matter was addressed in our audit

Our audit procedures to assess the development costs of investment properties under development included the following:

- assessing the design, implementation and operating effectiveness of management's key internal controls over the preparation and monitoring of management budgets and forecasts of construction costs for each investment property under development;
- discussing the valuations of investment properties under development with the external property valuer in a separate private session and challenging key estimates adopted in the valuations including those relating to market selling prices, by comparing them with available market data, taking into consideration comparability and other local market factors;
- performing a retrospective review for all investment properties under development by comparing the actual construction costs incurred during the current year with those included in the prior year's forecasts in order to assess the accuracy of the Group's budgeting process;
- conducting site visits to all investment properties under development and discussing with management and the in-house quantity surveyor the development progress and the development budgets reflected in the latest forecasts for each property development project; and
- comparing, on a sample basis, the quantity surveyor's reports for the construction costs incurred for property development projects with the underlying payment records and other documentation relevant to the construction cost accruals and/or payments.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained all of the other information prior to the date of this auditor's report apart from "Chair's Letter to Shareholders". The remaining information is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yau Ngai Lun, Alan.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

January 24, 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Note	2024	2023	<i>For information purpose only</i>	
		HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Revenue	2(a)	11,242	10,316	10,314	9,295
Direct costs and operating expenses		(4,787)	(2,927)	(4,403)	(2,638)
		6,455	7,389	5,911	6,657
Other net income	3	35	24	32	21
Administrative expenses		(650)	(651)	(599)	(589)
Profit from operations before changes in fair value of properties		5,840	6,762	5,344	6,089
Decrease in fair value of properties	10	(937)	(9)	(866)	(9)
Profit from operations after changes in fair value of properties		4,903	6,753	4,478	6,080
Interest income		42	71	38	65
Finance costs		(926)	(692)	(853)	(628)
Net interest expense	4	(884)	(621)	(815)	(563)
Share of profits of joint ventures	12	26	36	24	32
Profit before taxation	5	4,045	6,168	3,687	5,549
Taxation	7(a)	(1,388)	(1,572)	(1,270)	(1,416)
Profit for the year	2(b)	2,657	4,596	2,417	4,133
Attributable to:					
Shareholders	21(a)	2,153	3,970	1,959	3,570
Non-controlling interests		504	626	458	563
Profit for the year		2,657	4,596	2,417	4,133
Earnings per share	9(a)				
Basic		HK\$0.46	HK\$0.88	RMB0.42	RMB0.79
Diluted		HK\$0.46	HK\$0.88	RMB0.42	RMB0.79

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Note	2024	2023	For information purpose only	
		HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Profit for the year		2,657	4,596	2,417	4,133
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Movement in exchange reserve:					
Exchange difference arising from translation to presentation currency		(2,295)	(1,596)	1,250	546
Gain/(loss) on net investment hedge	27(d)	148	(9)	–	(8)
Movement in hedging reserve:					
Effective portion of changes in fair value		120	2	110	2
Net amount transferred to profit or loss		(60)	(86)	(55)	(78)
Deferred tax		(9)	11	(8)	10
Item that will not be reclassified to profit or loss:					
Net change in fair value of equity investments		–	(1)	–	(1)
Other comprehensive income for the year, net of tax		(2,096)	(1,679)	1,297	471
Total comprehensive income for the year		561	2,917	3,714	4,604
Attributable to:					
Shareholders		269	2,453	3,262	4,051
Non-controlling interests		292	464	452	553
Total comprehensive income for the year		561	2,917	3,714	4,604

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	Note	2024	2023	<i>For information purpose only</i>	
		HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Non-current assets					
Investment properties	10	166,519	169,046	155,224	153,511
Investment properties under development	10	24,001	23,610	22,226	21,398
Property, plant and equipment	10	2,833	331	2,625	300
Interests in joint ventures	12	1,104	1,116	1,040	1,017
Other assets	13	76	76	72	68
Deferred tax assets	19(b)	140	142	132	129
		194,673	194,321	181,319	176,423
Current assets					
Cash and deposits with banks	14	10,303	5,352	9,676	4,868
Trade and other receivables	15	3,183	3,406	2,968	3,093
Properties for sale	16	13,489	14,223	12,603	12,929
		26,975	22,981	25,247	20,890
Current liabilities					
Bank loans and other borrowings	17	9,340	4,434	8,749	4,030
Trade and other payables	18	9,291	10,216	8,651	9,275
Lease liabilities	11(a)	23	30	21	27
Current tax payable	19(a)	294	457	273	415
		18,948	15,137	17,694	13,747
Net current assets		8,027	7,844	7,553	7,143
Total assets less current liabilities		202,700	202,165	188,872	183,566
Non-current liabilities					
Bank loans and other borrowings	17	48,036	46,270	45,077	42,110
Lease liabilities	11(a)	240	248	222	225
Deferred tax liabilities	19(b)	13,374	13,524	12,394	12,259
		61,650	60,042	57,693	54,594
NET ASSETS		141,050	142,123	131,179	128,972
Capital and reserves					
Share capital	20	42,051	39,950	39,410	37,462
Reserves	21	89,536	92,458	83,010	82,707
Shareholders' equity		131,587	132,408	122,420	120,169
Non-controlling interests		9,463	9,715	8,759	8,803
TOTAL EQUITY		141,050	142,123	131,179	128,972

Weber W.P. Lo
Chief Executive Officer

Kenneth K.K. Chiu
Chief Financial Officer

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

HK\$ Million	Shareholders' equity				Non-controlling interests	Total equity
	Share capital (Note 20)	Other reserves (Note 21)	Retained profits (Note 21)	Total		
At January 1, 2023	39,950	(3,308)	96,739	133,381	9,765	143,146
Profit for the year	–	–	3,970	3,970	626	4,596
Exchange difference arising from translation to presentation currency	–	(1,434)	–	(1,434)	(162)	(1,596)
Loss on net investment hedge	–	(9)	–	(9)	–	(9)
Cash flow hedges: net movement in hedging reserve	–	(73)	–	(73)	–	(73)
Net change in fair value of equity investments	–	(1)	–	(1)	–	(1)
Total comprehensive income for the year	–	(1,517)	3,970	2,453	464	2,917
Final dividend in respect of previous year	–	–	(2,699)	(2,699)	–	(2,699)
Interim dividend in respect of current year	–	–	(810)	(810)	–	(810)
Employee share-based payments	–	(104)	187	83	–	83
Dividends paid to non-controlling interests	–	–	–	–	(514)	(514)
At December 31, 2023 and January 1, 2024	39,950	(4,929)	97,387	132,408	9,715	142,123
Profit for the year	–	–	2,153	2,153	504	2,657
Exchange difference arising from translation to presentation currency	–	(2,083)	–	(2,083)	(212)	(2,295)
Gain on net investment hedge	–	148	–	148	–	148
Cash flow hedges: net movement in hedging reserve	–	51	–	51	–	51
Total comprehensive income for the year	–	(1,884)	2,153	269	292	561
Final dividend in respect of previous year	–	–	(2,699)	(2,699)	–	(2,699)
Interim dividend in respect of current year	–	–	(566)	(566)	–	(566)
Shares issued in respect of scrip dividends of 2023 final and 2024 interim dividends	2,101	–	–	2,101	–	2,101
Employee share-based payments	–	(42)	116	74	–	74
Dividends paid to non-controlling interests	–	–	–	–	(544)	(544)
At December 31, 2024	42,051	(6,855)	96,391	131,587	9,463	141,050

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

For information purpose only

RMB Million	Shareholders' equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits	Total		
At January 1, 2023	37,462	995	80,750	119,207	8,722	127,929
Profit for the year	–	–	3,570	3,570	563	4,133
Exchange difference arising from translation to presentation currency	–	556	–	556	(10)	546
Loss on net investment hedge	–	(8)	–	(8)	–	(8)
Cash flow hedges: net movement in hedging reserve	–	(66)	–	(66)	–	(66)
Net change in fair value of equity investments	–	(1)	–	(1)	–	(1)
Total comprehensive income for the year	–	481	3,570	4,051	553	4,604
Final dividend in respect of previous year	–	–	(2,408)	(2,408)	–	(2,408)
Interim dividend in respect of current year	–	–	(756)	(756)	–	(756)
Employee share-based payments	–	(96)	171	75	–	75
Dividend paid to non-controlling interests	–	–	–	–	(472)	(472)
At December 31, 2023 and January 1, 2024	37,462	1,380	81,327	120,169	8,803	128,972
Profit for the year	–	–	1,959	1,959	458	2,417
Exchange difference arising from translation to presentation currency	–	1,256	–	1,256	(6)	1,250
Cash flow hedges: net movement in hedging reserve	–	47	–	47	–	47
Total comprehensive income for the year	–	1,303	1,959	3,262	452	3,714
Final dividend in respect of previous year	–	–	(2,514)	(2,514)	–	(2,514)
Interim dividend in respect of current year	–	–	(514)	(514)	–	(514)
Shares issued in respect of scrip dividends of 2023 final and 2024 interim dividends	1,948	–	–	1,948	–	1,948
Employee share-based payments	–	(39)	108	69	–	69
Dividend paid to non-controlling interests	–	–	–	–	(496)	(496)
At December 31, 2024	39,410	2,644	80,366	122,420	8,759	131,179

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2024

	Note	2024	2023	For information purpose only	
		HK\$ Million	HK\$ Million	2024 RMB Million	2023 RMB Million
Operating activities					
Cash generated from operations	22	6,387	5,007	5,855	4,499
Tax paid					
Hong Kong Profits Tax paid		(385)	(256)	(355)	(231)
Mainland China Income Tax paid		(1,046)	(1,039)	(953)	(934)
Net cash generated from operating activities		4,956	3,712	4,547	3,334
Investing activities					
Payment for investment properties		(872)	(1,170)	(826)	(1,044)
Payment for investment properties under development		(2,210)	(1,795)	(2,014)	(1,625)
Payment for property, plant and equipment		(170)	(115)	(147)	(104)
Net sale proceeds from disposal of property, plant and equipment		23	–	21	–
Net sale proceeds from disposal of investment properties		–	19	–	17
Interest received		42	71	38	65
Dividend received from a joint venture		38	50	36	45
Decrease in bank deposits with maturity greater than 3 months		(24)	–	(22)	–
Net cash used in investing activities		(3,173)	(2,940)	(2,914)	(2,646)
Financing activities					
Proceeds from new bank loans and other borrowings	23	44,599	44,273	41,147	40,031
Repayment of bank loans and other borrowings	23	(37,647)	(38,969)	(34,744)	(35,239)
Capital element of lease rentals paid	23	(17)	(14)	(15)	(13)
Interest and other borrowing costs paid		(2,009)	(1,860)	(1,840)	(1,679)
Interest element of lease rentals paid	23	(13)	(14)	(12)	(12)
Dividends paid		(1,164)	(3,509)	(1,080)	(3,164)
Dividends paid to non-controlling interests		(544)	(514)	(496)	(472)
Net cash generated from/(used in) financing activities		3,205	(607)	2,960	(548)
Increase in cash and cash equivalents		4,988	165	4,593	140
Effect of foreign exchange rate changes		(61)	(42)	192	50
Cash and cash equivalents at January 1		5,271	5,148	4,794	4,604
Cash and cash equivalents at December 31	14	10,198	5,271	9,579	4,794

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Material Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Material accounting policies adopted by the Group are set out below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Basis of preparation of the financial statements

The consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 28.

The presentation currency of these consolidated financial statements is Hong Kong dollar. In view of the Group's significant business operations in mainland China, management has included additional financial information prepared in Renminbi in the consolidated financial statements. Such supplementary information is prepared according to note 1(w) as if the presentation currency is Renminbi.

1 Material Accounting Policies (Continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (Note 1(m)).

1 Material Accounting Policies (Continued)

(d) Joint ventures

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

The Group's interests in joint ventures are accounted for in the consolidated financial statements under the equity method and are initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the joint ventures' net assets. The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. The consolidated statement of profit or loss includes the Group's share of the post-acquisition, post-tax results of the joint ventures for the year, whereas the Group's share of the post-acquisition, post-tax items of the joint ventures' other comprehensive income is recognized in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. For this purpose, the Group's interest in the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interest that in substance form part of the Group's net investment in the joint venture.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

Unrealized profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

1 Material Accounting Policies (Continued)

(e) Investment properties and investment properties under development

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties, including investment properties under development, are initially measured at cost and subsequently at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of investment properties is recognized in profit or loss.

The property is transferred to, or from, investment properties when, and only when, there is a change in use:

- When there is commencement of owner-occupation, or of development with a view to owner-occupation, the investment property is transferred to owner-occupied property under property, plant and equipment. The fair value at the date of change in use becomes the deemed cost for such property at initial recognition and it is subsequently measured in accordance with note 1(g).
- For a transfer from completed properties originally held for sale to investment properties that is evidenced for leasing purpose, any difference between the fair value of the property at the date of change in use and its previous carrying amount is recognised in profit or loss.

(f) Properties for sale

1. *Properties under development for sale*

Properties under development for sale are classified under current assets and stated at the lower of cost and net realizable value. Costs include the acquisition cost of land, aggregate cost of development, borrowing costs capitalized (Note 1(r)) and other direct expenses. Net realizable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions less estimated costs of completion and costs to be incurred in selling the property.

2. *Completed properties for sale*

Completed properties for sale are classified under current assets and stated at the lower of cost and net realizable value. Cost is determined by apportionment of the total development costs, including borrowing costs capitalized (Note 1(r)), attributable to unsold properties. Net realizable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions less costs to be incurred in selling the property.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (Note 1(m)). Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

1 Material Accounting Policies (Continued)

(h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

1. As a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to all leases, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as expenses on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and the interest expense is calculated using the effective interest method.

The right-of-use asset recognized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred.

The right-of-use assets that meet the definition of investment property are subsequently stated at fair value in accordance with note 1(e). Otherwise, they are subsequently stated at cost less accumulated depreciation (Note 1(g)) and impairment losses (Note 1(m)).

Lease payments included in the measurement of the lease liability comprise the fixed payments (including in-substance fixed payments) less any lease incentives. Variable lease payments that do not depend on an index or rate are charged to profit or loss in the accounting period in which they are incurred.

2. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

Rental income from operating leases is recognized in accordance with note 1(u)(1).

1 Material Accounting Policies (Continued)

(i) Depreciation

1. *Investment properties and investment properties under development*

No depreciation is provided for investment properties and investment properties under development.

2. *Property, plant and equipment*

Depreciation on property, plant and equipment is calculated to write off the cost, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Hotel properties (Land and buildings)	Unexpired lease term
Buildings	50 years or unexpired lease term, whichever is shorter
Furniture and equipment	2 – 20 years
Motor vehicles	5 years

(j) Investments in equity instruments

Investments in equity instruments are classified and measured at fair value through profit or loss (FVTPL) except when the equity investment is not held for trading and an election is made to present the fair value changes in other comprehensive income (FVTOCI). This election is made on an investment-by-investment basis on initial recognition and is irrevocable. The gains or losses (both on subsequent measurement and derecognition) of investments that are measured at FVTPL are recognized in profit or loss. If the equity investment is designated as at FVTOCI, all gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, except for dividend income which is generally recognized in profit or loss in accordance with the policy set out in note 1(u)(6).

(k) Derivative financial instruments

Derivative financial instruments are recognized initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting (Note 1(l)(1)).

(l) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates, and non-derivative financial liabilities as hedging instruments to hedge the foreign exchange risk on net investments in foreign operations.

1. *Cash flow hedges*

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge of a recognized asset or liability or a highly probable forecast transaction, the effective portion of changes in fair value of the hedging instruments is recognized in other comprehensive income and accumulated in a hedging reserve as a separate component of equity. Any ineffective portion of changes in fair value is recognized immediately in profit or loss. The amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

1 Material Accounting Policies (Continued)

(l) Hedging (Continued)

2. *Hedge of net investments in foreign operations*

When a non-derivative financial liability is designated as the hedging instrument in a hedge of net investment in a foreign operation, the effective portion of any foreign exchange gain or loss on the non-derivative financial liabilities is recognized in other comprehensive income and accumulated in the exchange reserve within equity until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Any ineffective portion is recognized immediately in profit or loss.

(m) Impairment of assets

- For property, plant and equipment, investments in joint ventures and investments in subsidiaries in the Company's statement of financial position, an assessment is carried out at the end of each reporting period to determine whether there is objective evidence that these assets are impaired. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized in profit or loss if the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.
- For trade and other receivables and other financial assets measured at amortized cost (including cash and deposits with banks and advances to unlisted investee companies), the Group recognizes a loss allowance which is equal to 12-month expected credit losses unless the balance is a trade receivable or there has been a significant increase in credit risk of the financial asset since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime expected credit losses.

Expected credit losses are a probability-weighted estimate of credit losses measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

At the end of each reporting period, the Group assesses whether the balances are credit-impaired (i.e. when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred, such as significant financial difficulty of the debtor).

The allowance for expected credit losses is presented in the statement of financial position as a deduction from the gross carrying amount of the assets. The adjustment to the allowance for credit losses is recognized in profit or loss, as an impairment or reversal of impairment.

1 Material Accounting Policies (Continued)

(m) Impairment of assets (Continued)

The gross carrying amount is written off to the extent that there is no realistic prospect of recovery. Subsequent recoveries that were previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognized at fair value and thereafter stated at amortized cost using the effective interest method, except where the receivables are interest-free loans without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for credit losses (Note 1(m)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit losses in accordance with the policy set out in note 1(m).

(p) Trade and other payables and contract liabilities

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the revenue arising from contract with customers within the scope of HKFRS 15, *Revenue from contracts with customers*. A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (Note 1(r)).

1 Material Accounting Policies (Continued)

(r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are interrupted or complete.

(s) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognized at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognized in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognized in profit or loss.

Subsequent to initial recognition, the amount initially recognized as deferred income is amortized in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognizes a provision when expected credit losses on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees (i.e. the amount initially recognized, less accumulated amortization).

To determine expected credit losses, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month expected credit loss is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime expected credit loss is measured.

1 Material Accounting Policies (Continued)

(s) Financial guarantees issued (Continued)

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an expected credit loss is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(t) Provisions and contingent liabilities

Provisions are recognized when the Group has a legal or constructive obligation arising as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the effect of the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of properties, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

1. Rental income

Rental income under operating leases is recognized on a straight-line basis over the terms of the respective leases, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payment receivable. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

1 Material Accounting Policies (Continued)

(u) Revenue and other income (Continued)

2. *Sale of properties*

Revenue arising from the sale of properties is recognized when the control over the ownership of the property is transferred to the customer, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

3. *Hotel revenue*

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is recognised at the point in time when the services are rendered.

4. *Building management fees and other income from property leasing*

Building management fees and other income from property leasing are recognized when the related services are rendered.

5. *Interest income*

Interest income is recognized as it accrues using the effective interest method.

6. *Dividends*

Dividends are recognized when the right to receive payment is established.

(v) Taxation

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities.

Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profits, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

1 Material Accounting Policies (Continued)

(v) Taxation (Continued)

When investment properties and investment properties under development are carried at fair value in accordance with the accounting policy set out in note 1(e), the amount of deferred tax recognized is measured using the tax rates that would apply on the sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

Deferred tax is not recognized for those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

(w) Translation of foreign currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (functional currency).

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss, except those arising from the translation of non-derivative financial liabilities designated as the hedging instruments to hedge the foreign exchange risk on net investments in foreign operations. Such exchange gains or losses to the extent that the hedge is effective are recognized in other comprehensive income (Note 1(l)(2)).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rate ruling at the transaction dates. The transaction date is the date on which the Group initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair values are translated using the foreign exchange rates ruling at the dates the fair value was determined.

1 Material Accounting Policies (Continued)

(w) Translation of foreign currencies (Continued)

The results and financial position of all operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
2. income and expenses are translated at the exchange rates approximating the exchange rates ruling at the dates of the transactions; and
3. all resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

(x) Related parties

1. A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
2. An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 Material Accounting Policies (Continued)

(y) Segment reporting

Operating segments are reported in a manner consistent with the Group's internal financial reporting to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations. For disclosure purpose, a reportable segment comprises either one or more operating segments which can be aggregated together because they share similar economic characteristics and nature of the regulatory environment, or single operating segments which are disclosable separately because they cannot be aggregated or they exceed quantitative thresholds.

(z) Employee benefits

1. *Short term employee benefits and contributions to defined contribution retirement schemes*

Salaries, annual bonuses, paid annual leave, the cost of non-monetary benefits and obligation for contributions to defined contribution retirement schemes, including those payables in mainland China and Hong Kong under relevant legislation, are accrued in the year in which the associated services are rendered by employees of the Group.

2. *Share-based payments*

The fair value of share options granted to employees is measured at grant date, taking into account the terms and conditions upon which the options were granted, and is expensed on a straight-line basis over the vesting period taking into account the probability that the options will vest, with a corresponding increase in equity (employee share-based compensation reserve).

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the employee share-based compensation reserve).

At the time when the share options are exercised, the related employee share-based compensation reserve is transferred to share capital. If the options expire or lapse after the vesting period, the related employee share-based compensation reserve is transferred directly to retained profits.

2 Revenue and Segment Information

The Group manages businesses according to the nature of services and products provided. Management has determined property leasing, property sales and hotels to be the reportable operating segments for the measurement of performance and the allocation of resources.

Segment assets principally comprise all non-current assets and current assets directly attributable to each segment with the exception of interests in joint ventures, other assets, deferred tax assets and cash and deposits with banks.

2 Revenue and Segment Information (Continued)

(a) Disaggregation of revenue

For the year ended December 31, 2024

	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income (Note 11(b))	–	–	–	8,371	8,371
Sales of completed properties	1,538	–	1,538	–	1,538
Hotel revenue	77	112	189	–	189
Building management fees and other income from property leasing	–	1,144	1,144	–	1,144
	1,615	1,256	2,871	8,371	11,242

For the year ended December 31, 2023

	Revenue from contracts with customers (HKFRS 15)			Leases (HKFRS 16)	Total
	recognized at a point in time	recognized over time	Subtotal		
Rental income (Note 11(b))	–	–	–	8,997	8,997
Hotel revenue	65	89	154	–	154
Building management fees and other income from property leasing	–	1,165	1,165	–	1,165
	65	1,254	1,319	8,997	10,316

As of December 31, 2024, the aggregate amount of revenue expected to be recognized in the future arising from signed property pre-sale agreements amounted to HK\$158 million (2023: HK\$1,157 million), which is expected to be recognized in 2025 when control over the property has been transferred to buyers.

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date to:

- building management fees and other income from property leasing, as the Group recognizes revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date;
- hotel revenue comprise room rental and food and beverages sales and other ancillary services which services are expected with duration of one year or less or are billed directly when the services are rendered; and
- revenue from sales of completed properties, as the performance obligation is part of a contract that has an original expected duration of one year or less.

2 Revenue and Segment Information (Continued)

(b) Revenue and results by segments

HK\$ Million	2024				2023			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Revenue								
– Mainland China	6,466	56	189	6,711	6,813	–	154	6,967
– Hong Kong	3,049	1,482	–	4,531	3,349	–	–	3,349
	9,515	1,538	189	11,242	10,162	–	154	10,316
Profit/(loss) from operations before changes in fair value of properties								
– Mainland China	3,990	(197)	(63)	3,730	4,337	(44)	1	4,294
– Hong Kong	2,158	(48)	–	2,110	2,465	3	–	2,468
	6,148	(245)	(63)	5,840	6,802	(41)	1	6,762
(Decrease)/increase in fair value of properties	(937)	–	–	(937)	(9)	–	–	(9)
– Mainland China	(587)	–	–	(587)	295	–	–	295
– Hong Kong	(350)	–	–	(350)	(304)	–	–	(304)
Net interest expense	(884)	–	–	(884)	(621)	–	–	(621)
– Interest income	42	–	–	42	71	–	–	71
– Finance costs	(926)	–	–	(926)	(692)	–	–	(692)
Share of profits of joint ventures	26	–	–	26	36	–	–	36
Profit/(loss) before taxation	4,353	(245)	(63)	4,045	6,208	(41)	1	6,168
Taxation	(1,369)	(19)	–	(1,388)	(1,573)	1	–	(1,572)
Profit/(loss) for the year	2,984	(264)	(63)	2,657	4,635	(40)	1	4,596
Net profit/(loss) attributable to shareholders	2,480	(264)	(63)	2,153	4,009	(40)	1	3,970

To conform to the information provided to the Group's most senior executive management, hotel operations were disclosed as a separate operating segment.

2 Revenue and Segment Information (Continued)

(c) Total segment assets

HK\$ Million	2024				2023			
	Property Leasing	Property Sales	Hotels	Total	Property Leasing	Property Sales	Hotels	Total
Mainland China	130,171	6,636	2,544	139,351	130,768	6,447	2,151	139,366
Hong Kong	62,774	7,900	–	70,674	62,516	8,734	–	71,250
	192,945	14,536	2,544	210,025	193,284	15,181	2,151	210,616
Interests in joint ventures				1,104				1,116
Other assets				76				76
Deferred tax assets				140				142
Cash and deposits with banks				10,303				5,352
				221,648				217,302

3 Other Net Income

HK\$ Million	2024	2023
Government grants	7	5
Gain/(loss) on disposal of property, plant and equipment	17	(12)
Net exchange (loss)/gain	(2)	5
Dividend income from equity investments measured at FVTOCI	2	2
Gain on disposal of investment properties	–	11
Others	11	13
	35	24

4 Net Interest Expense

HK\$ Million	2024	2023
Interest income on bank deposits	42	71
Interest expense on bank loans and other borrowings	2,003	1,862
Interest on lease liabilities	13	14
Other borrowing costs	93	83
Total borrowing costs	2,109	1,959
Less: Borrowing costs capitalized (Note)	(1,183)	(1,267)
Finance costs	926	692
Net interest expense	(884)	(621)

Note:

The borrowing costs were capitalized at an average rate of 4.2% (2023: 4.2%) per annum to properties under development.

5 Profit Before Taxation

HK\$ Million	2024	2023
Profit before taxation is arrived at after charging:		
Cost of properties sold	1,225	–
Provision for properties for sale	384	–
Staff costs (Note)	1,520	1,523
Depreciation	117	88
Auditors' remuneration		
– audit services	10	10
– non-audit services	2	3
and after crediting:		
Rental and related income from investment properties less direct outgoings of HK\$2,752 million (2023: HK\$2,722 million)	6,763	7,440

Note:

The staff costs included employee share-based payments of HK\$74 million (2023: HK\$83 million). If the amounts not recognized in the statement of profit or loss, including amounts capitalized, were accounted for, staff costs would have been HK\$1,844 million (2023: HK\$1,856 million).

6 Emoluments of Directors and Senior Management

The Nomination and Remuneration Committee consists of three Independent Non-Executive Directors. The Committee makes recommendation to the Board on the Independent Non-Executive Directors' remuneration packages and determines the remuneration package of individual Executive Directors. The emoluments of Executive Directors are determined by their scope of responsibility and accountability, and performance, taking into consideration of the Group's performance and profitability, market practice and prevailing business conditions, etc.

6 Emoluments of Directors and Senior Management (Continued)

(a) Directors' emoluments

Details of directors' emoluments are summarized below:

HK\$ Million						
Name	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	The Group's contributions to retirement schemes	2024	2023
Executive Directors						
Adriel Chan	1.0	18.6	2.4	1.9	23.9	21.4
Weber W.P. Lo	0.8	20.6	2.3	1.5	25.2	32.7
Kenneth K.K. Chiu	0.8	5.7	1.8	0.3	8.6	9.3
Independent Non-Executive Directors						
Nelson W.L. Yuen	1.0	–	–	–	1.0	1.0
Philip N.L. Chen (Re-designated from non-executive director to independent non-executive director on January 31, 2023)	0.9	–	–	–	0.9	0.8
Andrew K.C. Chan	1.1	–	–	–	1.1	1.0
Anita Y.M. Fung	1.2	–	–	–	1.2	1.1
Holly T.F. Li (Appointed as independent non-executive director on March 20, 2024)	0.6	–	–	–	0.6	–
Honorary Chair						
Ronnie C. Chan (Retired as executive director on April 26, 2024)	0.3	9.9	0.1	1.0	11.3	45.8
Ex-Directors						
Dominic C.F. Ho (Retired as independent non-executive director on April 26, 2024)	0.4	–	–	–	0.4	1.2
H.K. Chang (Retired as independent non-executive director on April 28, 2023)	–	–	–	–	–	0.4
2024	8.1	54.8	6.6	4.7	74.2	114.7
2023	9.0	70.0	29.7	6.0	114.7	

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2023: four) are existing or retired directors of the Company whose emoluments are disclosed in note 6(a). The emoluments in respect of the remaining one (2023: one) individual are as follows:

HK\$ Million	2024	2023
Salaries, allowances and benefits in kind	8.7	8.7
Discretionary bonuses	1.0	1.2
The Group's contributions to retirement schemes	0.4	0.4
	10.1	10.3

6 Emoluments of Directors and Senior Management (Continued)

- (c) In addition to the above emoluments, certain directors of the Company were granted share options under the share option schemes of the Company, details of which are disclosed in note 25(b).

7 Taxation in the Consolidated Statement of Profit or Loss

- (a) Taxation in the consolidated statement of profit or loss represents:

HK\$ Million	2024	2023
Current tax		
Hong Kong Profits Tax	250	288
Under-provision in prior years	5	5
	255	293
Mainland China Income Tax	1,016	1,026
Total current tax	1,271	1,319
Deferred tax		
Changes in fair value of properties	20	103
Other origination and reversal of temporary differences	97	150
Total deferred tax (Note 19(b))	117	253
Total income tax expense	1,388	1,572

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Mainland China Income Tax represents mainland China Corporate Income Tax calculated at 25% (2023: 25%) and mainland China withholding income tax calculated at the applicable rates. The withholding tax rate applicable to Hong Kong companies in respect of dividend distributions from foreign investment enterprises in mainland China was 5% (2023: 5%).

- (b) Share of joint ventures' taxation for the year ended December 31, 2024 of HK\$7 million (2023: HK\$7 million) is included in the "share of profits of joint ventures".
- (c) Reconciliation between actual tax expense and profit before taxation at applicable tax rates is as follows:

HK\$ Million	2024	2023
Profit before taxation	4,045	6,168
Notional tax on profit before taxation at applicable rates	659	1,101
Tax effect of non-taxable income	(159)	(151)
Tax effect of non-deductible expenses	351	292
Tax effect of unrecognized temporary differences	125	(25)
Tax effect of unrecognized tax losses	407	350
Under-provision in prior years	5	5
Actual tax expense	1,388	1,572

7 Taxation in the Consolidated Statement of Profit or Loss (Continued)

- (d) Both mainland China and Hong Kong in which our Group has business operations have not enacted new tax laws to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development for the year ended December 31, 2024. If the new tax laws had applied in both regions in 2024, the Group does not expect to be subject to a new top-up tax in relation to its operations in mainland China and Hong Kong.

8 Dividends

(a) Dividends attributable to the year

HK\$ Million	2024	2023
Interim dividend declared and paid of HK12 cents (2023: HK18 cents) per share	566	810
Final dividend of HK40 cents (2023: HK60 cents) per share proposed after the end of the reporting period	1,913	2,699
	2,479	3,509

The dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

The Board of Directors proposes that eligible shareholders be given the option to elect to receive the final dividend in cash, or in the form of new shares in lieu of cash in respect of part or all of such dividend (the "Scrip Dividend Arrangement"). The Scrip Dividend Arrangement is conditional upon: (1) the granting of a general mandate by the shareholders of the Company to the Board of Directors to allot, issue and deal with such additional shares of the Company representing 20% of the number of shares in issue on the date of passing such resolution at the Annual General Meeting to be held on April 30, 2025 (the "AGM"); (2) the approval of the proposed final dividend at the AGM; and (3) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to the Scrip Dividend Arrangement.

- (b) The final dividend of HK\$2,699 million (calculated based on HK60 cents per share and the total number of issued shares as of the dividend pay-out date) for the year ended December 31, 2023 were approved and paid in the year ended December 31, 2024 (2023: HK\$2,699 million), of which HK\$1,708 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on January 30, 2024.

Included in 2024 interim dividend paid during the year, HK\$393 million was settled through scrip dividend pursuant to the Scrip Dividend Arrangement announced by the Company on July 30, 2024.

9 Earnings Per Share

- (a) The calculation of basic and diluted earnings per share is based on the following data:

HK\$ Million	2024	2023
Net profit attributable to shareholders	2,153	3,970
	Number of shares	
	2024	2023
Weighted average number of shares used in calculating basic and diluted earnings per share (Note)	4,635,426,372	4,499,260,670

Note:

Diluted earnings per share was the same as the basic earnings per share for the years as there were no dilutive potential ordinary shares in existence during both years.

- (b) The underlying net profit attributable to shareholders, which excluded changes in fair value of properties net of related income tax and non-controlling interests, is calculated as follows:

HK\$ Million	2024	2023
Net profit attributable to shareholders	2,153	3,970
Effect of changes in fair value of properties	937	9
Effect of income tax for changes in fair value of properties	20	103
Effect of changes in fair value of investment properties of joint ventures	11	4
	968	116
Non-controlling interests	(26)	51
	942	167
Underlying net profit attributable to shareholders	3,095	4,137

The earnings per share based on underlying net profit attributable to shareholders was:

	2024	2023
Basic	HK\$0.67	HK\$0.92
Diluted	HK\$0.67	HK\$0.92

10 Investment Properties and Property, Plant and Equipment

HK\$ Million

	Investment properties	Investment properties under development	Property, Plant and Equipment		Total
			Hotel properties	Others	
Cost or valuation:					
At January 1, 2023	167,861	22,703	–	864	191,428
Exchange adjustment	(1,545)	(306)	–	(7)	(1,858)
Additions	965	2,648	–	115	3,728
Disposals	(8)	–	–	(191)	(199)
(Decrease)/increase in fair value	(185)	176	–	–	(9)
Transfer in/(out)	1,958	(1,958)	–	–	–
Transfer from properties for sale (Note 16)	–	347	–	–	347
At December 31, 2023 and January 1, 2024	169,046	23,610	–	781	193,437
Exchange adjustment	(2,285)	(511)	(39)	(20)	(2,855)
Additions	657	3,087	110	60	3,914
Disposals	–	–	–	(23)	(23)
Decrease in fair value	(793)	(144)	–	–	(937)
Transfer in/(out)	(460)	(2,041)	2,501	–	–
Transfer from properties for sale (Note 16)	354	–	–	–	354
At December 31, 2024	166,519	24,001	2,572	798	193,890
Accumulated depreciation:					
At January 1, 2023	–	–	–	544	544
Exchange adjustment	–	–	–	(3)	(3)
Charge for the year	–	–	–	88	88
Written back on disposals	–	–	–	(179)	(179)
At December 31, 2023 and January 1, 2024	–	–	–	450	450
Exchange adjustment	–	–	–	(13)	(13)
Charge for the year	–	–	28	89	117
Written back on disposals	–	–	–	(17)	(17)
At December 31, 2024	–	–	28	509	537
Net book value:					
At December 31, 2024	166,519	24,001	2,544	289	193,353
At December 31, 2023	169,046	23,610	–	331	192,987
Cost or valuation of investment properties and property, plant and equipment are as follows:					
December 31, 2024					
Valuation	166,519	24,001	–	–	190,520
Cost	–	–	2,572	798	3,370
	166,519	24,001	2,572	798	193,890
December 31, 2023					
Valuation	169,046	23,610	–	–	192,656
Cost	–	–	–	781	781
	169,046	23,610	–	781	193,437

10 Investment Properties and Property, Plant and Equipment (Continued)

(a) The investment properties include right-of-use assets.

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties and investment properties under development measured at the end of the reporting period on a recurring basis, categorized into a three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique is as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

HK\$ Million	Fair value measurement at 2024		
	Level 1	Level 2	Level 3
Investment properties	–	166,519	–
Investment properties under development	–	–	24,001

HK\$ Million	Fair value measurement at 2023		
	Level 1	Level 2	Level 3
Investment properties	–	169,046	–
Investment properties under development	–	–	23,610

The Group's policy is to recognize transfers between levels of fair value hierarchy at the time at which they occur. During the year, other than the transfers from investment properties under development to investment properties upon their completion, there were no transfers between levels of fair value hierarchy.

The Group's investment properties and investment properties under development were revalued as of December 31, 2024 by Savills Valuation and Professional Services Limited, an independent qualified valuer, on a market value basis. Management has discussions with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the Group's investment properties is determined by using income capitalization approach with reference to current market rents and capitalization rates using market data.

10 Investment Properties and Property, Plant and Equipment (Continued)

(b) Fair value measurement of properties (Continued)

(iii) Information about Level 3 fair value measurements

The fair value of investment properties under development is determined by using direct comparison approach, with reference to comparable market transactions as available in the market to derive the fair value of the property and, where appropriate, after deducting the following items:

- Estimated development costs to be expended to complete the properties that would be incurred by a market participant; and
- Estimated profit margin that a market participant would require to hold and develop the property to completion.

The higher the estimated development costs or profit margin, the lower the fair value of investment properties under development.

The main Level 3 unobservable inputs used by the Group are as follows:

The total estimated development costs to be incurred for each of the Group's investment properties under development ranged from HK\$0.1 billion to HK\$9.3 billion (2023: HK\$0.2 billion to HK\$9.6 billion). The estimates are largely consistent with the budgets developed internally by the Group based on management experience and knowledge of market conditions.

The movements in the investment properties under development during the year represent the movements in the balances of these Level 3 fair value measurements.

Fair value adjustments of investment properties and investment properties under development is recognized in "decrease in fair value of properties" in the consolidated statement of profit or loss.

- (c) An analysis of net book value of investment properties and investment properties under development is as follows:

HK\$ Million	Investment properties		Investment properties under development	
	2024	2023	2024	2023
In Hong Kong				
– long-term leases (over 50 years)	36,612	36,973	–	–
– medium-term leases (10 to 50 years)	25,864	24,854	–	352
Outside Hong Kong				
– long-term leases (over 50 years)	–	–	–	16
– medium-term leases (10 to 50 years)	104,043	107,219	24,001	23,242
	166,519	169,046	24,001	23,610

- (d) An analysis of net book value of land and buildings under property, plant and equipment is as follows:

HK\$ Million	Hotel properties		Other land and buildings	
	2024	2023	2024	2023
In Hong Kong				
– long-term leases (over 50 years)	–	–	12	13
Outside Hong Kong				
– long-term leases (over 50 years)	–	–	9	22
– medium-term leases (10 to 50 years)	2,427	–	9	3
	2,427	–	30	38

11 Leases

(a) As a lessee

The Group leases properties for property leasing business and administrative use.

Most of the Group's leased properties meet the definition of investment properties and are presented in the consolidated statement of financial position as investment properties. The Group did not recognize right-of-use assets and lease liabilities for other leases that are of short-term or of low-value assets.

Amounts recognized in profit or loss:

HK\$ Million	2024	2023
Interest on lease liabilities	13	14
Expenses relating to short-term leases	6	9
	19	23

Lease liabilities recognized in the consolidated statement of financial position:

HK\$ Million	2024	2023
Current liabilities	23	30
Non-current liabilities	240	248
	263	278

A maturity analysis of lease liabilities is disclosed in note 27(b).

Amounts included in the cash flow statement:

HK\$ Million	2024	2023
Within operating cash flows	(6)	(9)
Within financing cash flows	(30)	(28)
	(36)	(37)

(b) As a lessor

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to five years, with an option to renew the lease after that date, at which time all terms are renegotiated. Certain long-term leases contain rent review or adjustment clauses and the Group has a regular proportion of leases up for renewal each year. Certain leases include variable lease payments calculated with reference to the revenue of tenants.

Lease income from lease contracts in which the Group acts as a lessor is as below:

HK\$ Million	2024	2023
Operating leases		
Fixed or variable depending on an index or rate	7,244	7,452
Variable not depending on an index or rate	1,127	1,545
	8,371	8,997

11 Leases (Continued)**(b) As a lessor** (Continued)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments under non-cancellable operating leases to be received after the reporting date.

HK\$ Million	2024	2023
Within 1 year	6,074	6,218
After 1 year but within 2 years	3,676	3,956
After 2 years but within 3 years	1,783	2,204
After 3 years but within 4 years	687	838
After 4 years but within 5 years	379	339
After 5 years	277	254
	12,876	13,809

12 Interests in Joint Ventures

HK\$ Million	2024	2023
Share of net assets	1,104	1,116

Details of joint ventures are set out in note 35. The aggregate financial information related to the Group's share of joint ventures that are not individually material are as follows:

HK\$ Million	2024	2023
Non-current assets	1,134	1,148
Current assets	4	5
Non-current liabilities	(10)	(10)
Current liabilities	(24)	(27)
Net assets	1,104	1,116

HK\$ Million	2024	2023
Revenue	54	59
Profits and total comprehensive income for the year	26	36

13 Other Assets

As of December 31, 2024, other assets comprised investments in unlisted equity instruments of HK\$76 million (2023: HK\$76 million), which were measured at fair value through other comprehensive income. These equity instruments are of Ever Light Limited, a company engaged in property leasing, and are expected to be held for long-term strategic purposes.

14 Cash and Deposits with Banks

HK\$ Million	2024	2023
Cash at banks	3,125	2,379
Time deposits	7,178	2,973
Cash and deposits with banks in the consolidated statement of financial position	10,303	5,352
Less: Bank deposits with maturity greater than 3 months	(105)	(81)
Cash and cash equivalents in the consolidated cash flow statement	10,198	5,271

During the year, the Group's cash and deposits with banks were interest-bearing at an average rate of 1.7% (2023: 2.1%) per annum. The currencies of cash and deposits with banks at the year end date were as follows:

HK\$ Million	2024	2023
Hong Kong Dollars	8,367	3,311
Hong Kong Dollar equivalent of:		
Renminbi	1,934	1,877
United States Dollars	2	164
	10,303	5,352

After deducting cash and deposits with banks from bank loans and other borrowings, the net debt position of the Group at the end of the reporting period was as follows:

HK\$ Million	2024	2023
Bank loans and other borrowings (Note 17)	57,376	50,704
Less: Cash and deposits with banks	(10,303)	(5,352)
Net debt	47,073	45,352

15 Trade and Other Receivables

Included in trade and other receivables are trade receivables (based on the due date) with the following aging analysis:

HK\$ Million	2024	2023
Not past due or less than 1 month past due	166	138
1 – 3 months past due	16	9
More than 3 months past due	2	1
	184	148

Provision for expected credit losses was assessed and adequately made on a tenant-by-tenant basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding balances. The details on the Group's credit policy are set out in note 27(c).

16 Properties for Sale

HK\$ Million	2024	2023
In mainland China		
– Completed properties for sale	3,493	3,390
– Properties under development for sale	3,143	3,057
	6,636	6,447
In Hong Kong		
– Completed properties for sale	2,358	967
– Properties under development for sale	4,495	6,809
	6,853	7,776
	13,489	14,223

During the year ended December 31, 2024, certain completed properties for sale in mainland China with aggregate carrying amount of HK\$354 million (2023: Nil) were transferred to investment properties upon the change in use from property for sale to property leasing (Note 10).

During the year ended December 31, 2023, certain properties under development for sale in Hong Kong with aggregate carrying amount of HK\$347 million were transferred to investment properties under development upon the change in intended use (Note 10). The fair value of these properties at the date of transfer was HK\$352 million. The difference between the fair value and carrying amount of these properties was included in "decrease in fair value of properties" in the consolidated statement of profit or loss.

All properties under development for sale are expected to be recovered after more than one year, except HK\$17 million (2023: HK\$770 million) of which are expected to be completed and handed over to buyers within one year after the end of the reporting period.

17 Bank Loans and Other Borrowings

At the end of the reporting period, bank loans and other borrowings were unsecured and repayable as follows:

HK\$ Million	2024	2023
Bank loans (Note 17(a))		
Within 1 year or on demand	3,751	3,468
After 1 year but within 2 years	9,067	8,483
After 2 years but within 5 years	26,351	22,468
Over 5 years	3,485	2,816
	42,654	37,235
Other borrowings (Note 17(b))		
Within 1 year or on demand	5,596	970
After 1 year but within 2 years	1,817	5,632
After 2 years but within 5 years	7,107	5,466
Over 5 years	400	1,595
	14,920	13,663
	57,574	50,898
Less: unamortized front end fees	(198)	(194)
Total bank loans and other borrowings	57,376	50,704
Amount due within 1 year included under current liabilities	(9,340)	(4,434)
	48,036	46,270

- (a) All bank loans are interest-bearing at rates ranging from 3.4% to 7.0% (2023: 3.7% to 6.9%) per annum.

Certain of the Group's borrowings with carrying amounts of HK\$35,538 million (2023: HK\$31,456 million) are attached with financial covenants which require that at any time, the Group's consolidated or its subsidiaries' tangible net worth is not less than and the ratio of borrowings to consolidated tangible net worth is not more than certain required levels. During the year, all these covenants have been complied with by the Group or its subsidiaries.

At December 31, 2024, the Group had HK\$12,535 million (2023: HK\$15,717 million) of undrawn committed banking facilities.

- (b) Other borrowings represent bonds issued at coupon rates ranging from 2.00% to 5.00% (2023: 2.00% to 4.75%) per annum.

At December 31, 2024, the available balances of the Group's US\$4 billion (2023: US\$4 billion) Medium Term Note Program amounted to US\$2,078 million (2023: US\$2,251 million), equivalent to HK\$16,134 million (2023: HK\$17,584 million).

18 Trade and Other Payables

HK\$ Million	2024	2023
Creditors and accrued expenses (Note 18(a))	6,414	6,950
Contract liabilities (Note 18(b))	130	510
Deposits received (Note 18(c))	2,747	2,756
	9,291	10,216

- (a) Creditors and accrued expenses include retention money payable of HK\$502 million (2023: HK\$407 million) which is not expected to be settled within one year.

Included in trade and other payables is an amount of HK\$601 million (2023: HK\$601 million) due to a fellow subsidiary, which is the joint developer of a project in which the Group and the fellow subsidiary hold respective interests of 66.67% and 33.33%. The amount represents the contribution by the fellow subsidiary in proportion to its interest to finance the project, and is unsecured, non-interest bearing and has no fixed terms of repayment.

(b) Contract liabilities

- (i) Building management fees and other income from property leasing received in advance of HK\$85 million (2023: HK\$83 million)

Building management fees and other rental related charges are due for payment on the first day of the service period. The fees and charges received before the payment due date are classified as contract liabilities and recognized as revenue when the services are rendered.

- (ii) Property sales proceeds received in advance of HK\$45 million (2023: HK\$427 million)

Typically, the Group receives certain percentage of the consideration from buyers shortly after signing the preliminary sale and purchase agreement (S&P) of residential properties. The remaining balance is paid before or upon closing of contracts when legal titles are transferred to buyers. Proceeds received in advance are recognized as contract liabilities until the legal titles are transferred to buyers, at which time the contract liabilities are recognized as revenue.

None of the above balance is expected to be recognized as revenue after one year.

(iii) Movement in contract liabilities

HK\$ Million	2024	2023
At 1 January	510	471
Decrease as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(485)	(84)
Increase as a result of billing in advance of building management fees and other income from property leasing	85	83
Increase as a result of receiving property sales proceeds	20	40
At 31 December	130	510

18 Trade and Other Payables (Continued)

- (c) In the amount of deposits received, HK\$1,583 million (2023: HK\$1,587 million) are not expected to be settled within one year.

Included in trade and other payables are trade creditors with the following aging analysis:

HK\$ Million	2024	2023
Due within 3 months	1,368	2,053
Due after 3 months	2,647	2,289
	4,015	4,342

19 Taxation in the Consolidated Statement of Financial Position**(a) Current taxation**

HK\$ Million	2024	2023
Hong Kong Profits Tax	74	204
Mainland China Income Tax	220	253
	294	457

(b) Deferred taxation

HK\$ Million	2024	2023
Deferred tax liabilities	13,374	13,524
Deferred tax assets	(140)	(142)
	13,234	13,382

The components of deferred tax liabilities/(assets) recognized in the consolidated statement of financial position and the movements during the year are as follows:

HK\$ Million	Depreciation allowances in excess of related depreciation	Revaluation of properties	Future benefit of tax losses	Others	Total
At January 1, 2023	2,098	11,373	(151)	2	13,322
Exchange adjustments	(21)	(161)	–	–	(182)
Charged/(credited) to					
– profit or loss (Note 7(a))	133	103	21	(4)	253
– other comprehensive income	–	–	–	(11)	(11)
At December 31, 2023 and January 1, 2024	2,210	11,315	(130)	(13)	13,382
Exchange adjustments	(31)	(240)	–	(3)	(274)
Charged/(credited) to					
– profit or loss (Note 7(a))	128	20	(14)	(17)	117
– other comprehensive income	–	–	–	9	9
At December 31, 2024	2,307	11,095	(144)	(24)	13,234

19 Taxation in the Consolidated Statement of Financial Position (Continued)

(c) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of tax losses of HK\$8,687 million (2023: HK\$8,517 million) sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilized is not probable at December 31, 2024. The tax losses arising from Hong Kong operations do not expire under current tax legislation. The tax losses arising from the operations in mainland China will expire at various dates up to 2029.

20 Share Capital

	2024		2023	
	Number of shares Million	Amount of share capital HK\$ Million	Number of shares Million	Amount of share capital HK\$ Million
Ordinary shares, issued and fully paid:				
At January 1	4,499	39,950	4,499	39,950
Shares issued in respect of scrip dividends	285	2,101	–	–
At December 31	4,784	42,051	4,499	39,950

On September 25, 2024, the Company issued and allotted a total of 72 million ordinary shares at an issue price of HK\$5.516 per ordinary share to the shareholders who elected to receive shares in the Company in lieu of cash in respect of 2024 interim dividend pursuant to the scrip dividend arrangement announced by the Company on July 30, 2024. The new ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

On June 14, 2024, the Company issued and allotted a total of 213 million ordinary shares at an issue price of HK\$8.012 per ordinary share to the shareholders who elected to receive shares in the Company in lieu of cash in respect of 2023 final dividend pursuant to the scrip dividend arrangement announced by the Company on January 30, 2024. The new ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

21 Reserves

(a) The Group

HK\$ Million	Other reserves					Retained profits	Total reserves
	Exchange reserve	Hedging reserve	Investment revaluation reserve	Employee share-based compensation reserve	Total		
At January 1, 2023	(4,005)	50	77	570	(3,308)	96,739	93,431
Profit for the year	–	–	–	–	–	3,970	3,970
Exchange difference arising from translation to presentation currency	(1,434)	–	–	–	(1,434)	–	(1,434)
Loss on net investment hedge	(9)	–	–	–	(9)	–	(9)
Cash flow hedges: net movement in hedging reserve	–	(73)	–	–	(73)	–	(73)
Net change in fair value of equity investments	–	–	(1)	–	(1)	–	(1)
Total comprehensive income for the year	(1,443)	(73)	(1)	–	(1,517)	3,970	2,453
Final dividend in respect of previous year	–	–	–	–	–	(2,699)	(2,699)
Interim dividend in respect of current year	–	–	–	–	–	(810)	(810)
Employee share-based payments	–	–	–	(104)	(104)	187	83
At December 31, 2023 and January 1, 2024	(5,448)	(23)	76	466	(4,929)	97,387	92,458
Profit for the year	–	–	–	–	–	2,153	2,153
Exchange difference arising from translation to presentation currency	(2,083)	–	–	–	(2,083)	–	(2,083)
Gain on net investment hedge	148	–	–	–	148	–	148
Cash flow hedges: net movement in hedging reserve	–	51	–	–	51	–	51
Total comprehensive income for the year	(1,935)	51	–	–	(1,884)	2,153	269
Final dividend in respect of previous year	–	–	–	–	–	(2,699)	(2,699)
Interim dividend in respect of current year	–	–	–	–	–	(566)	(566)
Employee share-based payments	–	–	–	(42)	(42)	116	74
At December 31, 2024	(7,383)	28	76	424	(6,855)	96,391	89,536

21 Reserves (Continued)

(a) The Group (Continued)

The retained profits of the Group at December 31, 2024 included HK\$925 million (2023: HK\$924 million) in respect of statutory reserves of the subsidiaries in mainland China.

The exchange reserve of the Group comprises exchange differences arising from the translation of the Group's operations in mainland China and the effective portion of any foreign exchange differences arising from hedging of net investments in foreign operations (Note 1(l)(2)).

The hedging reserve comprises the Group's share of effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss (Note 1(l)(1)).

The table below provides a reconciliation of the hedging reserve in respect of interest rate risk (Note 27(a)) and currency risk (Note 27(d)):

HK\$ Million	Interest rate risk	Currency risk	Total
At January 1, 2023	50	–	50
Effective portion of cash flow hedge recognized in other comprehensive income	18	(16)	2
Amount reclassified to profit or loss	(86)	–	(86)
Related tax	11	–	11
At December 31, 2023 and January 1, 2024	(7)	(16)	(23)
Effective portion of cash flow hedge recognized in other comprehensive income	115	5	120
Amount reclassified to profit or loss	(62)	2	(60)
Related tax	(9)	–	(9)
At December 31, 2024	37	(9)	28

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments measured at FVTOCI (Note 1(j)).

The employee share-based compensation reserve comprises the fair value of share options granted which are not yet exercised, as explained in note 1(z).

21 Reserves (Continued)

(b) The Company

HK\$ Million	Employee share-based compensation reserve	Retained profits	Total reserves
At January 1, 2023	570	23,559	24,129
Profit and total comprehensive income for the year	–	3,833	3,833
Final dividend in respect of previous year	–	(2,699)	(2,699)
Interim dividend in respect of current year	–	(810)	(810)
Employee share-based payments	(104)	187	83
At December 31, 2023 and January 1, 2024	466	24,070	24,536
Profit and total comprehensive income for the year	–	3,548	3,548
Final dividend in respect of previous year	–	(2,699)	(2,699)
Interim dividend in respect of current year	–	(566)	(566)
Employee share-based payments	(42)	116	74
At December 31, 2024	424	24,469	24,893

The aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company at December 31, 2024 was HK\$24,469 million (2023: HK\$24,070 million).

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders, and to secure access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in the light of changes in the Group's business portfolio and economic conditions.

The Group monitors its capital structure by reviewing its leveraging ratio (net debt to equity ratio and debt to equity ratio) and cash flow requirements, taking into account future financial obligations and commitments. Net debt represents bank loans and other borrowings less cash and deposits with banks. Equity comprises shareholders' equity and non-controlling interests.

The Group has a net debt position as of December 31, 2024 (Note 14). Net debt to equity ratio and debt to equity ratio as of December 31, 2024 were 33.4% (2023: 31.9%) and 40.7% (2023: 35.7%), respectively. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 Cash Generated from Operations

HK\$ Million	2024	2023
Profit before taxation	4,045	6,168
Adjustments for:		
(Gain)/loss on disposal of property, plant and equipment	(17)	12
Dividend income from equity investments measured at FVTOCI	(2)	(2)
Employee share-based payments	74	83
Depreciation	117	88
Provision for properties for sale	384	–
Decrease in fair value of properties	937	9
Interest income on bank deposits	(42)	(71)
Finance costs	926	692
Share of profits of joint ventures	(26)	(36)
Gain on disposal of investment properties	–	(11)
Decrease/(increase) in properties for sale	159	(2,573)
Decrease in trade and other receivables	221	60
(Decrease)/increase in creditors and accrued expenses and contract liabilities	(421)	563
Increase in deposits received	32	25
Cash generated from operations	6,387	5,007

23 Reconciliation of Liabilities Arising from Financing Activities

HK\$ Million	Bank loans and other borrowings (Note 17)	Lease liabilities (Note 11)	Total
At January 1, 2023	45,524	293	45,817
Cash flows	5,304	(28)	5,276
Non-cash changes:			
Entering into new leases	–	3	3
Unwind of discount and amortization of transaction costs	69	14	83
Exchange adjustment	(193)	(4)	(197)
At December 31, 2023 and January 1, 2024	50,704	278	50,982
Cash flows	6,952	(30)	6,922
Non-cash changes:			
Entering into new leases	–	8	8
Unwind of discount and amortization of transaction costs	76	13	89
Exchange adjustment	(356)	(6)	(362)
At December 31, 2024	57,376	263	57,639

24 Commitments

At the end of the reporting period, capital commitments not provided for in the financial statements were as follows:

HK\$ Million	2024	2023
Contracted for	4,926	6,279
Authorized but not contracted for	8,416	9,145
	13,342	15,424

The above commitments include mainly the construction related costs to be incurred in respect of the Group's development of investment properties in various cities in mainland China.

25 Employee Benefits

(a) Retirement benefits

Staff of the Group's entities operating in Hong Kong are offered either an MPF Exempted Occupational Retirement Scheme (the "ORSO Scheme") or a master trust Mandatory Provident Fund Scheme (the "MPF Scheme"). The eligibility for membership of the ORSO and MPF schemes is identical for new employees. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment (LSP) if the eligibility criteria are met.

The ORSO Scheme is a defined contribution provident fund scheme, the assets of which are held separately from those of the Group by an independent corporate trustee and managed by professional fund managers. Contributions are made by both the employer and the employees at a certain percentage of employees' basic salaries, the percentage varying with their length of service. When an employee leaves the scheme prior to his or her interest in the Group's contributions being fully vested, forfeited contributions are refunded to the Group. Total contributions made by the Group for the year amounted to HK\$33 million (2023: HK\$35 million) and forfeited sums refunded to the Group amounted to HK\$2 million (2023: HK\$2 million).

The MPF Scheme is operated by an independent service provider. Mandatory contributions are made by both the employer and the employees at 5% of the employees' monthly relevant income, up to a limit of HK\$30,000. The Group's contributions will be fully and immediately vested in the employees' accounts as their accrued benefits in the scheme. Total MPF contributions made by the Group for the year amounted to HK\$7 million (2023: HK\$8 million).

Staff of the Group's mainland China subsidiaries are members of a retirement benefits scheme (the "Mainland RB Scheme") operated by the local municipal government in mainland China. The only obligation of the subsidiaries in mainland China is to contribute a certain percentage of their payroll to Mainland RB Scheme to fund the retirement benefits. The local municipal government in mainland China undertakes to assume the retirement benefits obligations of all existing and future retired employees of subsidiaries in mainland China. Total contributions made by subsidiaries in mainland China for the year amounted to HK\$71 million (2023: HK\$69 million).

25 Employee Benefits (Continued)

(b) Equity compensation benefits

The share option scheme adopted by the Company on April 18, 2012 (the "2012 Share Option Scheme") was terminated upon the adoption of a new share option scheme on April 27, 2022 (the "2022 Share Option Scheme", together with the 2012 Share Option Scheme are referred to as the "Schemes"). The 2022 Share Option Scheme became valid and effective for a period of ten years commencing from the date of adoption. Upon termination of the 2012 Share Option Scheme, no further share options could be granted under the 2012 Share Option Scheme but in all other respects the provisions of the 2012 Share Option Scheme remain in full force and effect, and all share options granted prior to such termination and not exercised nor forfeited/lapsed at the date of termination remain valid.

The purposes of the Schemes are to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group, to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interest in the Company.

Under the Schemes, the board of directors of the Company (the "Board") is authorized to grant options to selected participants, including employees and directors of any company in the Group, subject to the terms and conditions such as performance targets as the Board may specify on a case-by-case basis or generally. The exercise price of the options is determined by the Board at the time of grant, and shall not be less than the higher of the nominal value of the shares, the closing price of the shares at the date of grant and the average closing price of the shares for the five business days immediately preceding the date of grant. The period open for acceptance of the option and amount payable thereon, the vesting period, the exercisable period and the number of shares subject to each option are determined by the Board at the time of grant.

The share options granted under the Schemes to the directors and employees of the Company and its subsidiaries are at nominal consideration and each share option gives the holder the right to subscribe for one share of the Company.

As of the date of this annual report, the total number of shares of the Company available for issue under the 2022 Share Option Scheme is 282,875,550 shares, representing approximately 5.9% of the total number of issued shares of the Company. The total number of shares issued and to be issued upon exercise of options (including both exercised and outstanding) granted to each participant under the 2022 Share Option Scheme in any 12-month period shall not exceed 1% of the shares of the Company in issue.

25 Employee Benefits (Continued)

(b) Equity compensation benefits (Continued)

The movements of share options during the year are as follows:

(i) 2012 Share Option Scheme

Date granted	Number of share options			Period during which share options are exercisable	Exercise price (HK\$)
	Outstanding on January 1, 2024	Forfeited/ Lapsed	Outstanding on December 31, 2024		
December 5, 2014	18,750,000	(18,750,000)	–	December 5, 2016 to December 4, 2024	22.60
August 10, 2017	27,655,000	(2,436,000)	25,219,000	August 10, 2019 to August 9, 2027	19.98
May 16, 2018	10,000,000	–	10,000,000	May 16, 2020 to May 15, 2028	18.98
June 28, 2019	39,691,100	(3,018,600)	36,672,500	June 28, 2021 to June 27, 2029	18.58
May 12, 2021	54,521,000	(5,115,000)	49,406,000	May 12, 2023 to May 11, 2031	19.95
October 6, 2021	2,000,000	–	2,000,000	October 6, 2023 to October 5, 2031	17.65
February 21, 2022	59,140,000	(6,300,000)	52,840,000	February 21, 2024 to February 20, 2032	16.38
Total	211,757,100	(35,619,600)	176,137,500		

All the above share options may vest after two to five years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were granted, exercised or cancelled during the year.

During the year, 18,139,600 share options (2023: 13,029,600 share options) were forfeited upon cessations of the grantees' employments and 17,480,000 share options (2023: 21,910,000 share options) lapsed due to the expiry of the period for exercising the share options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Weighted average exercise price (HK\$)	Number of options	Weighted average exercise price (HK\$)	Number of options
Outstanding at January 1	18.87	211,757,100	19.69	246,696,700
Forfeited	18.67	(18,139,600)	18.66	(13,029,600)
Lapsed	22.60	(17,480,000)	28.20	(21,910,000)
Outstanding at December 31	18.52	176,137,500	18.87	211,757,100
Exercisable at December 31	19.09	92,730,500	20.04	86,085,600

25 Employee Benefits (Continued)

(b) Equity compensation benefits (Continued)

(i) 2012 Share Option Scheme (Continued)

The weighted average remaining contractual life of share options outstanding at the end of the reporting period was 5.5 years (2023: 6.0 years).

(ii) 2022 Share Option Scheme

Date granted	Number of share options			Period during which share options are exercisable	Exercise price (HK\$)
	Outstanding on January 1, 2024	Forfeited/ Lapsed	Outstanding on December 31, 2024		
June 28, 2023	52,978,000	(4,854,000)	48,124,000	June 28, 2025 to June 27, 2033	12.49
Total	52,978,000	(4,854,000)	48,124,000		

All the above share options may vest after two to four years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse. No share options were granted, exercised or cancelled during the year.

During the year, 4,854,000 share options (2023: 1,591,000 share options) were forfeited upon cessations of the grantees' employments.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Weighted average exercise price (HK\$)	Number of options	Weighted average exercise price (HK\$)	Number of options
Outstanding at January 1	12.49	52,978,000	–	–
Granted	–	–	12.49	54,569,000
Forfeited	12.49	(4,854,000)	12.49	(1,591,000)
Outstanding at December 31	12.49	48,124,000	12.49	52,978,000
Exercisable at December 31	–	–	–	–

The weighted average remaining contractual life of share options outstanding at the end of the reporting period was 8.5 years (2023: 9.5 years).

The fair value of share options granted was estimated at the date of grant using the Black-Scholes pricing model taking into account the terms and conditions upon which the options were granted.

25 Employee Benefits (Continued)

(b) Equity compensation benefits (Continued)

(ii) 2022 Share Option Scheme (Continued)

In respect of the share options granted in 2023, the fair value, terms and conditions, and assumptions were as follows:

Fair value at grant date	HK\$1.64
Share price at grant date	HK\$12.34
Exercise price	HK\$12.49
Risk-free interest rate	3.44%
Expected life (in years)	6
Expected volatility	27.02%
Expected dividends per share	HK\$0.78

Note:

No share options were granted in 2024.

The expected volatility is based on the historical volatility and the expected dividends per share are based on historical dividends. Changes in the above assumptions could materially affect the fair value estimate.

(iii) In respect of share options granted to the directors, the related charge recognized for the year ended December 31, 2024, estimated in accordance with the Group's accounting policy in note 1(z)(2) was as follows:

- (1) Mr. Ronnie C. Chan (retired on April 26, 2024), HK\$5.2 million (2023: HK\$5.7 million);
- (2) Mr. Adriel Chan, HK\$4.7 million (2023: HK\$5.0 million);
- (3) Mr. Weber W.P. Lo, HK\$4.7 million (2023: HK\$6.0 million); and
- (4) Mr. Kenneth K.K. Chiu, HK\$3.1 million (2023: HK\$2.9 million).

26 Material Related Party Transactions

Except for the emoluments to directors and key management personnel disclosed in notes 6 and 25(b) and the transactions and balances already disclosed elsewhere in the financial statements, the Group did not have any material related party transactions in the ordinary course of business.

None of the above related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided on page 137 in the Report of the Directors.

27 Financial Risk Management Objectives and Policies

Exposure to interest rate, liquidity, credit and currency risks arises in the normal course of the Group's business. The Group has policies and practices approved by management as described below in managing these risks.

(a) Interest rate risk

The Group's interest rate risk arises primarily from deposits with banks and floating rate bank borrowings. Interest rate trends and movements are closely monitored and, if appropriate, existing borrowings will be replaced with new bank facilities when favorable pricing opportunities arise.

The Group enters into floating-for-fixed interest rate swaps to manage its exposure to interest rate risk. In addition, the Group maintains the Medium Term Note Program which facilitates the Group to mitigate future interest rate volatility and re-financing risks.

The Group has designated the interest rate swaps in their entirety as the hedging instruments of the interest rate risk on variability in cash flows arising from certain floating rate bank loans. The table below summarizes the details of hedging instruments as of the end of the reporting period and the effect of the hedge accounting during the year:

HK\$ Million	2024	2023
Notional amount of hedging instruments	5,700	4,900
Carrying amount of hedging instruments		
– Trade and other receivables	44	5
– Trade and other payables	–	(14)
Change in fair value used for measuring hedge ineffectiveness		
– Hedging instruments	115	18
– Hedged items	(115)	(18)
Change in fair value of hedging instruments recognized in other comprehensive income	115	18
Amount reclassified from hedging reserve to profit or loss that are credited to finance costs	62	86

These interest rate swaps will mature during 2026 to 2028, of which the Group receives Hong Kong Interbank Offered Rate and pays fixed rates ranging from 2.90% to 3.39% (2023: 3.06% to 3.39%). The hedge ratio is determined to be 1:1 as the Group uses interest rate swaps to match the critical terms of the bank loans, including the notional amounts, benchmark interest rates, interest repricing dates and interest payment/receipt dates. Hedge ineffectiveness is expected to be insignificant.

After taking into account the effect of interest rate swaps, the interest rate risk profile of the Group's borrowings at the end of the reporting period is as follows:

HK\$ Million	2024	2023
Fixed	23,725	18,576
Floating	33,651	32,128
Total borrowings	57,376	50,704

27 Financial Risk Management Objectives and Policies (Continued)

(a) Interest rate risk (Continued)

Based on the simulations performed at year end in relation to the Group's bank deposits as disclosed in note 14 and floating rate borrowings as listed above, it was estimated that the impact of a 100 basis-point increase in market interest rates from the rates applicable at the year end date, with all other variables held constant, would increase the Group's annual net interest payments by approximately HK\$235 million (2023: HK\$269 million).

This analysis is based on a hypothetical situation, as in practice market interest rates rarely change in isolation, and should not be considered a projection of likely future profits or losses. The analysis assumes the following:

- changes in market interest rates affect the interest income and interest expense of floating rate financial instruments and bank loans (after taking into account the effect of interest rate swaps); and
- all other financial assets and liabilities are held constant.

The analysis was performed on the same basis for 2023.

(b) Liquidity risk

The Group manages surplus cash centrally and the liquidity risk of the Company and subsidiaries at the corporate level. The Group maintains adequate amount of cash and undrawn committed bank facilities to meet all funding requirements. Significant flexibility is achieved through diverse sources of committed credit lines for capturing future expansion opportunities.

HK\$ Million		Contractual undiscounted cash flow				
	Carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Bank loans and other borrowings	57,376	65,676	11,672	12,822	36,248	4,934
Trade and other payables	9,291	9,291	7,708	750	742	91
Lease liabilities	263	362	24	24	75	239
At December 31, 2024	66,930	75,329	19,404	13,596	37,065	5,264

HK\$ Million		Contractual undiscounted cash flow				
	Carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Bank loans and other borrowings	50,704	58,773	6,703	16,017	30,628	5,425
Trade and other payables	10,216	10,216	8,222	1,033	919	42
Lease liabilities	278	388	30	24	73	261
At December 31, 2023	61,198	69,377	14,955	17,074	31,620	5,728

27 Financial Risk Management Objectives and Policies (Continued)**(c) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables with tenants and deposits held with reputable banks and financial institutions.

The Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. In addition to the payment of rental deposits, tenants are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly reviewed and closely monitored to minimize any associated credit risk.

Surplus cash is placed with reputable banks and financial institutions in accordance with pre-determined limits based on credit ratings and other factors to minimize concentration risk.

The Group does not provide any financial guarantee which would expose the Group to material credit risk.

There are no significant concentrations of credit risk within the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The Group measures loss allowances for trade receivables with tenants in accordance with note 1(m).

(d) Currency risk

The Group adopts a conservative risk management policy to manage foreign currency exposure. The level of hedge is decided through cost and benefit analysis with reference to prevailing market situation. If appropriate, the Group may use derivative financial instruments solely for hedging purposes. These derivatives reduce the uncertainty of interest payments and principal repayments of foreign currency debts and can be entered into on or after the issuance of a foreign currency debt.

Currency risk arises from assets and liabilities denominated in a currency other than the functional currency of the Group's entities to which they related. The Group has bonds outstanding amounting to US\$50 million (2023: US\$50 million). The currency risk arising from the USD denominated bonds is hedged by back-to-back USD/HKD cross currency swaps, at exchange rate of 7.75 HKD/USD and fixed interest rates at 2.03% (2023: 2.03%) per annum. These swaps will mature in 2028.

27 Financial Risk Management Objectives and Policies (Continued)

(d) Currency risk (Continued)

The Group has designated the cross currency swaps in their entirety as the hedging instruments of the foreign currency risk arising from the USD denominated bonds. The table below summarizes the details of hedging instruments as of the end of the reporting period and the effect of the hedge accounting during the year:

HK\$ Million	2024	2023
Notional amount of hedging instruments	388	388
Carrying amount of hedging instruments		
– Trade and other payables	(8)	(13)
Change in fair value used for measuring hedge ineffectiveness		
– Hedging instruments	5	(16)
– Hedged items	(5)	16
Change in fair value of hedging instruments recognized in other comprehensive income	5	(16)
Amount reclassified from hedging reserve to profit or loss that are charged to other net income	2	–

The hedge ratio is determined to be 1:1 as the Group uses cross currency swaps to match the critical terms of the bonds, including the notional amounts, currencies, interest payment/receipt dates and maturity dates. Hedge ineffectiveness is expected to be insignificant.

The Group engages in property development and investments in mainland China through local subsidiaries whose net carrying values are exposed to currency risk. In addition, the Group has Renminbi deposits of RMB1,791 million (2023: RMB1,701 million), for which there are currency risks but which are held to meet ongoing Renminbi payment obligations in relation to development projects in mainland China. Where appropriate, the Group seeks to minimize the exposure to currency risk in mainland China through borrowings denominated in Renminbi.

The Group has designated its Renminbi denominated borrowings outside mainland China as a hedging instrument for the changes in the value of the net investment in mainland China attributable to changes in the HKD/RMB spot rate. It is the Group's policy to monitor the currency risk arising from the net investment in mainland China and to adjust the hedging strategy when necessary. The risk management policy and hedging strategy are reviewed in light of the changes in the value of the Group's total net investment in mainland China.

The carrying amount of the Renminbi denominated borrowings designated as hedging instruments at December 31, 2024 was HK\$5,711 million (2023: HK\$1,182 million). The hedge was determined to be fully effective as the carrying value of the hedged item did not drop below the carrying amount of the hedging instrument throughout the hedging period. A foreign exchange gain of HK\$148 million (2023: loss of HK\$9 million) was recognized in the Group's other comprehensive income for the year on translation of the Renminbi denominated borrowings to Hong Kong dollars.

27 Financial Risk Management Objectives and Policies (Continued)

(d) Currency risk (Continued)

Management estimated that a 5% (2023: 5%) appreciation/depreciation of Renminbi against Hong Kong dollar would increase/decrease the Group's equity attributable to shareholders by HK\$4,436 million (2023: HK\$4,701 million).

The above analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2023.

(e) Fair value

The fair value of the Group's financial instruments is measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique is as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

(i) Financial assets and liabilities measured at fair value

(1) The level of fair value hierarchy within which the fair value measurements are categorized and analyzed below:

HK\$ Million	Fair value		Fair value measurements categorized into
	2024	2023	
Financial assets			
Trade and other receivables			
Interest rate swaps (cash flow hedges)	44	5	Level 2
Other assets			
Investment in equity instruments	76	76	Level 3
Financial liabilities			
Trade and other payables			
Cross currency swaps (cash flow hedges)	(8)	(13)	Level 2
Interest rate swaps (cash flow hedges)	–	(14)	Level 2

27 Financial Risk Management Objectives and Policies (Continued)

(e) Fair value (Continued)

(i) *Financial assets and liabilities measured at fair value* (Continued)

The fair value of the cross currency swaps and interest rate swaps is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair value of non-publicly traded equity investments is determined by reference to the net asset value of these investments.

(2) *Transfers of instruments between the three-level fair value hierarchy*

During the year, there were no transfers of instruments between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as of the end of the reporting period in which they occur.

(ii) *Fair value of financial instruments carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as of December 31, 2023 and 2024.

28 Significant Accounting Estimates and Judgments

Key sources of estimation uncertainty

Note 10(b) contains information about the assumptions and the risk relating to valuation of investment properties and investment properties under development.

Besides, the Group determines the net realizable value of properties for sale based on estimation of future selling price less estimated costs of completion and costs to be incurred in relation to the sale, with reference to the prevailing market data and market survey reports available from independent property valuers.

29 Company-Level Statement of Financial Position

At December 31, 2024

HK\$ Million	Note	2024	2023
Non-current assets			
Interests in subsidiaries	30	67,936	65,510
Current assets			
Cash and deposits with banks		2	1
Trade and other receivables		4	4
		6	5
Current liabilities			
Trade and other payables		17	21
Net current liabilities		11	16
Total assets less current liabilities		67,925	65,494
Non-current liabilities			
Amounts due to subsidiaries	30(c)	981	1,008
NET ASSETS		66,944	64,486
Capital and reserves			
Share capital	20	42,051	39,950
Reserves	21(b)	24,893	24,536
TOTAL EQUITY		66,944	64,486

Weber W.P. Lo
Chief Executive Officer

Kenneth K.K. Chiu
Chief Financial Officer

30 Interests in Subsidiaries and Amounts due to Subsidiaries

HK\$ Million	2024	2023
Non-current assets		
Unlisted shares, at cost	8	8
Amounts due from subsidiaries (Note 30(b))	67,928	65,502
	67,936	65,510

- (a) Details of principal subsidiaries are set out in note 34.
- (b) Amounts due from subsidiaries are unsecured, interest-free with no fixed terms of repayment and classified as non-current assets as they are not expected to be recoverable within the next 12 months.
- (c) Amounts due to subsidiaries are unsecured, interest-free with no fixed terms of repayment and classified as non-current liabilities as they are not expected to be repaid within the next 12 months.

31 Ultimate Holding Company

The ultimate holding company is Hang Lung Group Limited, a company incorporated in Hong Kong.

32 Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Year Ended December 31, 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended December 31, 2024 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial statements.

33 Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on January 24, 2025.

34 Principal Subsidiaries

At December 31, 2024

Company	Issued Share Capital (HK\$)	% Held by the Group	% Held by the Company	Activity	Place of Incorporation and Operations
Antonis Limited*	10,000	100	100	Property leasing	Hong Kong
AP City Limited	2	100	–	Property leasing	Hong Kong
AP Joy Limited	2	100	–	Property leasing	Hong Kong
AP Properties Limited				Property leasing	Hong Kong
'A' shares	34	100	–		
'B' shares	6	100	–		
AP Star Limited*	2	100	–	Investment holding	Hong Kong
AP Success Limited	2	100	–	Property leasing	Hong Kong
AP Universal Limited*	2	100	–	Property leasing	Hong Kong
AP Win Limited*	1,000,000	100	–	Property leasing	Hong Kong
AP World Limited	2	100	100	Property leasing	Hong Kong
Bonna Estates Company Limited	1,000,000	100	100	Property leasing	Hong Kong
Caddo Enterprises, Limited*	4,000,000	100	–	Property leasing	Hong Kong
Country Bond Development Limited				Investment holding	Hong Kong
'A' shares	990	79.8	–		
'B' share	1	100	–		
Dokay Limited*	2	100	–	Property leasing	Hong Kong
Easegood Enterprises Limited*	2	100	–	Investment holding	Hong Kong
Fu Yik Company Limited*	3	100	–	Property leasing	Hong Kong
Gala Ruby Limited*	2	100	100	Investment holding	Hong Kong
Grand Centre Limited	4	100	–	Property leasing	Hong Kong
Grand Hotel Group Limited	10,200	100	–	Apartment operating & management	Hong Kong
Grand Hotel Holdings Limited*				Investment holding	Hong Kong
'A' shares	1,004,834,694	100	–		
'B' shares	6,000,000	100	–		
Hang Chui Company Limited	2	100	–	Property leasing	Hong Kong
Hang Far Company Limited*	2	100	–	Investment holding	Hong Kong
Hang Fine Company Limited	200	100	–	Property leasing	Hong Kong
Hang Kwok Company Limited*	10,000	100	–	Property leasing	Hong Kong
Hang Lung (Administration) Limited	10,000	100	100	Management services	Hong Kong
Hang Lung (Dalian) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung (Jiangsu) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung (Jinan) Limited*	1	100	–	Investment holding	Hong Kong

34 Principal Subsidiaries (Continued)

At December 31, 2024

Company	Issued Share Capital (HK\$)	% Held by the Group	% Held by the Company	Activity	Place of Incorporation and Operations
Hang Lung (Kunming) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung (Liaoning) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung (Shenyang) Limited*	2	100	–	Investment holding	Hong Kong
Hang Lung (Tianjin) Limited*	2	100	–	Investment holding	Hong Kong
Hang Lung (Wuhan) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung (Wuxi) Limited*	1	100	–	Investment holding	Hong Kong
Hang Lung Gala Place Limited	2	100	–	Property leasing	Hong Kong
Hang Lung Project Management Limited*	10,000	100	100	Project management	Hong Kong
Hang Lung Property Management Limited*	100,000	100	–	Property management	Hong Kong
Hang Lung Real Estate Agency Limited*	2	100	100	Property agencies	Hong Kong
Hang Top Limited*	3	66.7	–	Investment holding	Hong Kong
Hang Wise Company Limited*	200	66.7	–	Property development	Hong Kong
HLP (China) Administrative Limited	1	100	–	Management services	Hong Kong
HLP (China) Limited*	2	100	100	Investment holding	Hong Kong
HLP Finance Limited#	US\$1	100	100	Financial services	British Virgin Islands
HLP Financial Services Limited	RMB1	100	–	Financial services	Hong Kong
HLP Treasury Limited	2	100	100	Financial services	Hong Kong
HLP Treasury Services Limited*	2	100	–	Financial services	Hong Kong
Hoi Sang Limited*	2	100	–	Investment holding	Hong Kong
Lockoo Limited*	1,000,002	100	–	Property development	Hong Kong
Mansita Limited*	2	100	–	Property leasing	Hong Kong
Modalton Limited	2	100	–	Property leasing	Hong Kong
Palex Limited*	2	100	–	Property leasing	Hong Kong
Passion Success Limited*	1	100	–	Investment holding	Hong Kong
Pocaliton Limited	2	100	–	Property leasing	Hong Kong
Rago Star Limited	2	100	–	Property leasing	Hong Kong
Stocket Limited	2	100	100	Property leasing	Hong Kong
Superlane Development Limited	1,000	66.7	–	Property development	Hong Kong
Tegraton Limited	2	100	–	Property leasing	Hong Kong
Total Select Limited	1	100	–	Property development	Hong Kong
Wai Luen Investment Company, Limited*	100,000	100	–	Property leasing	Hong Kong
Yangli Limited*	2	100	–	Property leasing	Hong Kong

34 Principal Subsidiaries (Continued)

At December 31, 2024

Wholly Foreign Owned Enterprises in Mainland China	Registered Capital	% Held by the Group	% Held by the Company	Activity	Place of Incorporation and Operations
Dalian Hang Lung Properties Ltd.	RMB5,786,877,355	100	–	Property development & leasing	Mainland China
Hangzhou Hang Lung Properties Ltd.	RMB11,767,500,000	100	–	Property & hotel development	Mainland China
Hubei Hang Lung Property Development Co., Ltd.	RMB7,900,000,000	100	–	Property development & leasing	Mainland China
Kunming Hang Ying Properties Ltd.	RMB8,455,634,575	100	–	Property development, leasing & Hotel Investment	Mainland China
Liaoning Hang Lung Properties Ltd.	RMB8,640,096,324	100	–	Property development, leasing & Hotel Investment	Mainland China
Shandong Hang Lung Properties Ltd.	US\$385,000,000	100	–	Property development & leasing	Mainland China
Shenyang Hang Lung Properties Ltd.	US\$349,990,000	100	–	Property development & leasing	Mainland China
Tianjin Hang Lung Properties Ltd.	HK\$5,329,600,000	100	–	Property development & leasing	Mainland China
Wuxi Hang Lung Properties Ltd.	RMB4,691,746,261	100	–	Property development & leasing	Mainland China
Wuxi Hang Ying Properties Ltd.	RMB1,411,000,000	100	–	Property & hotel development	Mainland China

Equity Joint Ventures in Mainland China	Registered Capital (US\$)	% Held by the Group	% Held by the Company	Activity	Place of Incorporation and Operations
Shanghai Hang Bond Property Development Co., Ltd.	167,004,736	82	–	Property development & leasing	Mainland China
Shanghai Kong Hui Property Development Co., Ltd.	165,000,000	69.3 [*]	–	Property development & leasing	Mainland China

Operated in Hong Kong

* Not audited by KPMG

^ Represents the Group's attributable interest in the commercial portion of the properties held either directly or indirectly by the subsidiary

The above list gives the principal subsidiaries of the Group which in the opinion of the directors, principally affect the profit and assets of the Group.

35 Joint Ventures

At December 31, 2024

Company	Issued Share Capital (HK\$)	% Held by the Group	% Held by the Company	Activity	Place of Incorporation and Operations
Country Link Enterprises Limited	5,000,000	36.8	–	Investment holding	Hong Kong
Ease Smart Development Limited				Investment holding	Hong Kong
‘A’ share	1	–	–		
‘B’ share	1	100	–		
Star Play Development Limited*	3	33.3	–	Property leasing	Hong Kong

* Not audited by KPMG.

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