



## Swire Properties MTN Financing Limited

(incorporated with limited liability in Hong Kong)

**unconditionally and irrevocably guaranteed by**

**Swire Properties Limited**

(incorporated with limited liability in Hong Kong)

**U.S.\$4,000,000,000**

**Medium Term Note Programme**

On 25th April, 2012, Swire Properties MTN Financing Limited (the “*Issuer*”) established a U.S.\$3,000,000,000 Medium Term Note Programme (the “*Programme*”) and issued an offering circular on that date describing the Programme. On 26th May, 2017, the Issuer increased the aggregate nominal amount of the Programme from U.S.\$3,000,000,000 to U.S.\$4,000,000,000.

Under this Programme, the Issuer may from time to time issue notes (the “*Notes*”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Swire Properties Limited (the “*Guarantor*” or “*Swire Properties*”).

Notes may be issued in bearer or registered form (respectively “*Bearer Notes*” and “*Registered Notes*”). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “*Dealer*” and together the “*Dealers*”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “*relevant Dealer*” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe 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 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) and to professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, “*Professional Investors*”) only during the 12-month period from the date of this Offering Circular on the Hong Kong Stock Exchange. This Offering Circular is for distribution to Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

**The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only, have been reproduced in this Offering Circular. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Guarantor 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 however 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.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Notes and the Guarantee (as defined under “*Terms and Conditions of the Notes*”) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”), and may not be offered or sold into or within the United States or, in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to, or for the benefit of, U.S. persons (as defined in Regulation S), unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See “*Form of the Notes*” for a description of the manner in which Notes will be issued.

The Programme is rated A in respect of Notes with a maturity of more than one year by Fitch Ratings Limited (“*Fitch*”), (P)A2 in respect of Notes with a maturity of more than one year by Moody’s Investors Service Limited (“*Moody’s*”) and A– in respect of Notes with a maturity of more than one year by S&P Global Ratings, acting through Standard & Poor’s Hong Kong Limited (“*Standard & Poor’s*”). Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

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 (in the case of Notes intended to be listed on the Hong Kong Stock Exchange) 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 should also have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes.

*Arrangers*

**HSBC**

**Standard Chartered Bank**

*Dealers*

**ANZ  
Barclays  
BOC International  
China Construction Bank (Asia)  
Crédit Agricole CIB  
Deutsche Bank  
HSBC  
J.P. Morgan  
Morgan Stanley  
Standard Chartered Bank**

**Bank of China (Hong Kong)  
BNP PARIBAS  
BofA Merrill Lynch  
Citigroup  
DBS Bank Ltd.  
Goldman Sachs International  
ING  
Mizuho Securities  
MUFG  
UBS**

The date of this Offering Circular is 26th May, 2017

**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 each of the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.**

**This Offering Circular is for distribution to Professional Investors only. Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

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

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

**The Dealers and the Agents have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Programme. To the fullest extent permitted by law, none of the Dealers, the Arrangers or the Agents accept any liability in relation to the information contained or incorporated by reference in this Offering Circular, any other information provided by the Issuer or the Guarantor in connection with the Programme or any other statement, made or purported to be made by an Arranger or a Dealer or any Agent or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Arranger, each Dealer and each Agent accordingly disclaims 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.**

**No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Guarantor or any of the Dealers.**

**Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing**

any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor, and the terms of the Notes being offered, including the merits and risks involved. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

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 United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and Treasury regulations promulgated thereunder.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor and 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 or the Dealers which would permit a public offering of any Notes or distribution of this document 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 or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and the Netherlands), Japan, the Hong Kong Special Administrative Region of the People's Republic of China ("*Hong Kong*"), Singapore and the People's Republic of China (the "*PRC*"), see "*Subscription and Sale and Transfer and Selling Restrictions*".

None of the Dealers, the Issuer or the Guarantor nor any of the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

## CURRENCIES

All references in this document to “*U.S. dollars*”, “*U.S.\$*” and “*\$*” refer to the lawful currency of the United States of America, to “*Hong Kong dollars*” and “*HK\$*” refer to the lawful currency of Hong Kong and to “*Renminbi*”, “*RMB*” and “*CNY*” refer to the lawful currency of the PRC. In addition, references to “*Sterling*” and “*£*” refer to pounds sterling and to “*euro*” and “*€*” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## TABLE OF CONTENTS

	<u>Page</u>
Documents Incorporated by Reference .....	6
General Description of the Programme .....	7
Summary of the Programme .....	8
Risk Factors .....	13
Form of the Notes .....	21
Applicable Pricing Supplement .....	26
Terms and Conditions of the Notes .....	37
Use of Proceeds .....	71
Description of Swire Properties MTN Financing Limited .....	72
Capitalisation and Indebtedness of Swire Properties .....	74
Description of Swire Properties .....	75
Swire Properties — Schedule of Principal Group Properties as at 31st December, 2016 .....	85
Book-Entry Clearance Systems .....	99
Remittance of Renminbi into and outside the PRC .....	101
Taxation .....	105
Subscription and Sale .....	108
General Information .....	114

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**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may 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 allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited annual consolidated financial statements, and any unaudited condensed interim financial statements published subsequently to such annual consolidated financial statements, of the Guarantor from time to time (if any), in each case with the auditor's report or the review report, as appropriate, 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. See "*General Information*" for a description of the financial statements currently published by the Guarantor.

For purposes of this Offering Circular and the avoidance of doubt, "published" annual consolidated financial statements and/or, as the case may be, unaudited condensed interim financial statements of the Guarantor shall include (but shall not be limited to) the annual consolidated financial statements and/or, as the case may be, unaudited condensed interim financial statements of the Guarantor that are posted on the website of the Guarantor ([www.swireproperties.com](http://www.swireproperties.com)) and/or the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

The Issuer and the Guarantor will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer or the Guarantor at its respective office set out at the end of this Offering Circular. In addition, such documents will be available free of charge during normal business hours from the principal office of the Paying Agent in Hong Kong for Notes listed on the Hong Kong Stock Exchange. Pricing Supplements relating to unlisted Notes will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantor or the relevant Paying Agent as to its holding of Notes and identity.

## SUPPLEMENTARY OFFERING CIRCULAR

Each of the Issuer and the Guarantor has given an undertaking to the Arranger and the Dealers that if at any time during the duration of the Programme there is a significant (as defined in the HKSE Rules) change affecting any matter contained in this Offering Circular or a significant (as defined in the HKSE Rules) new matter has arisen, the inclusion of information in respect of which would have been required to be in this Offering Circular if it had arisen before this Offering Circular was issued, or in the event of a significant new factor, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Notes arising or being noted, or in the event of a change in the condition of the Issuer or the Guarantor which is material in the context of the Programme or the issue of any Notes, or if this Offering Circular would otherwise come to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein not misleading or if it is necessary at any time to amend this Offering Circular to comply with, or reflect changes in, the laws or regulations of Hong Kong and the HKSE Rules, it shall prepare an amendment or supplement to this Offering Circular. If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared. References to this "*Offering Circular*" shall be taken to mean this document and all the documents from time to time incorporated by reference herein and forming part hereof.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “*Form of the Notes*” below.

This Offering Circular and any supplement will only be valid for listing Notes on the Hong Kong Stock Exchange during the period of 12 months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$4,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as defined under “*Form of the Notes*”) shall be determined by Citibank, N.A., London Branch (the “**Principal Paying Agent**”) as of the date on which agreement is reached for the issue of Notes on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market (or such other foreign exchange market which is appropriate in the opinion of the Principal Paying Agent) quoted by any leading international bank selected by the Principal Paying Agent on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as defined under “*Form of the Notes*”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as defined under “*Form of the Notes*”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

<b>Issuer:</b>	Swire Properties MTN Financing Limited
<b>Guarantor:</b>	Swire Properties Limited
<b>Description:</b>	Medium Term Note Programme
<b>Arrangers:</b>	The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank
<b>Dealers:</b>	Australia and New Zealand Banking Group Limited Bank of China (Hong Kong) Limited Barclays Bank PLC BNP Paribas BOCI Asia Limited China Construction Bank (Asia) Corporation Limited Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank DBS Bank Ltd. Deutsche Bank AG, Singapore Branch Goldman Sachs International The Hongkong and Shanghai Banking Corporation Limited ING Bank N.V., Singapore Branch J.P. Morgan Securities plc Merrill Lynch International Mizuho Securities Asia Limited Morgan Stanley & Co. International plc MUFG Securities EMEA plc Standard Chartered Bank UBS AG, Hong Kong Branch  and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restriction applicable at the date of this Offering Circular.



### Notes with a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a redemption value of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

<b>Issuing and Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Registrar and Transfer Agent:</b>	Citibank, N.A., London Branch
<b>CMU Lodging and Paying Agent:</b>	Citicorp International Limited
<b>Programme Size:</b>	Up to U.S.\$4,000,000,000 in nominal amount (or its equivalent in other currencies calculated as described under “ <i>General Description of the Programme</i> ”) outstanding at any time. The Issuer and the Guarantor may increase the aggregate nominal amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Denomination of Notes:</b>	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see also “ <i>Certain Restrictions — Notes with a maturity of less than one year</i> ” above.
<b>Redenomination:</b>	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to a minimum of 30 days and such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

<b>Form of Notes:</b>	The Notes will be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or</li> <li>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li> <li>(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.</li> </ul> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
<b>Index Linked Notes:</b>	<p>Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.</p> <p>Index Linked Notes which are issued as an <i>appel public à l'épargne</i> in France must be issued in compliance with the <i>Principes Généraux</i> from time to time set by the <i>Commission des Opérations de Bourse</i> and the <i>Conseil des Bourses de Valeurs</i> or any successor body thereto.</p>
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>

<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Redemption:</b>	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) in specified instalments, if applicable, (ii) for taxation reasons or (iii) following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions — Notes with a maturity of less than one year</i>” above.</p>
<b>Taxation:</b>	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 9. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.</p> <p><i>In making an investment decision, each prospective investor is strongly recommended to consult its own professional advisers in respect of the tax implications of holding the Notes, see “Taxation”.</i></p>
<b>Negative Pledge:</b>	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
<b>Cross Default:</b>	The terms of the Notes will contain a cross default provision as further described in Condition 11.
<b>Status of the Notes:</b>	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

<b>Guarantee:</b>	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and, subject to the provisions of Condition 4, unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
<b>Rating:</b>	<p>The Programme is rated A in respect of Notes with a maturity of more than one year by Fitch, (P)A2 in respect of Notes with a maturity of more than one year by Moody's and A- in respect of Notes with a maturity of more than one year by Standard &amp; Poor's.</p> <p>Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
<b>Listing:</b>	<p>Application has been made to list the Programme on the Hong Kong Stock Exchange. Separate application will be made for the listing of Notes issued under the Programme on the Hong Kong Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.</p> <p>Unlisted Notes may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).</p>
<b>Governing Law:</b>	The Notes and any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and construed in accordance with, English law.
<b>Clearing Systems:</b>	The CMU Service, Euroclear, Clearstream, Luxembourg and/or any other clearing system, as specified in the relevant Pricing Supplement, see " <i>Form of Notes</i> ".
<b>Selling Restrictions:</b>	There are restrictions on the offer, sale and transfer of the Notes in the United States (as to which see below), the European Economic Area (including the United Kingdom and the Netherlands), Japan, Hong Kong, Singapore and the PRC and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
<b>United States Selling Restrictions:</b>	Regulation S (Category 1 or 2), as specified in the applicable Pricing Supplement. TEFRA C, TEFRA D or TEFRA not applicable, as specified in the applicable Pricing Supplement.

## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. All of these 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. Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. However, the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **RISKS RELATING TO THE BUSINESS**

**Swire Properties is principally dependent on the performance of real estate markets in which it operates, principally Hong Kong and the PRC.**

Any downturn or other adverse change in the real estate market in Hong Kong, the PRC or any other markets where the Group operates could adversely affect the profitability and financial position of the Group.

**Swire Properties is dependent on rental income from its investment property portfolio.**

Any downturn in the rental market for office, retail and residential properties could negatively affect the demand for Swire Properties' rental properties and the amount of rental income it earns.

**Any economic slowdown may adversely affect Swire Properties' business.**

Any global economic slowdown or financial market turmoil may adversely affect the business of the tenants of Swire Properties' office and retail properties and potential purchasers of its trading properties.

**Swire Properties may not be able to continue to attract and retain quality tenants.**

Any increase in the supply of properties which compete with those of Swire Properties would increase the competition for tenants and as a result Swire Properties may have to reduce rent or incur additional costs to make its rental properties more attractive. If Swire Properties fails to attract well-known brands as tenants or keep existing tenants, its investment properties may become less attractive and competitive.

**Swire Properties may not be able to complete or deliver property development projects on time, on budget or at all.**

The progress and costs of a development project can be adversely affected by many factors, including delays in obtaining necessary licences or approvals from governments, relocation of existing residents, demolition of existing buildings and shortages of materials, equipment, contractors and skilled labour.

**Swire Properties may not always be able to obtain suitable land reserves at reasonable cost.**

In Hong Kong, suitable new development sites of significant size are not easy to obtain due to strong competition from other developers and the limited amount of undeveloped land and such development sites have generally become more scarce and expensive in recent years. The PRC government controls the availability of land in the PRC and its land supply policies have a direct impact on the Group's ability to acquire land use rights and its costs of acquisition.

**Swire Properties may face significant risks before realising any benefits from property development.**

It can take a number of years and involve substantial cost outlay to complete a sizeable property development. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn may affect the profitability of the project.

**Swire Properties may not be able to generate adequate returns on its properties held for long-term investment purposes.**

The investment returns available from real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for long-term investment also depends to a large extent on active ongoing management and maintenance of the properties. The ability to dispose of investment properties eventually will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties.

**Swire Properties faces competition in Hong Kong and the PRC that could adversely affect its business and financial position.**

Competition between property developers in Hong Kong and the PRC is intense and may result in increased costs of acquiring land for development, oversupply of properties, a decrease in property prices, a slowdown in the rate at which new property developments will be approved by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees.

**The PRC property industry is susceptible to the macroeconomic policies and austerity measures of the PRC government.**

From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the real estate markets in which Swire Properties operates. Any action by the PRC government concerning the economy or the real estate industry in particular could have a material adverse effect on the Group's financial condition and results of operations.

**RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

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

**Optional Redemption.**

An optional redemption feature may 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.

#### **Variable Rate Notes.**

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

#### **Index Linked Notes.**

If the relevant Pricing Supplement specifies that the Notes are Index Linked Notes, there is a risk that the investor may lose the value of their entire investment or part of it.

#### **Dual Currency Notes.**

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 the market price of such Notes may be volatile, payment of principal or interest may occur at a different time or in a different currency than expected and the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

#### **Partly-paid Notes.**

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

### **RISKS RELATING TO NOTES GENERALLY**

Set out below is a brief description of certain risks relating to the Notes generally:

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

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge 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.

#### **Meetings of Noteholders.**

The Terms and Conditions of the Notes 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.

#### **Change of law.**

The Terms and Conditions of the Notes are based on 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.

#### **Notes where denominations involve integral multiples.**

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

### **RISKS 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:

#### **The secondary market generally.**

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



### **Exchange rate risks and exchange controls.**

An Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the *Investor's Currency*) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### **Interest rate risks.**

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

### **Credit ratings may not reflect all risks.**

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Notes will remain in effect for any given period of time or that the ratings will not be revised or withdrawn by the relevant rating agency in the future if in its judgment circumstances so warrant. Neither the Issuer nor the Guarantor has any obligation to inform Noteholders of any such revision or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Notes at any time may adversely affect the market price of the Notes.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS ASSOCIATED WITH NOTES DENOMINATED IN RENMINBI**

Prospective investors should take into account the following considerations carefully before investing in Notes denominated in Renminbi ("*CNY Notes*").

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

As a result of the restrictions imposed by the government of the PRC (the "*PRC Government*") on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

Currently, licensed banks in Singapore and the Hong Kong Special Administrative Region of the People's Republic of China ("*Hong Kong*") may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The People's Bank of China (the "*PBOC*"), the central bank of the PRC, has also established a Renminbi clearing and settlement mechanism for participating banks in various countries, through settlement agreements on the clearing of Renminbi business (the "*Settlement Agreements*") with financial institutions in a number of financial centres and cities (each, a "*Renminbi Clearing Bank*"), which have been permitted to engage in the settlement of Renminbi trade transactions.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant Renminbi Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The relevant Renminbi Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

**Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC.**

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current accounts. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, 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 the PRC for settlement of capital account items are developing gradually.

On 13 October 2011, the PBOC promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (外商直接投資人民幣結算業務管理辦法) (the “*PBOC FDI Measures*”) as part of the implementation of the PBOC’s detailed foreign direct investment (“*FDI*”) accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC FDI Measures. Under the PBOC FDI Measures, special approval for Renminbi FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC may still be necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (“*MOFCOM*”) promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (商務部關於跨境人民幣直接投資有關問題的公告) (the “*MOFCOM Circular*”), which became effective on 1 January 2014, to facilitate FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the “Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (商務部關於跨境人民幣直接投資有關問題的通知) promulgated by MOFCOM on 12 October 2011 (the “*2011 MOFCOM Notice*”). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying “Renminbi Foreign Direct Investment” and the amount of capital contribution is required for each FDI. Compared with the 2011 MOFCOM Notice, the MOFCOM Circular no longer contains the requirements for central level MOFCOM approvals for investments of CNY300 million or above, or in certain industries, such as

financial guarantee, financial leasing, micro-credit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macro-regulation. Unlike the 2011 MOFCOM Notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also prohibits FDI funds from being used directly or indirectly for any investments in securities and financial derivatives (with the exception of strategic investment in PRC listed companies) or for entrustment loans in the PRC.

The PBOC RMB FDI Measures and the MOFCOM Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

Although starting from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to liberalise control over cross border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC 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 funds cannot be repatriated outside 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 CNY Notes. For further details in respect of the remittance of Renminbi into and outside the PRC, see “*Remittance of Renminbi into and outside the PRC*” below.

**Investment in the CNY Notes is subject to exchange rate risks.**

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to CNY Notes will be made in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Hong Kong dollar, the U.S. dollar or other foreign currencies, the value of the investment in Hong Kong dollar, U.S. dollar or other applicable foreign currency terms will decline.

**An investment in CNY Notes is subject to interest rate risks.**

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The CNY Notes may carry a fixed interest rate. Consequently, the trading price of such CNY Notes will vary with fluctuations in interest rates. If a holder of CNY Notes tries to sell any CNY Notes before their maturity, they may receive an offer that is less than the amount invested.

**Payments in respect of the CNY Notes will only be made to investors in the manner specified in the CNY Notes.**

Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All payments to investors in respect of CNY Notes will be made solely by (i) when the CNY Notes are represented by a Global Note deposited with a sub-custodian for CMU, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, (ii) when the CNY Notes are represented by a Global Note held with the common depositary for Euroclear and Clearstream, Luxembourg or any alternative clearing system, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures, or (iii) when the CNY Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

**A trading market for the CNY Notes may not develop and there are restrictions on the resale of the CNY Notes.**

There can be no assurance as to the liquidity of the CNY Notes or that an active trading market will develop. If such a market were to develop, the CNY Notes could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Issuer's operations and the market for similar securities. The Dealers are not obliged to make a market in the CNY Notes and any such market-making, if commenced, may be discontinued at any time at the sole discretion of the Dealers. In addition, there are selling restrictions relating to the CNY Notes which may be applicable in the relevant jurisdictions. The CNY Notes have not been and will not be offered to the public in any jurisdiction where such offer is prohibited by law or regulation and have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. The CNY Notes may not be offered, sold or resold in any jurisdiction unless they are registered or sold pursuant to an exemption from such registration.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“*Coupons*”) attached, or registered form, without Coupons attached. Bearer Notes and Registered Notes will be issued outside the United States (and in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to non-U.S. persons outside the United States) in reliance on Regulation S under the Securities Act (“*Regulation S*”).

Notes to be listed on the Hong Kong Stock Exchange will be accepted for clearance through Euroclear Bank SA/NV (“*Euroclear*”) and Clearstream Banking S.A. (“*Clearstream, Luxembourg*”) and may also be accepted for clearance through the CMU Service (each as defined below).

### **Bearer Notes**

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a “*Temporary Bearer Global Note*”) or a permanent bearer global note (a “*Permanent Bearer Global Note*”) and, together with a Temporary Bearer Global Note, each a “*Bearer Global Note*”) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to either (i) a common depository (the “*Common Depository*”) for Euroclear and Clearstream, Luxembourg or (ii) a sub-custodian for the Hong Kong Monetary Authority, as operator of the Central Moneymarkets Unit Service (the “*CMU Service*”). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or Citicorp International Limited (the “*CMU Lodging Agent*”) and (in the case of a Temporary Bearer Global Note delivered to a Common Depository for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “*Exchange Date*”) which, in respect of each Tranche in respect of which a Temporary Bearer Global Note is issued, will be 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, Coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The CMU Service may require that any such exchange for a Permanent Global Bearer Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

The holder of a Temporary Bearer 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 Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

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

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, Coupons and talons attached upon either (i) not less than 60 days' written notice (a), in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg, from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein and/or (b), in the case of Notes held through the CMU Service, from the relevant account holders therein to the CMU Lodging Agent as described therein; or (ii) only upon the occurrence of an Exchange Event.

No definitive Bearer Notes will be sent by post or otherwise delivered to any location in the United States or its possessions in connection with such exchange.

For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg and, in the case of Notes cleared through the CMU Service, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by a Common Depositary for Euroclear or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or, (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all receipts and Coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or Coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form, without receipts for the payment of instalments of principal (“*Receipts*”) or Coupons, which will be sold outside the United States (and, in the case of Notes being offered or sold in reliance on Category 2 of Regulation S, only to non-U.S. persons outside the United States) (a “*Registered Global Note*”). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or the CMU Service and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will either (i) be deposited with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg or (ii) be deposited with a sub-custodian for the HKMA as operator of the CMU Service, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7(d)) as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, Coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “*Exchange Event*” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear or Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg, and in the case of Notes held through the CMU Service, the CMU Service, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the

occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for a Common Depository for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging Agent.

## **Notices**

While the Notes are represented by a Global Note and such Global Note is deposited with a common depository for Euroclear or Clearstream, Luxembourg or CMU Service, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or CMU Service and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 on the date of delivery to Euroclear or Clearstream, Luxembourg or CMU Service.

## **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg and the CMU Service, in each case to the extent applicable.

## **General**

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent or, as the case may be, the CMU Lodging Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number which are different from the common code, CMU instrument number and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note (as defined in the Terms and Conditions of the Notes) held on behalf of Euroclear, Clearstream, Luxembourg and/or the CMU Service each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly.



Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or otherwise approved by the Issuer, the Guarantor, the Principal Paying Agent and the Registrar.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and the CMU Service on and subject to the terms of the deed of covenant (the “*Deed of Covenant*”) dated 25th May, 2012 and executed by the Issuer.

## APPLICABLE PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.*

[Date]

### Swire Properties MTN Financing Limited

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
Guaranteed by Swire Properties Limited  
under the U.S.\$4,000,000,000  
Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated 26th May, 2017 [and the supplement[s] to it dated [●] [and [●]] (the “*Offering Circular*”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

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

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

This Pricing Supplement 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) and to professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, “*Professional Investors*”) only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

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

This Pricing Supplement, together with the Offering Circular [and the Supplementary Offering Circular[s] dated [●]] 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 each of the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility

for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

- |    |   |   |
|----|---|---|
| 1. | (i) Issuer:   | Swire Properties MTN Financing Limited  |
|    | (ii) Guarantor:   | Swire Properties Limited  |
| 2. | (i) Series Number:  | [●]   |
|    | (ii) Tranche Number:  | [●]   |
|    | (iii) Date on which the Notes will be consolidated and form a single Series:  | The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 24 below, which is expected to occur on or about <i>[date]</i> ] [Not Applicable]  |
| 3. | Specified Currency or Currencies:   | [●]^  |
| 4. | Aggregate Nominal Amount:   |   |
|    | — Series:   | [●]   |
|    | — Tranche:  | [●]   |
| 5. | [(i)] Issue Price:  | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]<br><i>(in the case of fungible issues only, if applicable)]</i>   |
|    | [(ii)] Net proceeds:  | [●] <i>(Required only for listed issues)</i>  |
| 6. | (a) Specified Denominations:<br><i>(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)</i> | [●]<br><i>(N.B. Notes must have a minimum denomination of EUR100,000 (or equivalent) in order to benefit from the Transparency Directive exemptions in respect of wholesale securities and the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)</i><br><br><i>(Note — where multiple denominations above [EUR100,000] or equivalent are being used the following sample wording should be followed:</i> |

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<sup>^</sup> In respect of Notes denominated in Renminbi, purchasers of the Notes should note that Renminbi is not freely convertible at present. All payments in respect of such Notes shall be made solely by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong in accordance with applicable laws and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or by transfer to a bank account in the PRC).

“[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].”)

(N.B. Where multiple denominations above [U.S.\$200,000] or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed:

“[U.S.\$200,000] and integral multiples of [U.S.\$1,000] in excess thereof up to and including [U.S.\$399,000]. No Notes in definitive form will be issued with a denomination above [U.S.\$399,000].”)

- (b) Calculation Amount (in relation to calculation of interest in Global Form see Conditions):
- [●]  
(If only one Specified Denomination, insert the Specified Denomination.  
  
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. [(i)] Issue Date [and Interest Commencement Date]: [●]  
[(ii)] Interest Commencement Date (if different from the Issue Date): [●]
8. Maturity Date: [Fixed rate — specify date/  
Floating rate — Interest Payment Date falling in or nearest to [specify month and year]]\*
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/HIBOR/CNH HIBOR] +/- [●] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]

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

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
[Not Applicable]
13. Listing: [Hong Kong/specify other/None]\*\*
14. Method of distribution: [Syndicated/Non-syndicated]

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

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent. per annum [payable  
[annually/semi-annually/quarterly] in arrear]  
*(If payable other than annually, consider amending Condition 6.)*
- (ii) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date]/  
[specify other]\*\*  
*(NB: Amend appropriately in the case of irregular coupons)*
- (iii) Fixed Coupon Amount(s): for [●] per Calculation Amount\*\*\*\*  
Notes in Definitive Form (and  
in relation to Notes in Global  
Form see Conditions)
- (iv) Broken Amount(s): for Notes [[●] per Calculation Amount, payable on the Interest  
in Definitive Form (and in Payment Date falling [in/on] [●]/[Not Applicable]]  
relation to Notes in Global  
Form see Conditions)
- (v) Day Count Fraction: [Actual/Actual (ICMA) 30/360  
Actual/365 (Fixed)  
Other]

\*\* If Listing in Hong Kong, specify expected listing date.

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

\*\*\*\* For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording is appropriate: “Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 6(a)(i)) divided by 365 and rounding the resultant figure to the nearest HK\$0.01, HK\$0.005 being rounded upwards.”. For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording is appropriate: “Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 6(a)(i)) divided by 365 and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards.”.

- (vi) Determination Date[s]:  in each year/[Not Applicable]  
*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such case, insert regular interest payment dates, ignoring issue date or maturity date in case of a long or short first or last coupon)*
- Other terms relating to the method of calculating interest for Fixed Rate Notes:  [None/Give details]
16. Floating Rate Note Provisions  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates:  [●]
- (ii) Business Day Convention:  [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s):  [●]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:  [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):  [●]
- (vi) Screen Rate Determination:
- Reference Rate:  Reference Rate:  month  
 [LIBOR/EURIBOR/HIBOR/CNH HIBOR/specify other Reference Rate]  
 Relevant Financial Centre:  
 [London/Brussels/specify other Relevant Financial Centre]
- Interest Determination Date(s):  [●]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), first day of each Interest Period if Sterling or Hong Kong dollar LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or the second Hong Kong business day prior to the start of each Interest Period of CNH HIBOR)*

- Relevant Screen Page:  *(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (vii) ISDA Determination:
- Floating Rate Option:
- Designated Maturity:
- Reset Date:  *(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period.)*
- (viii) Margin(s):  +/-  per cent. per annum
- (ix) Minimum Rate of Interest:  per cent. per annum
- (x) Maximum Rate of Interest:  per cent. per annum
- (xi) Day Count Fraction:  [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
*(See Condition 6 for alternatives)*
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. Zero Coupon Note Provisions  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield:  per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:  *(Consider applicable day count fraction if not U.S. dollar denominated)*
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:  [30/360]  
 [Actual/360]  
 [Actual/365]  
 [specify other]

18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [●]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s): [●]
- (vii) Minimum Rate of Interest: [●] per cent. per annum
- (viii) Maximum Rate of Interest: [●] per cent. per annum
- (ix) Day Count Fraction: [●]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the interest payable: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]



**PROVISIONS RELATING TO REDEMPTION**

- 20. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●]
    - (b) Maximum Redemption Amount: [●]
  - (iv) Notice period (if other than as set out in the Conditions): [●]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*
  
- 21. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]
  - (iii) Notice period (if other than as set out in the Conditions): [●]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*
  
- 22. Final Redemption Amount: [[●] per Calculation Amount/specify other/see Appendix]

23. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)):  per Calculation Amount/specify other/see Appendix] *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Bearer Notes:
- Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]\*
- [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]\*
- [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]\*
- [Registered Notes:
- Registered Global Note (U.S.\$ nominal amount) registered in the name of a common depository for Euroclear and Clearstream, Luxembourg/held through the CMU Service  
*(specify nominal amounts)]*
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]  
*(Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which items 16(iii) and 18(vi) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details]*

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\* (Ensure that this is consistent with the language in the "Form of the Notes" section in the Offering Circular and the Notes themselves. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[U.S.\$200,000] and integral multiples of [U.S.\$1,000] in excess thereof up to and including [U.S.\$399,000].)

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. NB: new forms of Global Note may be required for Partly Paid issues.]
28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable  
*[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)]*
30. Other terms or special conditions: [Not Applicable/give details]

#### **DISTRIBUTION**

31. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [●]
33. U.S. Selling Restrictions: Reg. S Compliance Category [1/2];  
 [TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]

#### **GENERAL AND OPERATIONAL INFORMATION**

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CMU/Not Applicable/give name(s) and number(s)]
36. Delivery: Delivery [against/free of] payment
37. In the case of Registered Notes, specify the location of the office of the Registrar if other than London: [Not Applicable]
38. Additional Paying Agent(s) (if any): [●]
39. Investment and other considerations in respect of the Notes: *[Include relevant considerations in respect of the Notes (if any)]*

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ISIN: [●]

Common Code: [●]

*(insert here any other relevant codes such as a CMU instrument number)*

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**[LISTING APPLICATION]**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$4,000,000,000 Medium Term Note Programme of Swire Properties MTN Financing Limited.]

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

*Duly authorised*

*Duly authorised*

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 5, 6, 7, 8 (except Condition 8(b)), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trading on any stock exchange) or 17, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer, the Guarantor and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Swire Properties MTN Financing Limited (the “**Issuer**”) pursuant to the Agency Agreement (as defined below). The Notes will be guaranteed by Swire Properties Limited (the “**Guarantor**”).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 25th May, 2012 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Guarantor, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent), Citicorp International Limited as CMU lodging agent (the “**CMU Lodging Agent**”, which expression shall include any successor CMU lodging agent) and the other paying agents named therein (together with the Principal Paying Agent and the CMU Lodging Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents) and Citibank, N.A., London Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar), and a transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents). For the purposes of these Terms and Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Principal Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a

reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“*Receipts*”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the “*applicable Pricing Supplement*” are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of this Note have been guaranteed by the Guarantor pursuant to a guarantee (such guarantee as modified and/or supplemented and/or restated from time to time, the “*Guarantee*”) dated 25th May, 2012 and executed by the Guarantor. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office.

Any reference to “*Noteholders*” or “*holders*” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “*Receiptholders*” shall mean the holders of the Receipts and any reference herein to “*Couponholders*” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “*Tranche*” means Notes which are identical in all respects (including as to listing) and “*Series*” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) are expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Issuer has executed a deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the “*Deed of Covenant*”) dated 25th May, 2012. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Deed of Covenant and the Guarantee are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “*Agents*”). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Agents save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the “*Specified Currency*”) and the denominations (the “*Specified Denomination(s)*”) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in the register which is kept by the Registrar in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“*Euroclear*”) and/or Clearstream Banking S.A. (“*Clearstream, Luxembourg*”) and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “*CMU Service*”), each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any account holder and the

principal amount of any Note credited to its account, save in the case of manifest error) (“*CMU Accountholders*”) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be. References to Euroclear, Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

## **2. TRANSFERS OF REGISTERED NOTES**

### **(a) Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for Euroclear, Clearstream Luxembourg or the CMU Service shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear, Clearstream Luxembourg or the CMU Service or to a successor of Euroclear, Clearstream Luxembourg or the CMU Service or such successor’s nominee.

### **(b) Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered



Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the transferor.

**(c) Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

**(d) Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

**(e) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 8(c), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(d)).

**(f) Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

**3. STATUS OF THE NOTES AND THE GUARANTEE**

**(a) Status of the Notes**

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

**(b) Status of the Guarantee**

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

#### 4. NEGATIVE PLEDGE

##### (a) Negative Pledge

The Issuer will not, and the Guarantor has agreed in the Guarantee that it will not, and that it will procure that the Issuer and the Principal Non-Listed Subsidiaries (as defined in Condition 11(b)), will not, so long as any Note remains outstanding, create or permit to subsist any Security Interest (as defined below) upon the whole or any part of its property or assets, present or future, to secure:

- (1) payment of principal of, or premium or interest of, or on, any Securities (as defined below); or
- (2) any guarantee, indemnity or other like obligation in respect of the payment of principal of, or premium or interest of, or on, any Securities,

without in any such case at the same time according to the Notes either the same security as granted or is outstanding in respect of such Securities or such guarantee, indemnity or other like obligation or such other security or other arrangement (whether or not involving the giving of a Security Interest) as shall be approved by an Extraordinary Resolution of Noteholders.

In these Conditions:

“*Securities*” means notes, debentures, debenture stock, loan stock or other similar securities of any person which are for the time being, or are issued on the basis that they will be or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market.

“*Security Interest*” means any pledge mortgage, lien (other than liens arising by operation of law), charge, hypothecation, encumbrance or other security interest.

#### 5. REDENOMINATION

##### (a) Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receipholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear, Clearstream, Luxembourg and/or as applicable, the CMU Service and at least 30 days’ prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;

- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Issuer in conjunction with the Principal Paying Agent may determine) euro 0.01 and such other denominations as the Issuer in conjunction with the Principal Paying Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the “*Exchange Notice*”) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
  - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
  - (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount

(determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding;

(vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest;

(viii) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

## **(b) Definitions**

In these Conditions, the following expressions have the following meanings:

“**Established Rate**” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

“**euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“**Redenomination Date**” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended.

## **6. INTEREST**

### **(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for each Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest, in accordance with this Condition 6(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “*Accrual Period*”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the Determination Period commencing on the last Interest Payment Date (or, if none, the Interest Commencement Date), the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; or
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Accrual Period divided by 365.

In these Terms and Conditions:

“**Determination Period**” means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

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

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “*ISDA Rate*” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “*ISDA Definitions*”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“*LIBOR*”), on the Euro-zone inter-bank offered rate (“*EURIBOR*”) or on the Hong Kong inter-bank offered rate (“*HIBOR*”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) or 11.15 a.m. (Relevant Financial Centre Time in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the “*Interest Amount*”) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for each Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.



“*Day Count Fraction*” means, in respect of the calculation of an amount of interest in accordance with this Condition 6(b):

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D<sub>2</sub> will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) Interest on Dual Currency Interest Notes**

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

**(d) Interest on Partly Paid Notes**

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

**(e) Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and

- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

**(f) Definitions**

In these Terms and Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 6(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Hong Kong and any Additional Business Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, Hong Kong and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively), (2) in relation to any sum payable in euro,

a day on which the TARGET2 System is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

## **7. PAYMENTS**

### **(a) Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and
- (iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “*Code*”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

### **(b) Presentation of definitive Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes not held in the CMU Service will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes not held in the CMU Service, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which

they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form not held in the CMU Service (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form not held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “*Long Maturity Note*” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

**(c) Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note (i) in the case of a Global Note lodged with CMU Service, to the person(s) for whose account(s) interests in the relevant Global Note are credited as being held by CMU Service in accordance with the CMU Rules, or (ii) in the case of a Global Note not lodged with CMU Service, against presentation or surrender, as the case may be, of such Global Note at the specified office of any

Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made (in the case of a Global Note not lodged with the CMU Service) on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear or Clearstream, Luxembourg, or (in the case of a Global Note lodged with the CMU Service) on withdrawal of the Global Note by the CMU Lodging Agent, in each such case such record shall be *prima facie* evidence that payment in question has been made.

**(d) Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business and in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland and Hong Kong, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of a payment in Renminbi) a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency (other than Renminbi) drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business and in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) or the fifteenth day (in the case of a currency other than Renminbi) (whether or not such fifth day or fifteenth day is a business day) before the relevant due date (the “**Record Date**”) at his address shown in the Register on the

Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

In the case of a Registered Note or Global Note held through the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligation of the Issuer in respect of that payment.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantor or the Agents 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 Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**(e) General provisions applicable to payments**

The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or (if the Global Note is lodged with the CMU Service) the person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in accordance with the CMU Rules as notified to the Paying Agent and the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note or such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service (as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:



- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

**(f) Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “*Payment Day*” means any day which (subject to Condition 10) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) Hong Kong;
  - (C) London; and
  - (D) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (iii) (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London, Hong Kong and any Additional Financial Centre which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (3) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

**(g) Interpretation of principal and interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 9;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

**8. REDEMPTION AND PURCHASE**

**(a) Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

**(b) Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the

application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 8(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to:
  - (a) the Principal Paying Agent; and
  - (b) in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("*Redeemed Notes*") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption.

**(d) Redemption at the option of the Noteholders**

*(A) If Investor Put is specified in the applicable Pricing Supplement*

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

*(B) Put Option Exercise Procedures*

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). Registered Notes may be redeemed under this Condition 8(d) in any multiple of their lowest Specified Denomination. If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 11.

**(e) Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note (other than a Zero Coupon Note, an Instalment Note and a Partly Paid Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount (the “*Amortised Face Amount*”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“*RP*” means the Reference Price;

“*AY*” means the Accrual Yield; and

“*y*” is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

**(f) Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

**(g) Partly Paid Notes**

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

**(h) Purchases**

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent and/or the Registrar for cancellation.

**(i) Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

**(j) Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

**9. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7(f)); or
- (c) by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim.

As used herein:

- (i) “*Tax Jurisdiction*” means Hong Kong or any political subdivision or any authority thereof or therein having power to tax; and

- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

## 10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7(b) or any Talon which would be void pursuant to Condition 7(b).

## 11. EVENTS OF DEFAULT

- (a) If any of the following events (each an “**Event of Default**”) occurs and is continuing:
  - (i) the Issuer fails to pay the principal of or interest on any of the Notes; within seven days in the case of principal or premium, or fourteen days in the case of interest from the due date for payment; or
  - (ii) the Issuer or the Guarantor defaults in the performance or observance of, or compliance with, any of its other obligations set out in the Notes or the Guarantee and such default continues for a period of 30 days after notice of such default has been given to the Issuer and, if applicable, the Guarantor; or
  - (iii) (1) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any Principal Non-Listed Subsidiary, becomes payable prior to its stated maturity following a default by the Issuer, the Guarantor or such Principal Non-Listed Subsidiary; or
  - (2) the Issuer, the Guarantor or any Principal Non-Listed Subsidiary, defaults in the payment of any Indebtedness for Borrowed Money at the maturity thereof or when otherwise due or at the expiration of any originally applicable grace period therefor; or
  - (3) the Issuer, the Guarantor or any Principal Non-Listed Subsidiary, fails to pay when due or at the expiration of any originally applicable grace period, any amount payable by it under any guarantee or indemnity in respect of any Indebtedness for Borrowed Money of any other person,  
  
provided that no such event shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money to which all such events relate exceeds U.S.\$30,000,000 (or its equivalent in any other currency); or
- (iv) a distress or execution or other legal process is levied or enforced or sued out upon or against any material part of the undertaking, assets or revenues of the Issuer, the Guarantor or any Principal Non-Listed Subsidiary and is not discharged or stayed within 90 days of having been so levied, enforced or sued out; or

- (v) an encumbrancer takes possession or (other than such appointment as permitted under paragraph (ix) below) an administrative or other receiver, manager or other similar officer is appointed of, or an attachment order is issued in respect of, the whole or any material part of the undertaking, assets or revenues of the Issuer, the Guarantor or any Principal Non-Listed Subsidiary and is not discharged or stayed within 90 days of having taken possession or having been appointed or issued; or
- (vi) the Issuer, the Guarantor or any Principal Non-Listed Subsidiary is unable to pay its debts as they fall due or takes any proceeding under any law for a readjustment or deferment of all of its obligations or any material part of them or makes or enters into a general assignment or any arrangement or composition with or for the benefit of its creditors (other than any such arrangement or composition as permitted under paragraph (ix) below); or
- (vii) the Issuer or the Guarantor or any Principal Non-Listed Subsidiary disposes of or attempts to dispose of all or substantially all of its assets or undertakings (whether by a single transaction or a number of transactions, related or otherwise) except for valuable consideration and on an arm's length basis; or
- (viii) an order of a court of competent jurisdiction is made or an effective resolution passed for the winding up or dissolution or administration of the Issuer, the Guarantor or any Principal Non-Listed Subsidiary or the Issuer, the Guarantor or any Principal Non-Listed Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or the Issuer, the Guarantor or any Principal Non-Listed Subsidiary stops or threatens to stop payment (within, if applicable, the meaning of the bankruptcy law of any appropriate jurisdiction) of all or a material part of its debts or applies for or consents to the appointment of an administrative or other receiver, manager, administrator or other similar officer over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, the Guarantor or any Principal Non-Listed Subsidiary except (in each such case) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) on terms approved by an Extraordinary Resolution of the Noteholders, or (2) in the case of a Principal Non-Listed Subsidiary, whereby the undertaking and assets of such Principal Non-Listed Subsidiary are transferred to or otherwise vested in the Guarantor or another of its Subsidiaries pursuant to a merger of such Principal Non-Listed Subsidiary with the Guarantor or such other Subsidiary or by way of a voluntary winding up or dissolution where there are surplus assets in such Principal Non-Listed Subsidiary and such surplus assets attributable to the Guarantor and/or such other Subsidiary are distributed to the Guarantor and/or such other Subsidiary; or
- (ix) proceedings are initiated against the Issuer, the Guarantor or any Principal Non-Listed Subsidiary under any applicable liquidation, insolvency, reorganisation or other similar law and such proceedings are not discharged or stayed within a period of 90 days; or
- (x) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 8(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.



**(b) For the purposes of these Conditions:**

“*Principal Non-Listed Subsidiary*” at any time shall mean a Subsidiary of the Guarantor, whose shares are not at the relevant time listed on the Hong Kong Stock Exchange or any other stock exchange and:

- (1) as to which one or more of the following conditions is satisfied:
  - (A) its net profits for each of the three financial years preceding the relevant time or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net profits for each of the three financial years preceding the relevant time attributable to the Guarantor (in each case before taxation and extraordinary items) expressed as a percentage of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Guarantor and its Subsidiaries for each of the three corresponding financial years preceding the relevant time, are as an average at least five per cent., all as calculated by reference to the audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Guarantor for each of the three financial years ending on or prior to the relevant time and the consolidated audited accounts of the Guarantor and its Subsidiaries for each of the three financial years ending on or prior to the relevant time; provided, however, that:
    - (aa) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts relate, the then latest audited accounts of the Guarantor for the purposes of the calculation above shall, until audited accounts for the financial period in which the acquisition is made are published, be deemed to be adjusted to consolidate the latest audited accounts of the Subsidiary in such accounts;
    - (bb) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of *pro forma* consolidated accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose by its auditors; and
    - (cc) if the accounts of any Subsidiary of the Guarantor (not being a Subsidiary referred to in (aa) above) are not consolidated with those of the Guarantor, the determination of whether or not the Subsidiary is a Principal Non-Listed Subsidiary shall, if the Guarantor requires, be based on a *pro forma* consolidation of its accounts of such Subsidiary (consolidated, if appropriate) with the consolidated accounts of the Guarantor and its Subsidiaries; or
  - (B) its net assets or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net assets attributable to the Guarantor (in each case after deducting minority interest in Subsidiaries) represent five per cent. or more of the consolidated net assets (after deducting minority interests in Subsidiaries) of the Guarantor and its Subsidiaries, all as calculated by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Guarantor and the then latest consolidated audited accounts of the Guarantor and its Subsidiaries; provided, however, that:

- (aa) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts relate, the then latest audited accounts of the Guarantor for the purposes of the calculation above shall, until audited accounts for the financial period in which the acquisition is made are published, be deemed to be adjusted to consolidate the latest audited accounts of the Subsidiary in such accounts;
  - (bb) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of *pro forma* consolidated accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose by its auditors; and
  - (cc) if the accounts of any Subsidiary of the Guarantor (not being a Subsidiary referred to in (aa) above) are not consolidated with those of the Guarantor, the determination of whether or not the Subsidiary is a Principal Non-Listed Subsidiary shall, if the Guarantor requires, be based on a *pro forma* consolidation of its accounts of such Subsidiary (consolidated, if appropriate) with the consolidated accounts of the Guarantor and its Subsidiaries; or
- (2) to which is transferred the whole or substantially the whole of the assets and undertakings of a Subsidiary of the Guarantor which immediately prior to the transfer was a Principal Non-Listed Subsidiary. With effect from such transfer the Subsidiary which so transfers its assets and undertakings shall cease to be a Principal Non-Listed Subsidiary (but without prejudice to paragraph (1) above) and the Subsidiary of the Guarantor to which the assets and undertakings are so transferred shall become a Principal Non-Listed Subsidiary.

A certificate signed by one authorised signatory of the Guarantor as to whether or not a Subsidiary is a Principal Non-Listed Subsidiary shall be conclusive and binding on all parties in the absence of manifest error. Such certificate may, if requested by the Guarantor, be accompanied by a report from the auditors of the Guarantor addressed to the Directors of the Guarantor as to the proper extraction of figures used by the Directors of the Guarantor in determining a Principal Non-Listed Subsidiary as to mathematical accuracy of the calculations.

“**Subsidiary**” means any subsidiary within the meaning of Section 2(4) of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong).

“**Indebtedness for Borrowed Money**” means any indebtedness for or in respect of money borrowed or raised (including obligations under finance leases) evidenced by any agreement or other instrument, excluding trade credit and trade payables entered into in the ordinary course of business; provided, for the purposes of determining the amount of Indebtedness for Borrowed Money outstanding at any relevant time, the amount included as Indebtedness for Borrowed Money in respect of finance leases shall be the net amount from time to time properly characterised as “obligations under finance leases” in accordance with generally accepted accounting principles and practices in Hong Kong.

## 12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such

costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Principal Paying Agent and the Registrar (as the case may be) may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **13. AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar; and
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **14. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

### **15. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Hong Kong. It is expected that such publication will be made in the *South China Morning Post* in Hong Kong. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the

fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or the persons shown in the relevant CMU Instrument Position Report.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice of the CMU Lodging Agent in Hong Kong, as the case may be, in such manner as the Principal Paying Agent, the Registrar, the CMU Lodging Agent and Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, may approve for this purpose.

## **16. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

## **17. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **(a) Governing law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons are governed by, and shall be construed in accordance with, English law.

### **(b) Submission to jurisdiction**

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "*Proceedings*") arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

**(c) Appointment of Process Agent**

The Issuer appoints John Swire & Sons Ltd at its registered office at Swire House, 59 Buckingham Gate, London SW1E 6AJ, England as its agent for service of process, and undertakes that, in the event of John Swire & Sons Ltd ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

**(d) Other documents and the Guarantor**

The Issuer and, where applicable, the Guarantor have in the Agency Agreement, the Guarantee and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for on-lending to the Guarantor and its subsidiaries and joint venture and associated companies (the “*Group*” or the “*Swire Properties Group*”) for working capital and general corporate purposes.

## DESCRIPTION OF SWIRE PROPERTIES MTN FINANCING LIMITED

Swire Properties MTN Financing Limited (“*SPMF*”) is a public company incorporated under the laws of Hong Kong on 20th April, 2012. The registered office of SPMF is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong. At the date of this Offering Circular, it has issued and paid up share capital of HK\$1. SPMF is a wholly-owned, direct subsidiary of the Guarantor. SPMF is a financing vehicle whose sole business is the raising of debt, the proceeds of which are on-lent to the Swire Properties Group. At the date of this Offering Circular, SPMF has no subsidiaries. Under clause 3 of its Memorandum of Association (which by section 98(1) of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “*Companies Ordinance*”) is regarded as a provision of its Articles of Association), SPMF has all the rights, powers and privileges of a natural person in accordance with the provisions of the Companies Ordinance.

The Directors and Secretaries of SPMF are:

Directors

G. M. C. Bradley

M. M. S. Low

A. H. S. Lee

K. H. Choy

Secretaries

D. Y. H. Fu and John Swire & Sons (H.K.) Limited

The business address of G. M. C. Bradley, M. M. S. Low, A. H. S. Lee and K. H. Choy is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong.

SPMF has no employees.



The following table sets out the outstanding debt securities of SPMF (all of which are non-listed except for the Notes that are marked with an asterisk\* below, which are listed on the Hong Kong Stock Exchange) at the date of this Offering Circular together with their respective coupon amount and year of maturity. SPMF has no outstanding debt securities other than the debt securities listed below.

<u>Description and principal amount of debt</u>	<u>Coupon amount</u>	<u>Year of maturity</u>
US\$500,000,000 Notes*	4.375% per annum	2022
HK\$300,000,000 Notes	2.8% per annum	2019
HK\$500,000,000 Notes	2.35% per annum	2017
US\$500,000,000 Notes*	2.75% per annum	2020
HK\$300,000,000 Notes	3.55% per annum	2024
HK\$300,000,000 Notes	3.1% per annum	2024
HK\$200,000,000 Notes	2.9% per annum	2025
HK\$200,000,000 Notes	3.0% per annum	2025
HK\$200,000,000 Notes	2.8% per annum	2025
HK\$200,000,000 Notes	3.1% per annum	2025
HK\$800,000,000 Notes	3.0% per annum	2025
HK\$140,000,000 Notes	3.2% per annum	2025
US\$500,000,000 Notes*	3.625% per annum	2026
HK\$200,000,000 Notes	2.65% per annum	2026
HK\$200,000,000 Notes	2.25% per annum	2023
HK\$300,000,000 Notes	1.8% per annum	2021
HK\$500,000,000 Notes	2.35% per annum	2026
HK\$360,000,000 Notes	3.2% per annum	2027
HK\$300,000,000 Notes	2.95% per annum	2024
HK\$200,000,000 Notes	3.0% per annum	2027

## CAPITALISATION AND INDEBTEDNESS OF SWIRE PROPERTIES

The following table shows the consolidated capitalisation and indebtedness of Swire Properties at 31st December, 2016 extracted from its audited consolidated financial statements for the year ended 31st December, 2016.

	<u>31st December, 2016</u> in HK\$ million
Short-term debt (including current portion of long-term debt)	7,499
Long-term debt (net of current portion)	29,559
Equity attributable to the shareholders of Swire Properties	
Share Capital	10,449
Reserves	214,920
Total equity attributable to the shareholders of Swire Properties	225,369
Non-controlling interests	1,856
Total capitalisation <sup>(1)(2)</sup>	256,784
Total short-term debt and capitalisation <sup>(2)</sup>	264,283

*Notes:*

- (1) Total capitalisation equals long-term debt (net of current portion) plus total equity attributable to the shareholders of Swire Properties and non-controlling interests.
- (2) SPMF issued HK\$360,000,000 3.2 per cent. Guaranteed Notes due 2027 in January 2017, HK\$300,000,000 2.95 per cent. Guaranteed Notes due 2024 in February 2017 and HK\$200,000,000 3.0 per cent. Guaranteed Notes due 2027 in April 2017 (collectively, the “**2017 Notes**”) respectively under the Programme.

As the 2017 Notes were issued after 31st December 2016, they have not been reflected in the table above.

Save as described above, there has been no material adverse change in the consolidated capitalisation and indebtedness of Swire Properties since 31st December, 2016.

## DESCRIPTION OF SWIRE PROPERTIES

Swire Properties is a developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the PRC. Swire Properties is listed on the Hong Kong Stock Exchange. Based on the closing price of its shares on 28th April, 2017, Swire Properties had a market capitalisation of HK\$152,685 million. The address of the registered office of Swire Properties is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong.

The Swire Properties Group engages in property investment, that is the design, development, leasing and management of commercial, retail and some residential properties; property trading, that is the development and construction of properties, principally residential apartments, for sale; and investments in and operation of hotels.

Swire Properties is a subsidiary of Swire Pacific Limited (“*Swire Pacific*”), a company listed on the Hong Kong Stock Exchange, whose ‘A’ shares are constituent stocks of the Hang Seng Index. Swire Pacific is the holding company of a group that engages in property investment and development, aviation, beverages, marine services and trading and industrial businesses. Swire Pacific is in turn a subsidiary of John Swire & Sons Limited, a privately-owned company incorporated in England. John Swire & Sons Limited and its subsidiary undertakings are collectively known as the “Swire group”. The Swire group has substantial operations in the Asia-Pacific region, with its main centre of activities in Hong Kong.

The Swire group dates its history from 1816, when John Swire & Sons was founded in Liverpool in the United Kingdom. In the early 1860s, the company began to trade with China, where in 1866 its first Far Eastern office was established in Shanghai. Swire Pacific was incorporated in Hong Kong in 1940 as The Taikoo Dockyard and Engineering Company of Hong Kong Limited. Its original business was the operation of the Taikoo dockyard, which was established in 1900. Swire Properties was incorporated in Hong Kong in 1972 and is one of Hong Kong’s leading property developers and investors.

Swire Properties’ consolidated profit attributable to shareholders for the year ended 31st December, 2016 amounted to HK\$15,050 million. Swire Properties’ underlying profit attributable to shareholders increased to HK\$7,112 million in 2016 from HK\$7,078 million in 2015. The 2015 profit included a loss of HK\$229 million on disposal of four hotels in the United Kingdom.

## Summary Financial Information<sup>(1)</sup>

The summary financial information as of and for the year ended 31st December, 2015 and 2016 is derived from, or extracted from the audited consolidated financial statements of Swire Properties for the year ended 31st December, 2016 incorporated by reference in this Offering Circular.

	Year ended 31st December,	
	2016	2015
	in HK\$ million	in HK\$ million
<b>Consolidated Statement of Profit or Loss Data</b>		
Total revenue	16,792	16,447
Finance charges	(1,216)	(1,291)
Profit before taxation	17,620	16,253
Profit attributable to Swire Properties' shareholders	15,050	14,072
Dividends <sup>(2)</sup>	4,154	4,154
<b>Consolidated Statement of Financial Position Data</b>		
Non-current assets	271,389	257,783
Trade and other receivables	<u>2,881</u>	<u>2,848</u>
<b>Capital</b>		
Short-term debt (including current portion of long-term debt)	7,499	7,260
Long-term debt (net of current portion)	29,559	30,474
Equity attributable to the shareholders of Swire Properties	<u>225,369</u>	<u>216,247</u>
<b>Total shareholders' capital</b>	<u>262,427</u>	<u>253,981</u>
<b>Non-controlling interests</b>	<u>1,856</u>	<u>1,702</u>
<b>Total capital</b>	<u>264,283</u>	<u>255,683</u>

*Note:*

- (1) The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance) of Swire Properties in this document are not specified financial statements (within such meaning) of Swire Properties. The specified financial statements of Swire Properties for the year ended 31st December 2016 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Companies Ordinance. An auditor's report has been prepared on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain any statement under section 406(2) or 407(2) or (3) of the Companies Ordinance.
- (2) Dividends comprise HK\$1,346 million first interim dividend paid (2015: HK\$1,346 million) and HK\$2,808 million second interim dividend declared on 16th March, 2017 (2015: HK\$2,808 million second interim dividend declared on 10th March, 2016).

The following table sets out Swire Properties' consolidated revenue, operating profit, share of post-tax profits from joint venture and associated companies and attributable profit for the years ended 31st December, 2015 and 2016.

	<u>Year ended 31st December,</u>	
	<u>2016</u>	<u>2015</u>
	in HK\$ million	in HK\$ million
<b>Revenue</b>		
<b>Gross Rental Income Derived from</b>		
Offices	6,053	5,972
Retail	4,304	4,366
Residential	416	378
<b>Other Revenue<sup>(1)</sup></b>	<u>129</u>	<u>141</u>
<b>Property Investment</b>	10,902	10,857
<b>Property Trading</b>	4,760	4,463
<b>Hotels</b>	<u>1,130</u>	<u>1,127</u>
<b>Total Revenue</b>	<u><u>16,792</u></u>	<u><u>16,447</u></u>
<b>Operating Profit/(Loss) Derived from</b>		
Property investment	7,752	8,097
Valuation gains on investment properties	8,418	7,116
Property trading	1,332	1,328
Hotels <sup>(2)</sup>	<u>(182)</u>	<u>(334)</u>
<b>Total Operating Profit</b>	<u><u>17,320</u></u>	<u><u>16,207</u></u>
<b>Share of Post-tax Profits from Joint Venture and Associated Companies</b>	1,419	1,241
<b>Attributable Profit<sup>(3)</sup></b>	<u><u>15,050</u></u>	<u><u>14,072</u></u>

Notes:

- (1) Other revenue is mainly estate management fees.
- (2) Including a loss of HK\$229 million on disposal of four hotels in the United Kingdom in 2015.
- (3) Attributable Profit represents profit for the year attributable to Swire Properties' shareholders.

Additional information is provided below to reconcile reported and underlying profit attributable to Swire Properties' shareholders. These reconciling items principally adjust for net revaluation movements on investment properties and the associated deferred tax in the PRC and the United States and for other deferred tax provisions in relation to investment properties. There is a further adjustment to remove the effect of the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest.

	<i>Note</i>	<u>Year ended 31st December,</u>	
		<u>2016</u>	<u>2015</u>
		<u>in HK\$ million</u>	<u>in HK\$ million</u>
<b>Underlying profit</b>			
Profit attributable to Swire Properties' shareholders per financial statements		15,050	14,072
Adjustments in respect of investment properties:			
Revaluation of investment properties	(a)	(9,610)	(8,186)
Deferred tax on investment properties	(b)	1,459	1,090
Realised profit on sale of properties	(c)	3	28
Depreciation of investment properties occupied by the Group	(d)	20	17
Non-controlling interests' share of revaluation movements less deferred tax		121	41
Movements in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	(e)	<u>69</u>	<u>16</u>
<b>Underlying Profit Attributable to Swire Properties' Shareholders</b>		<u>7,112</u>	<u>7,078</u>
Loss on disposal of four hotels in the United Kingdom		<u>—</u>	<u>229</u>
<b>Adjusted Underlying Profit Attributable to Swire Properties' Shareholders</b>		<u><u>7,112</u></u>	<u><u>7,307</u></u>

*Notes:*

- (a) This represents the net revaluation movements as shown in the consolidated statement of profit or loss and the Group's share of net revaluation movements of joint venture companies.
- (b) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture companies. These comprise deferred tax on revaluation movements on investment properties in the PRC and the United States, and deferred tax provisions made in respect of investment properties held for the long-term where it is considered that the liability will not reverse for some considerable time.
- (c) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, the revaluation gains were transferred from the revaluation reserve to the consolidated statement of profit or loss.
- (d) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.
- (e) The value of the put option in favour of the owner of a non-controlling interest is calculated principally by reference to the estimated fair value of the portion of the underlying investment property in which the owner of the non-controlling interest is interested.

## **Underlying Profit**

The underlying profit in 2016 (HK\$7,112 million) recorded a marginal increase from that in 2015 (HK\$7,078 million). The underlying profit in 2015 included a loss of HK\$229 million on disposal of four hotels in the United Kingdom. In 2016, there was a small decrease in underlying profit from property investment and a small increase in underlying profit from property trading. Disregarding the loss on disposal in 2015, the underlying loss from hotels was little changed in 2016. Gross rental income fell in Hong Kong and increased in the PRC and the United States. The reduction in Hong Kong largely reflected lower retail rental income consequent on lower retail sales. Office rental income in Hong Kong increased despite the loss of rental income resulting from the Taikoo Place redevelopment. In the PRC, gross rental income increased. Profit from property trading in 2016 included that recognised on the sales of residential units in the United States. Fewer residential properties were sold in Hong Kong. No sales of office property took place in the PRC. The performance of the hotels in the PRC improved, while at the same time hotels in Hong Kong were adversely affected by a reduction in the number of visitors to Hong Kong.

## **Portfolio Overview**

The aggregate gross floor area (“*GFA*”) attributable to the Group at 31st December, 2016 was approximately 29.4 million square feet.

Of the aggregate GFA attributable to the Group, approximately 26.5 million square feet are investment properties, comprising completed investment properties of approximately 22.1 million square feet and investment properties under development or held for future development of approximately 4.4 million square feet. In Hong Kong, the investment property portfolio comprises approximately 15.1 million square feet attributable to the Group of primarily Grade-A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In the PRC, Swire Properties has interests in five major commercial mixed-use developments in prime locations in Beijing, Guangzhou, Chengdu and Shanghai. These developments are expected to comprise approximately 8.7 million square feet of attributable GFA when they are all completed. Outside Hong Kong and the PRC, the investment property portfolio principally comprises the Brickell City Centre development and interests in hotels in Miami in the United States.

The tables below illustrate the GFA (or expected GFA) attributable to the Group of the investment property portfolio at 31st December, 2016.

**Completed Investment Properties**  
(GFA attributable to the Group in million square feet)

	<u>Office</u>	<u>Retail</u>	<u>Hotels<sup>(1)</sup></u>	<u>Residential/ Serviced Apartments</u>	<u>Total</u>
Hong Kong	9.0	2.5	0.7	0.6	12.8
PRC	2.5	4.5	1.0	0.1	8.1
United States	0.3	0.3	0.5	0.1	1.2
<b>TOTAL</b>	<b><u>11.8</u></b>	<b><u>7.3</u></b>	<b><u>2.2</u></b>	<b><u>0.8</u></b>	<b><u>22.1</u></b>

**Investment Properties Under Development or Held for Future Development**  
(expected GFA attributable to the Group in million square feet)

	<u>Office</u>	<u>Retail</u>	<u>Hotels<sup>(1)</sup></u>	<u>Residential/ Serviced Apartments</u>	<u>Under Planning</u>	<u>Total</u>
Hong Kong	2.2	0.1	—	—	—	2.3
PRC	0.3	—	0.2	0.1	—	0.6
United States and elsewhere	—	—	—	0.1	1.4 <sup>(2)</sup>	1.5
<b>TOTAL</b>	<b><u>2.5</u></b>	<b><u>0.1</u></b>	<b><u>0.2</u></b>	<b><u>0.2</u></b>	<b><u>1.4</u></b>	<b><u>4.4</u></b>

**Total Investment Properties**  
(GFA (or expected GFA) attributable to the Group in million square feet)

	<u>Office</u>	<u>Retail</u>	<u>Hotels<sup>(1)</sup></u>	<u>Residential/ Serviced Apartments</u>	<u>Under Planning</u>	<u>Total</u>
<b>TOTAL</b>	<b><u>14.3</u></b>	<b><u>7.4</u></b>	<b><u>2.4</u></b>	<b><u>1.0</u></b>	<b><u>1.4</u></b>	<b><u>26.5</u></b>

Notes:

- (1) Hotels are accounted for under property, plant and equipment in the financial statements.
- (2) The site is accounted for under properties held for development in the financial statements.
- (3) The above excludes an uncompleted office building in Kowloon Bay, which was conditionally agreed to be sold in October 2016. This site is accounted for under other non-current assets in the financial statements.

The Group's trading portfolio comprises a luxury residential development fully pre-sold on Hong Kong Island (ALASSIO) and completed developments available for sale in Hong Kong, the PRC and Miami, United States. The principal completed developments available for sale are the WHITESANDS development in Hong Kong, the remaining portion of the office property at Sino-Ocean Taikoo Li Chengdu (Pinnacle One) in the PRC and the Reach and Rise developments at Brickell City Centre in Miami. There are also land banks in Miami and Fort Lauderdale in Florida, United States.

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio at 31st December, 2016.



## Trading Properties

(GFA (or expected GFA) attributable to the Group in million square feet)

	<u>Completed</u>	<u>Under Development or Held for Future Development</u>	<u>Total</u>
Hong Kong	0.3	—	0.3
PRC	0.3	—	0.3
United States	0.4	1.9	2.3
<b>TOTAL</b>	<b>1.0</b>	<b>1.9</b>	<b>2.9</b>

## Investment Properties

At 31st December, 2016, Swire Properties' completed investment portfolio comprised office, retail, hotel, serviced apartments and residential properties with a total GFA of approximately 22.1 million square feet with a further approximately 4.4 million square feet under development or held for future development.

In Hong Kong, Swire Properties' property investment portfolio is concentrated in two core complexes: Pacific Place in Hong Kong's Central District and Cityplaza/Taikoo Place. Pacific Place has 2.9 million square feet of office and retail space and a linkage to the Admiralty MTR station. The Taikoo Place and Cityplaza completed portfolios comprise 7.1 million square feet of office and retail space attributable to the Swire Properties Group, with linkages to the Quarry Bay and Tai Koo MTR stations.

The Citygate Outlets at Tung Chung in Hong Kong, in which Swire Properties has a 20 per cent. interest, is an outlet mall, with a GFA of 462,428 square feet. The commercial site next to Citygate Outlets is being developed into a commercial building with an aggregate retail and hotel GFA of approximately 475,000 square feet. Excavation, substructure and superstructure works are in progress. The development is expected to be completed in 2018. Swire Properties has a 20 per cent. interest in the development.

The first phase of the Taikoo Place redevelopment (the redevelopment of Somerset House) is the construction of a 48-storey Grade-A office building with an aggregate GFA of approximately 1,020,000 square feet, to be called One Taikoo Place. Substructure and superstructure works are in progress. The redevelopment is expected to be completed in 2018. The second phase of the Taikoo Place redevelopment (the redevelopment of Cornwall House and Warwick House) is the construction of an office building with an aggregate GFA of approximately 1,000,000 square feet, to be called Two Taikoo Place. The acquisition of the government of Hong Kong's (the "*Hong Kong Government*") interest in Cornwall House was completed at the end of 2016. Demolition of Warwick House has started. Demolition of Cornwall House will start in the second quarter of 2017. Completion of the redevelopment is expected in 2021 or 2022.

The commercial site at the junction of Wang Chiu Road and Lam Lee Street in Kowloon Bay is being developed into an office building with an aggregate GFA of approximately 555,000 square feet. In October 2016, Swire Properties conditionally agreed to sell its 100 per cent. interest in the company which owns this uncompleted investment property development. The property was transferred to other non-current assets at fair value in the financial statements at the same time. Completion of the sale is conditional upon the relevant occupation permit and certificate of compliance being obtained on or before 31st December 2018.

The commercial site at 8-10 Wong Chuk Hang Road is being developed into an office building with an aggregate GFA of approximately 382,500 square feet. Substructure and superstructure works are in progress. The development is expected to be completed in 2018. Swire Properties has a 50 per cent. interest in the development.

In the PRC, Swire Properties has interests in five major commercial mixed-use developments in prime locations in Beijing, Guangzhou, Chengdu and Shanghai. The four projects in Beijing, Guangzhou and Chengdu, and the construction of the shopping mall and one of the office towers at the fifth project, HKRI Taikoo Hui in Shanghai, have been completed. Construction of another office tower, hotels and serviced apartments at HKRI Taikoo Hui is expected to be completed in phases in 2017.

In Beijing, Swire Properties has a 100 per cent. interest in Taikoo Li Sanlitun. Taikoo Li Sanlitun is a low-density complex which comprises two neighbouring retail sites, South and North, totalling approximately 1.3 million square feet in the Chaoyang district of Beijing. Swire Properties also has a 50 per cent. interest in INDIGO, a retail-led mixed-use development which comprises a shopping mall, a Grade-A office tower (ONE INDIGO) and a 369-room business hotel (EAST, Beijing) totalling approximately 1.5 million square feet in the Jiang Tai area in the Chaoyang district of Beijing. In Guangzhou, Swire Properties has a 97 per cent. interest in TaiKoo Hui which comprises a shopping mall, two Grade-A office towers, a cultural centre owned by a third party and a Mandarin Oriental hotel with 287 rooms including 24 serviced apartments totalling approximately 3.8 million square feet in the Tianhe district.

Sino-Ocean Taikoo Li Chengdu in the Jinjiang district of Chengdu is a 50:50 joint venture with Sino-Ocean Group Holding Limited. It is a large-scale retail-led development and comprises a retail complex, a boutique hotel (The Temple House), which has 100 rooms and 42 serviced apartments, and a Grade-A office tower (Pinnacle One). Sino-Ocean Taikoo Li Chengdu is Swire Properties' second Taikoo Li project in the PRC. It opened in 2015.

In Shanghai, Swire Properties has a 50 per cent. interest in HKRI Taikoo Hui in the Jingan district of Puxi. HKRI Taikoo Hui is a large-scale retail-led mixed-use development with an aggregate GFA of approximately 3.5 million square feet upon completion. The project comprises a retail mall, two office towers, two hotels and a serviced apartment tower. Construction of the shopping mall and one of the office towers was completed in August 2016. Fit-out of some of the space to be occupied by retail and office tenants is in progress. Interior decoration and mechanical and electrical installation works for another office tower, two hotels and a serviced apartment tower are in progress. These works are expected to be completed in phases in 2017.

In the United States, Brickell City Centre is an urban mixed-use development with a site area of 504,017 square feet in the Brickell financial district of Miami, Florida. Brickell City Centre consists of a shopping centre, two office buildings (Two Brickell City Centre and Three Brickell City Centre), a hotel and serviced apartments (EAST, Miami) managed by Swire Hotels and two residential towers (Reach and Rise). The residential towers have been developed for sale. The development was completed in 2016. Three Brickell City Centre opened in March, followed by EAST, Miami and serviced apartments in June and the shopping centre in November. Construction of Two Brickell City Centre was completed in September and subsequently opened in February 2017. The shopping centre was developed jointly with Bal Harbour Shops and Simon Property Group. Swire Properties is the primary developer of the Brickell City Centre project. At 31st December, 2016, Swire Properties had a 100 per cent. interest in the office, hotel and remaining unsold residential portions and a 60.9 per cent. interest in the shopping centre of the Brickell City Centre development. The remaining interest in the shopping centre was held by Simon Property Group (25 per cent.) and Bal Harbour Shops (14.1 per cent.). Bal Harbour Shops has an option, exercisable from the second anniversary of the grand opening of the shopping centre, to sell its interest to Swire Properties.

One Brickell City Centre is planned to be a mixed-use development comprising retail, office, hotel and residential space in an 80-storey tower. It will incorporate the site at 700 Brickell Avenue acquired by Swire Properties in 2013. Development of this site will connect the Brickell City Centre development with Brickell Avenue. Swire Properties has a 100 per cent. interest in One Brickell City Centre.

#### *Property Trading*

Swire Properties is involved in the development of residential property for sale. Its experience in this field includes developing the Taikoo Shing estate in Quarry Bay comprising 12,698 units.

Swire Properties' trading portfolio comprises a luxury residential project fully pre-sold on Hong Kong Island (ALASSIO) and completed developments available for sale in Hong Kong, the PRC and Miami, United States. The principal completed developments available for sale are the WHITESANDS development in Hong Kong, the remaining portion of the office property at Sino-Ocean Taikoo Li Chengdu (Pinnacle One) in the PRC and the Reach and Rise developments at Brickell City Centre in Miami. There are also land banks in Miami and Fort Lauderdale in Florida, United States.

#### *Hotels and Restaurants*

Swire Properties Group owns and manages (through Swire Hotels) EAST, Hong Kong, a 345-room hotel in Taikoo Shing, The Upper House, a 117-room luxury hotel at Pacific Place, The Opposite House, a 99-room luxury hotel at Taikoo Li Sanlitun in Beijing, EAST, Beijing (with a 50 per cent. interest), a 369-room business hotel at the INDIGO development in Beijing, The Temple House consisting of 100 hotel rooms and 42 serviced apartments, the latter known as The Temple House Residences, and EAST, Miami consisting of 263 hotel rooms and 89 serviced apartments. It also owns a 20 per cent. interest in each of JW Marriott Hotel, Conrad and Island Shangri-La (all located at Pacific Place) and Novotel Citygate (located in Tung Chung), a 75 per cent. interest in Mandarin Oriental in Miami and a 97 per cent. interest in Mandarin Oriental in Guangzhou.

Two hotels and one serviced apartment tower at HKRI Taikoo Hui in Shanghai are under development.

Swire Properties Group operates restaurants in Hong Kong. PUBLIC is a restaurant at One Island East. Ground PUBLICs are cafés at One Island East and in North Point. The Continental is a European restaurant at Pacific Place. Mr & Mrs Fox is a restaurant with an international menu in Quarry Bay. The Plat du Jour restaurants are French bistros at Pacific Place and in Quarry Bay. During the year, Mr & Mrs Fox and The Continental received awards from the South China Morning Post.

## Management

The Directors and Company Secretary of Swire Properties are:

J.R. Slosar	Chairman*
G. M. C. Bradley	Chief Executive*
M. M. S. Low	Finance Director*
M. Cubbon	Non-Executive Director
P. Healy	Non-Executive Director
R. S. K. Lim	Non-Executive Director
M. B. Swire	Non-Executive Director
S. E. Bradley	Independent Non-Executive Director
L. K. L. Cheng	Independent Non-Executive Director
S. T. Fung	Independent Non-Executive Director
S. C. Liu	Independent Non-Executive Director
M. Y. Wu	Independent Non-Executive Director
D. Y. H. Fu	Company Secretary

\* *Executive Directors*

The business address of all Executive Directors and the Company Secretary is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong.

**SWIRE PROPERTIES**  
**SCHEDULE OF PRINCIPAL GROUP PROPERTIES**  
**AS AT 31ST DECEMBER, 2016**

	Gross floor areas in square feet							
	Hong Kong		PRC		United States		Totals	
	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through subsidiaries and other companies
<b>Completed properties for investment</b>								
Retail	2,337,174	99,696	2,859,885	1,644,255	496,508	—	5,693,567	7,437,518
Office	7,865,110	687,130	1,731,766	862,239	260,000	—	9,856,876	11,406,245
Residential/serviced apartment	593,543	—	51,517	63,790	109,000	—	754,060	817,850
Hotels	358,371	384,796	753,647	293,240	218,000	258,750	1,330,018	2,266,804
	<u>11,154,198</u>	<u>1,171,622</u>	<u>5,396,815</u>	<u>2,863,524</u>	<u>1,083,508</u>	<u>258,750</u>	<u>17,634,521</u>	<u>21,928,417</u>
<b>Property developments for investment</b>								
Retail	—	69,600	—	—	—	—	—	69,600
Office	2,020,000	191,250	—	349,523	—	—	2,020,000	2,560,773
Residential/serviced apartment	—	—	—	74,544	—	—	—	74,544
Hotels	—	25,400	—	194,856	—	—	—	220,256
Under planning	—	—	—	—	1,444,000*	—	1,444,000	1,444,000
	<u>2,020,000</u>	<u>286,250</u>	<u>—</u>	<u>618,923</u>	<u>1,444,000</u>	<u>—</u>	<u>3,464,000</u>	<u>4,369,173</u>
<b>Completed properties for sale</b>								
Retail	—	—	—	—	—	—	—	—
Residential	255,128	—	—	—	423,203	—	678,331	678,331
Office	—	—	—	296,570	—	—	—	296,570
	<u>255,128</u>	<u>—</u>	<u>—</u>	<u>296,570</u>	<u>423,203</u>	<u>—</u>	<u>678,331</u>	<u>974,901</u>
<b>Property developments for sale</b>								
Office	—	—	—	—	—	—	—	—
Residential	—	—	—	—	1,073,000	—	1,073,000	1,073,000
Under planning	—	—	—	—	825,000	—	825,000	825,000
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,898,000</u>	<u>—</u>	<u>1,898,000</u>	<u>1,898,000</u>
	<u>13,429,326</u>	<u>1,457,872</u>	<u>5,396,815</u>	<u>3,779,017</u>	<u>4,848,711</u>	<u>258,750</u>	<u>23,674,852</u>	<u>29,170,491</u>

\* One Brickell City Centre is currently under planning. The site is included under “Land held for development” in the financial statements.

*Notes:*

- All properties held through subsidiary companies are wholly-owned except for Island Place (60% owned), TaiKoo Hui, Guangzhou (97% owned), Brickell City Centre (Retail: 60.875% owned), River Court and Fort Lauderdale (100% owned; 75% defined profits). The above summary table includes the floor areas of these five properties on a 100% basis.
- “Other companies” comprise joint venture or associated companies. The floor areas of properties held through such companies are shown on an attributable basis.
- Gross floor areas in Hong Kong and the PRC exclude carparking spaces; there are about 9,400 completed carparking spaces in Hong Kong and the PRC, which are held by subsidiaries and other companies for investment.
- When a Hong Kong property is held under a renewable lease, the expiry date of the renewal period is shown.
- All properties in the United States are freehold.
- Gross floor areas for all properties in the United States represent saleable/leasable areas for completed and nearly completed properties, which exclude carparking spaces; there are about 1,976 completed carparking spaces held by subsidiaries and other companies for investment.

7. For NKIL 6312 in Kowloon Bay, Hong Kong, a sale and purchase agreement for the sale of the company owning the property under development was signed in October 2016. Completion of the sale is conditional upon the relevant occupation permit and certificate of compliance being obtained on or before 31st December 2018. The property was transferred to “Other non-current assets” in the financial statements on the date of agreement. Accordingly, it is not included in the summary above.

Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Office</b>							
1. Pacific Place, 88 Queensway, Central							
One Pacific Place	IL 8571 (part)	2135	115,066 (part)	863,266	—	1988	
Two Pacific Place	IL 8582 & Ext. (part)	2047	203,223 (part)	695,510	—	1990	
2. Three Pacific Place, One Queen's Road East	IL 47A sA RP IL 47A sB RP IL 47A sC RP IL 47B sC RP IL 47A RP IL 47C sA ss1 RP IL 47C sA RP IL 47B sA RP IL 47B sB RP IL 47B RP IL 47A sB ss2 IL 47A sD IL 47B sD IL 47C RP IL 47D RP IL 47D sA RP IL 47 sA ss1 IL 47 sA RP IL 47 sB ss1 & RP IL 47 sC ss1 & ss2 sA & ss2 RP & ss3 sA & ss3 RP & ss4 & ss5 & ss6 sA & ss6 RP & ss7 RP & RP IL 47 sP IL 47 RP IL 47 sC ss5 Ext. IL 47 sC ss1 Ext.	2050-2852	40,236	627,657	111	2004/07	Linked to The Mall at Pacific Place and Admiralty MTR station.
3. Cityplaza One, Taikoo Shing	QBML 2 & Ext. sR RP (part) QBML 2 & Ext. sR ss1 sA (part) QBML 2 & Ext. sQ RP (part) QBML 2 & Ext. sQ ss7 sA (part) QBML 2 & Ext. sQ ss7 RP (part) QBML 2 & Ext. sQ ss2 sB (part) QBML 2 & Ext. sQ ss2 sA ss1 (part) QBML 2 & Ext. sQ ss2 sA RP (part) QBML 2 & Ext. sJ RP (part)	2899	146,184 (part)	628,785	—	1997	Above part of Cityplaza shopping centre.
4. Cityplaza Three, Taikoo Shing	QBML 2 & Ext. sK ss18 (part)	2899	33,734 (part)	226,000	10	1992	Linked by a footbridge to Cityplaza shopping centre. Floor area is approximation and excludes ten floors which were assigned to the Government on 30th December 2016.
5. Cityplaza Four, Taikoo Shing	QBML 2 & Ext. sK RP (part)	2899	41,864	543,576	—	1991	Linked by a footbridge to Cityplaza shopping centre.
6. Devon House, Taikoo Place	QBML 1 sE ss2 (part) QBML 1 sF ss1 (part) QBML 1 sF RP (part) ML 703 sN (part)	2881	70,414 (part)	803,452	311	1993	Linked to Dorset House and Cambridge House.
7. Dorset House, Taikoo Place	QBML 1 sQ (part) QBML 1 sR ss1 (part) QBML 1 sR RP (part) QBML 1 sS (part) QBML 1 sT ss1 (part) QBML 1 sT ss2 (part) QBML 1 sT RP (part) QBML 1 sU (part) QBML 1 sW (part) QBML 1 RP (part)	2881	238,582 (part)	609,540	215	1994	Linked to Devon House.

Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
8. Lincoln House, Taikoo Place	QBML 1 sQ (part) QBML 1 sR ss1 (part) QBML 1 sR RP (part) QBML 1 sS (part) QBML 1 sT ss1 (part) QBML 1 sT ss2 (part) QBML 1 sT RP (part) QBML 1 sU (part) QBML 1 sW (part) QBML 1 RP (part)	2881	238,582 (part)	333,529	164	1998	Linked to PCCW Tower.
9. Oxford House, Taikoo Place	QBML 1 sC ss4 QBML 1 sC ss7 (part) QBML 2 & Ext. sD	2881/2899	33,434	501,253	182	1999	Linked to Cornwall House.
10. Cambridge House, Taikoo Place	QBML 1 sE ss2 (part) QBML 1 sF ss1 (part) QBML 1 sF RP (part) ML 703 sN (part)	2881	70,414 (part)	268,795	—	2003	Linked to Devon House.
11. One Island East, Taikoo Place	QBML 1 sC ss5 QBML 1 sC ss6 QBML 2 & Ext. sF QBML 2 & Ext. sG QBML 2 & Ext. sH ss6 sB RP QBML 2 & Ext. sH RP QBML 2 & Ext. RP QBIL 15 sD	2881/2899	109,929	1,537,011	—	2008	Linked to Cornwall House.
12. Generali Tower, Wanchai	IL 5250 IL 7948 IL 7950	2089/ 2103/2113	4,612	81,346	—	2013 (Refurbishment)	With ground floor retail.
13. 28 Hennessy Road, Wanchai	ML 23 IL 2244 RP IL 2245 RP Total held through subsidiaries	2843	9,622	145,390	—	2012	
				<u>7,865,110</u>	<u>993</u>		
14. PCCW Tower, Taikoo Place	QBML 1 sQ (part) QBML 1 sR ss1 (part) QBML 1 sR RP (part) QBML 1 sS (part) QBML 1 sT ss1 (part) QBML 1 sT ss2 (part) QBML 1 sT RP (part) QBML 1 sU (part) QBML 1 sW (part) QBML 1 RP (part)	2881	238,582 (part)	620,148	217	1994	Linked to Dorset House. Floor area shown represents the whole development, in which the Group owns a 50% interest.
15. Berkshire House, Taikoo Place	IL 8854	2047	25,926	388,838	84	1998	Floor area shown represents the whole development, in which the Group owns a 50% interest.
16. 625 King's Road, North Point	IL 7550	2108	20,000	301,065	84	1998	Floor area shown represents the whole development, in which the Group owns a 50% interest.
17. Citygate, Tung Chung, Lantau	TCTL 2 (part)	2047	358,557 (part)	160,522	63	1999/2000	Above Citygate shopping centre. Floor area shown represents the whole of the office area of the development, in which the Group owns a 20% interest. Citygate also comprises a hotel, details of which are given in the Hotel Category below.
	Held through joint venture companies			<u>1,470,573</u>	<u>448</u>		
	— of which attributable to the Group			<u>687,130</u>			



Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Retail</b>							
1. Pacific Place, 88 Queensway, Central	The Mall at Pacific Place IL 8571 (part) IL 8582 & Ext. (part)	2135/2047	318,289 (part)	711,182	430	1988/90	Shopping centre with restaurants and a cinema. Access to Admiralty MTR station. Pacific Place also comprises serviced apartments and hotels, details of which are given in the Residential and Hotel categories below.
2. Cityplaza, Taikoo Shing	QBML 2 & Ext. sK ss5 QBML 2 & Ext. sR RP (part) QBML 2 & Ext. sR ss1 sA (part) QBML 2 & Ext. sQ RP (part) QBML 2 & Ext. sQ ss7 sA (part) QBML 2 & Ext. sQ ss7 RP (part) QBML 2 & Ext. sQ ss2 sB (part) QBML 2 & Ext. sQ ss2 sA ss1 (part) QBML 2 & Ext. sQ ss2 sA RP (part) QBML 2 & Ext. sJ RP (part)	2899	334,475 (part)	1,105,227	834	1983/87/97/ 2000	Shopping centre with restaurants, ice-skating rink, cinema and access to Tai Koo MTR station.
3. Commercial areas in Stages I-X of Taikoo Shing	SML 1 sA ss1, SML 1 sA RP SML 1 sB, SML 2 sC RP SML 2 sC ss2 SML 2 sD, SML 2 RP QBML 2 & Ext. sJ ss1 QBML 2 & Ext. sJ ss3 QBML 2 & Ext. sL QBML 2 & Ext. sN QBML 2 & Ext. sQ ss4 & ss5 QBML 2 & Ext. sQ ss2 sC QBML 2 & Ext. sS ss1 QBML 2 & Ext. sH ss1 QBML 2 & Ext. sH ss3 sA QBML 2 & Ext. sK ss3 sA QBML 2 & Ext. sU ss1 QBML 2 & Ext. sK ss3 RP QBML 2 & Ext. sK ss4 sA & RP QBML 2 & Ext. sT ss1 & RP QBML 2 & Ext. sU RP QBML 2 & Ext. sK ss9 & ss10 & ss11 & ss13 & ss16 (part)	2081/ 2889/2899	—	331,079	3,826	1977-85	Neighbourhood shops, schools and carparking spaces.
4. Island Place 500 King's Road, North Point	IL 8849 (part)	2047	106,498 (part)	150,223	288	1996	Floor area shown represents the whole shopping centre podium, in which the Group owns a 60% interest.
5. StarCrest, 9 Star Street, Wanchai	IL 8853 (part)	2047	40,871 (part)	13,112	83	1999	Floor area shown represents the whole of the retail podium.
6. 21-29 Wing Fung Street, Wanchai	IL 526 sA ss1 sC IL 526 sA ss1 sB RP IL 526 sA ss1 sB ss1 IL 526 sA ss2 IL 526 sA ss3	2856	2,967	14,039	—	1992/2006	Floor area shown represents the existing buildings.
7. Taikoo Place Apartments, 23 Tong Chong Street, Taikoo Place	ML 703 sI (part)	2881	8,664 (part)	12,312	—	2014	Floor area shown represents the whole of a 3-storey retail podium (excluding serviced suites above).
Total held through subsidiaries				<u>2,337,174</u>	<u>5,461</u>		

Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
8. Tung Chung Crescent, Tung Chung, Lantau	TCTL 1 (part)	2047	331,658 (part)	36,053	75	1998/1999	Floor area shown represents the retail space, in which the Group owns a 20% interest.
9. Citygate, Tung Chung, Lantau	TCTL 2 (part)	2047	358,557 (part)	462,428	1,093	1999/2000	Floor area shown represents the whole of the retail area of the development, in which the Group owns a 20% interest. Approximately 120,000 square feet of the shopping centre is currently under major renovation.
	Held through joint venture companies			498,481	1,168		
	— of which attributable to the Group			99,696			

Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Residential</b>							
1. Pacific Place Apartments, 88 Queensway	IL 8582 & Ext. (part)	2047	203,223 (part)	443,075	—	1990	270 serviced suites within the Conrad Hong Kong Hotel tower.
2. Taikoo Place Apartments, 23 Tong Chong Street, Taikoo Place	ML 703 sI (part)	2881	8,664 (part)	62,756	—	2014	111 serviced suites above a 3-storey retail podium. Floor area shown excludes retail portion.
3. STAR STUDIOS I & II 8–10 & 18 Wing Fung Street	IL 47 sF (part) IL 47 sG (part) IL 47 sH (part) IL 47 sI (part) IL 8464 (part)	2056/2852	6,775 (part)	47,076	—	2016 (Refurbishment)	120 apartments above ground floor shops. Floor area shown excludes retail area (5,197 square feet).
4. Rocky Bank 6 Deep Water Bay Road	RBL 613 RP	2099	28,197	14,768	—	1981	Six semi-detached houses.
5. House B, 36 Island Road, Deep Water Bay	RBL 507 & Ext. (part)	2097	20,733 (part)	2,644	—	1980	One detached house.
6. Eredine, 38 Mount Kellett Road	RBL 587 & Ext. (part)	2038	51,430 (part)	23,224	7	1965	Seven apartment units.
	Total held through subsidiaries			593,543	7		

Completed properties for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks	
<b>Hotel</b>								
1.	EAST, Hong Kong, Taikoo Shing	QBML 2 & Ext. sR RP (part) QBML 2 & Ext. sR ss1 sA (part) QBML 2 & Ext. sQ RP (part) QBML 2 & Ext. sQ ss7 sA (part) QBML 2 & Ext. sQ ss7 RP (part) QBML 2 & Ext. sQ ss2 sB (part) QBML 2 & Ext. sQ ss2 sA ss1 (part) QBML 2 & Ext. sQ ss2 sA RP (part) QBML 2 & Ext. sJ RP (part)	2899	146,184 (part)	199,633	—	2009	345-room hotel.
2.	The Upper House, Pacific Place	IL 8571 (part)	2135	115,066 (part)	158,738	—	2009 (Refurbishment)	117-room hotel above the JW Marriott Hotel.
	Total held through subsidiaries			<u>358,371</u>				
3.	JW Marriott Hotel, Pacific Place	IL 8571 (part)	2135	115,066 (part)	525,904	—	1988	602-room hotel, in which the Group owns a 20% interest.
4.	Conrad Hong Kong Hotel, Pacific Place	IL 8582 & Ext. (part)	2047	203,223 (part)	555,590	—	1990	513-room hotel, in which the Group owns a 20% interest.
5.	Island Shangri-La Hotel, Pacific Place	IL 8582 & Ext. (part)	2047	203,223 (part)	605,728	—	1991	565-room hotel, in which the Group owns a 20% interest.
	Total held through associated companies			<u>1,687,222</u>				
	— of which attributable to the Group			<u>337,444</u>				
6.	Novotel Citygate Hong Kong Hotel, Citygate	TCTL 2 (part)	2047	358,557 (part)	236,758	7	2005	440-room hotel, in which the Group owns a 20% interest.
	Total held through joint venture companies			<u>236,758</u>	<u>7</u>			
	— of which attributable to the Group			<u>47,352</u>				

Completed properties for investment in the PRC	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks	
<b>Retail</b>								
1.	Taikoo Li Sanlitun (Taikoo Li Sanlitun South)	19 Sanlitun Road, Chaoyang District, Beijing	2044 (2054 for Carpark)	566,332 (Part)	776,909	451	2007	Shopping centre with restaurants and cinema.
2.	Taikoo Li Sanlitun (Taikoo Li Sanlitun North)	11 Sanlitun Road, Chaoyang District, Beijing	2044 (2054 for Carpark)	566,332 (Part)	519,399	410	2007	Shopping centre with restaurants.
3.	Hui Fang	75 Tianhe East Road, Tianhe District, Guangzhou	2044	174,377 (Part)	90,847	100	2008	Shopping centre with restaurants and carparking spaces.
4.	TaiKoo Hui	381-389 Tianhe Road (odd numbers), Tianhe District, Guangzhou	2051	526,941 (Part)	1,472,730	718	2011	Shopping centre with restaurants. Floor area shown represents the retail portion, in which the Group owns a 97% interest.
	Total held through subsidiaries				<u>2,859,885</u>	<u>1,679</u>		
5.	INDIGO	18 Jiuxianqiao Road, Chaoyang District, Beijing	2044 (2054 for Carpark)	631,072 (Part)	939,493	615	2012	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion, in which the Group owns a 50% interest.
6.	Sino-Ocean Taikoo Li Chengdu	Daci Temple Area, 9 Dongda Street, Jinjiang District, Chengdu	2051	814,604 (Part)	1,246,482	1,056	2014	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion, in which the Group owns a 50% interest.
7.	HKRI Taikoo Hui	South of West Nanjing Road and east of Shimenyi Road, Jingan District, Shanghai	2049	676,091 (Part)	1,102,535	240	2016	Floor area shown represents the retail portion, in which the Group owns a 50% interest.
	Total held through joint venture companies				<u>3,288,510</u>	<u>1,911</u>		
	— of which attributable to the Group				<u>1,644,255</u>			

Completed properties for investment in the PRC	Address	Leasehold expiry	Site area in square feet	Use	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Office</b>								
1.	TaiKoo Hui		526,941 (Part)		1,731,766	—	2011	Floor area shown represents the office portion, in which the Group owns a 97% interest.
					<u>1,731,766</u>	<u>—</u>		
					<u><u>1,731,766</u></u>	<u><u>—</u></u>		
2.	INDIGO		631,072 (Part)		595,464	390	2011	Floor area shown represents the office portion, in which the Group owns a 50% interest.
3.	HKRI Taikoo Hui		676,091 (Part)		1,129,014	491	2016	Floor area shown represents the office portion (HKRI Centre 1), in which the Group owns a 50% interest.
					<u>1,724,478</u>	<u>881</u>		
					<u><u>862,239</u></u>			
					<u><u>1,724,478</u></u>	<u><u>881</u></u>		
					<u><u>862,239</u></u>			
<b>Hotel</b>								
1.	The Opposite House		566,332 (Part)		169,463	32	2007	99-room hotel.
2.	Mandarin Oriental, Guangzhou		526,941 (Part)	Hotel: Serviced Apartment:	584,184 <u>51,517</u>	—	2012	263-room hotel and 24 serviced apartments, in which the Group owns a 97% interest.
					<u>635,701</u>			
					<u><u>805,164</u></u>	<u><u>32</u></u>		
3.	EAST, Beijing		631,072 (Part)		358,269	240	2012	369-room hotel, in which the Group owns a 50% interest.
4.	The Temple House		814,604 (Part)	Hotel: Serviced Apartment:	228,210 <u>127,579</u>	—	2015	100-room hotel and 42 serviced apartments, in which the Group owns a 50% interest.
					<u>355,789</u>			
					<u><u>714,058</u></u>	<u><u>240</u></u>		
					<u><u>357,029</u></u>			

Completed properties for investment in the United States	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks	
<b>Retail</b>							
1	Brickell City Centre Retail	701 S Miami Avenue Miami, Florida	380,670 (part)	496,508	1,137	2016	Floor area shown represents the whole shopping centre, in which the Group owns a 60.875% interest.
		Total held through subsidiaries	<u>496,508</u>	<u>1,137</u>			
<b>Office</b>							
1	Two Brickell City Centre	78 SW 7th Street Miami, Florida	380,670 (part)	128,000	145	2016	
2	Three Brickell City Centre	98 Southeast Seventh Street Miami, Florida	380,670 (part)	132,000	144	2016	
		Total held through subsidiaries	<u>260,000</u>	<u>289</u>			
<b>Serviced apartments</b>							
1	EAST, Residences	788 Brickell Plaza Miami, Florida	380,670 (part)	109,000	20	2016	89 serviced suites within the EAST, Miami Hotel tower.
		Total held through subsidiaries	<u>109,000</u>	<u>20</u>			
<b>Hotel</b>							
1.	Mandarin Oriental, Miami	South Brickell Key, Miami, Florida	120,233	345,000	600	2000	326-room luxury hotel in central Miami, in which the Group owns a 75% interest.
		Total held through joint venture company		<u>345,000</u>	<u>600</u>		
		— of which attributable to the Group		<u>258,750</u>			
2	EAST, Miami	788 Brickell Plaza Miami, Florida	380,670 (part)	218,000	80	2016	263-room hotel.
		Total held through subsidiaries		<u>218,000</u>	<u>80</u>		

Property developments for investment in Hong Kong		Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
<b>Office</b>								
1.	One Taikoo Place, Taikoo Place	2881	238,582 (part)	1,020,000	82	Substructure and superstructure in progress	2018	Floor area shown is an approximation.
	QBML 1 sQ (part) QBML 1 sR ss1 (part) QBML 1 sR RP (part) QBML 1 sS (part) QBML 1 sT ss1 (part) QBML 1 sT ss2 (part) QBML 1 sT RP (part) QBML 1 sU (part) QBML 1 sW (part) QBML 1 RP (part)							
2.	Two Taikoo Place, Taikoo Place	2881	238,582 (part)	1,000,000	184	Works preparatory to demolition of Warwick House in progress	2021/2022	Floor area shown is an approximation. Number of car parks is subject to Government approval. Acquisition of the Hong Kong Government's interest in Cornwall House was completed at the end of December 2016.
	QBML 1 sQ (part) QBML 1 sR ss1 (part) QBML 1 sR RP (part) QBML 1 sS (part) QBML 1 sT ss1 (part) QBML 1 sT ss2 (part) QBML 1 sT RP (part) QBML 1 sU (part) QBML 1 sW (part) QBML 1 RP (part)							
	Total held through subsidiaries			<u>2,020,000</u>	<u>266</u>			
3.	8–10 Wong Chuk Hang Road, Aberdeen	2064	25,500	382,499	137	Substructure and superstructure in progress	2018	Proposed scheme is under development. Floor area shown represents the total gross floor area permitted for the whole development, in which the Group owns a 50% interest.
	AIL 461							
	Held through joint venture companies			<u>382,499</u>	<u>137</u>			
	— of which attributable to the Group			<u>191,250</u>				

Property developments for investment in Hong Kong		Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
<b>Retail</b>									
1.	Tung Chung Town Lot No. 11, Tung Chung, Lantau	TCTL 11 (part)	2063	107,919 (part)	348,000	122	Excavation, substructure and superstructure in progress	2018	Proposed scheme is under development. Floor area shown represents the retail portion of the development, in which the Group owns a 20% interest, and excludes the area of a public transport terminus. The area is an approximation and is subject to change. A public transport terminus of approximately 64,200 square feet is to be built and handed over to the Government upon completion.
					<u>348,000</u>	<u>122</u>			
					<u>69,600</u>				
<b>Hotel</b>									
1.	Tung Chung Town Lot No. 11, Tung Chung, Lantau	TCTL 11 (part)	2063	107,919 (part)	127,000	5	Excavation, substructure and superstructure in progress	2018	Proposed scheme is under development. Floor area shown represents the hotel portion of the development, in which the Group owns a 20% interest, and excludes the area of a public transport terminus. The area is an approximation and is subject to change.
					<u>127,000</u>	<u>5</u>			
					<u>25,400</u>				



Property developments for investment in the PRC	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
1. HKRI Taikoo Hui	South of West Nanjing Road and east of Shimenyi Road, Jingan District, Shanghai	2049 (for Hotel/ Serviced Apartment); 2059 (for Office)	676,091 (Part)	Office: 699,046 Hotel: 389,711 Serviced Apartment: 149,088	Office: 307 Hotel: 117 Serviced Apartment: 45	Construction in Progress	2017	Floor areas shown represent the office portion (HKRI Centre 2) and the hotel and serviced apartment portion, which are under development and in which the Group owns a 50% interest.
Total held through joint venture companies				<u>1,237,845</u>	<u>469</u>			
— of which attributable to the Group				<u>618,923</u>				

Property developments for investment in the United States	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. One Brickell City Centre, Miami, Florida	123,347	Under planning:	1,444,000	To be determined	2023 One Brickell City Centre is being planned as a future mixed-use development comprised of retail, Grade A office space, condominiums and a hotel. Located at the corner of Brickell Avenue and SW 8th Street, One Brickell City Centre (comprising approximately 1.4 million square feet) is planned as an 80-storey luxury high rise tower.
Total held through subsidiaries			<u>1,444,000</u>	<u>—</u>	

Completed properties for sale in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Residential</b>							
1. ALASSIO, Mid-Levels West	IL 425 s1 RP IL 425 s2 IL 425 s3 IL 425 s4 IL 425 s5 ss1 IL 425 s5 RP IL 425 RP	2854	21,726	195,533	43	2016	At 31st December 2016, all 197 units and 5 carparking spaces had been pre-sold. No sale had been completed. Floor area shown represents all 197 units and 43 carparking spaces.
2. WHITESANDS, 160 South Lantau Road, Cheung Sha	Lot 724 and Lot 726 in DD332	2062	161,029	59,595	26	2015	The development comprises 28 detached houses and 28 carparking spaces. At 31st December 2016, 2 units and 2 carparking spaces had been sold. Floor area shown represents the remaining 26 units and 26 carparking spaces.
Total held through subsidiaries				<u>255,128</u>	<u>69</u>		

Completed properties for sale in the PRC		Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Office</b>								
1.	Pinnacle One	Daci Temple Area, 9 Dongda Street, Jinjiang District, Chengdu	2051	702,243 (Part)	593,139	447	2014	Floor area shown represents the unsold office portion (including pre-sold portion but not yet handed over), in which the Group owns a 50% interest.
Total held through joint venture companies					<u>593,139</u>	<u>447</u>		
— of which attributable to the Group					<u>296,570</u>			
Completed properties for sale in the United States		Address		Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
<b>Residential</b>								
1.	ASIA	900 Brickell Key, Miami, Florida		173,531	5,359	4	2008	36-storey residential condominium tower comprising 123 units with 5-storey parking garage. At 31st December 2016, sales of 122 units had been closed.
2.	Reach, Brickell City Centre, Miami, Florida	68 SE 6th Street Miami, Florida		380,670 (part)	89,410	62	2016	43-storey residential condominium tower comprising 390 units. At 31st December 2016, sales of 347 units had been closed.
3.	Rise, Brickell City Centre, Miami, Florida	1 SW 8 Street, Miami, Florida		380,670 (part)	328,434	326	2016	43-storey residential condominium tower comprising 390 units. At 31st December 2016, sales of 171 units had been closed.
Total held through subsidiaries					<u>423,203</u>	<u>392</u>		
Property developments for sale in the United States		Site area in square feet		Gross floor area in square feet	Number of car parks	Expected completion date	Remarks	
1.	South Brickell Key, Miami, Florida	105,372	Residential:	550,000	395	—	Development site in central Miami acquired in January 1997 along with Mandarin Oriental site. Plans for condominium tower currently on hold.	
2.	Development Site, Fort Lauderdale, Florida	203,941	Under planning:	825,000	1,050	—	Development site in Fort Lauderdale acquired in October 2006, in which the Group owns a 75% interest.	
3.	North Squared, Miami, Florida	380,670 (part)	Residential:	523,000	544	—	The development on the North Squared site is currently on hold.	
Total held through subsidiaries				<u>1,898,000</u>	<u>1,989</u>			

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or the CMU Service (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor 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. None of the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

### Book-entry Systems

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

#### *CMU*

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the “HKMA”) for the safe custody and electronic trading between the members of this service (“*CMU Members*”) of capital markets instruments (“*CMU Instruments*”) which are specified in the CMU Reference Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the services is open to all members of the Hong Kong Capital Markets Association, “authorized institutions” under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong) and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA 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 Instruments. Instead, the HKMA 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 Instruments 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 HKMA 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 an instrument position report obtained by request from the HKMA for this purpose.

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

### **Book-entry Ownership**

#### *Bearer Notes*

The Issuer has made applications to Euroclear and Clearstream, Luxembourg 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 Service. In respect of Bearer Notes, a Temporary Bearer Global Note and/or a Permanent Bearer Global Note will be deposited with a common depository for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service. Transfers of interests in a Temporary Bearer Global Note or a Permanent Bearer Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU Service, Euroclear and Clearstream, Luxembourg.

#### *Registered Notes*

Application will be made to Euroclear and Clearstream, Luxembourg on behalf of the Issuer in order to have Tranches of Notes represented by Registered Global Notes accepted in their respective book-entry settlement systems. Each Series of Registered Notes will have an International Securities Identification Number (“*ISIN*”) and a Common Code. Investors in Notes of such Series may hold their interests in a Registered Global Note through Euroclear or Clearstream, Luxembourg. Registered Global Notes may also be deposited with a sub-custodian for the HKMA as operator of the CMU Service.

## REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

*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 the 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 CNY Notes. Prospective holders of CNY 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 the PRC is subject to control imposed under PRC law.

### Current Account Items

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

Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai, and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010, July 2011 and February 2012 respectively, the PRC Government promulgated the “Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades” (關於擴大跨境貿易人民幣結算試點有關問題的通知), the “Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement” (關於擴大跨境貿易人民幣結算地區的通知) and the “Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods” (關於出口貨物貿易人民幣結算企業管理有關問題的通知). Pursuant to these circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the “*Six Authorities*”) a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the “*Supervision List*”). On 12 June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports. Following the above progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on the Supervision List would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the “Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures” (中國人民銀行關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “*2013 PBOC Circular*”) with the intent to improve the efficiency of cross border Renminbi settlement and facilitate the use of RMB for the settlement of cross border transactions under current accounts or capital accounts. In particular, the 2013 PBOC Circular simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises upon the PRC enterprises presenting the payment instruction, with certain exceptions. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On 5 September 2015, PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises in the China (Shanghai) Free Trade Pilot Zone (“**Shanghai FTZ**”) may establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pool.

The above circulars and notices will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such regulations.

### **Capital Account Items**

Under the applicable 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 the relevant PRC authorities. However, as set out below, it has been announced that as from 1 June 2015, the capital account regulation in relation to direct investment has been delegated by the governmental authority (i.e. the local branches of the SAFE) to designated foreign exchange banks.

Prior to October 2011, settlements for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investors outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, the State Administration of Foreign Exchange (“**SAFE**”) promulgated the “Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi” (關於規範跨境人民幣資本項目業務操作有關問題的通知) (the “**SAFE Circular**”), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make payment for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent of the Ministry of Commerce (“**MOFCOM**”) to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the foreign guarantee provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign guarantee regime. According to the 2013 PBOC Circular, upon enforcement of external guarantees in Renminbi provided by onshore non-financial enterprises, PRC banks may provide Renminbi settlement services (i.e. remittance of enforcement proceeds) directly, which seems to indicate that SAFE approval for enforcement (which would be

required in the case of the external guarantees in foreign currencies) is no longer required. Furthermore, onshore non-financial enterprises can (via PRC banks) extend loans in Renminbi to offshore entities within the same group under Renminbi cash pooling arrangements and will no longer need to apply for a quota from SAFE. However, SAFE has not amended its positions under the SAFE Circular, nor has it issued any regulations to confirm the positions in the 2013 PBOC Circular. Therefore, there remain potential inconsistencies between the provisions of the SAFE Circular and the provisions of the 2013 PBOC Circular and it is unclear how SAFE will deal with such inconsistencies in practice.

On 13 October 2011, the PBOC promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (外商直接投資人民幣結算業務管理辦法) (the “*PBOC FDI Measures*”), pursuant to which, PBOC special approval for Renminbi FDI and shareholder loans which was required by an earlier circular of PBOC is no longer necessary. The PBOC FDI Measures provide that, among others, (i) foreign invested enterprises are required to conduct registrations with the local branch of PBOC within ten working days after obtaining the business licenses for the purpose of Renminbi settlement, (ii) a foreign investor is allowed to open a Renminbi expense account (人民幣前期費用專用存款賬戶) to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account (人民幣資本金專用存款賬戶) of such foreign invested enterprise when it is established, (iii) commercial banks can remit a foreign investor’s RMB proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents, (iv) if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries, the foreign investor may open a Renminbi re-investment account (人民幣再投資專用賬戶) to pool the Renminbi proceeds, and (v) the PRC parties selling stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors. The PBOC FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account (人民幣一般存款賬戶) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

On 14 June 2012, the PBOC promulgated the “Notice on Implementation Rules of Renminbi settlement in Relation to Foreign Direct Investment” (中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知) which stipulated detailed provisions on the PBOC FDI Measures.

On 5 September 2015, the PBOC promulgated the 2015 PBOC Circular. According to the 2015 PBOC Circular, 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 estates, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement. Enterprises within the Shanghai FTZ can borrow Renminbi from offshore lenders under a pilot account-based settlement scheme within the prescribed macro prudential management limit. In addition, non-financial enterprises in the Shanghai FTZ are allowed to settle the foreign debt proceeds into Renminbi on a voluntary basis, provided that the proceeds should not be used beyond their business scope or in violation of relevant laws and regulations. Pilot schemes relating to cross-border Renminbi loans, bonds or equity investments have also been launched for, among others, enterprises in Shenzhen Qianhai, Jiangsu Kunshan and Jiangsu Suzhou Industrial Park.

The above circulars, rules, measures and orders will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules. If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.



## TAXATION

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

### **Hong Kong**

#### *Withholding Tax*

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

#### *Profits Tax*

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

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong)) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of Bearer Notes will be subject to profits tax. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned financial institution, person and/or corporation will be subject to Hong Kong profits tax if such sums have 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 of.

### *Stamp Duty*

Stamp duty may be payable on the issue of Bearer Notes if they are issued in Hong Kong. Stamp duty will not be payable on the issue of Bearer Notes provided that 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 the Laws 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 per cent. 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 transfers of Registered Notes provided that 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 the Laws 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 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the 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.

### *Estate Duty*

No estate duty will be payable in respect of the Notes.

### **Foreign Account Tax Compliance Act**

While the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“*FATCA*”) will affect the amount of any payment received by the clearing systems. However, *FATCA* may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of *FATCA* withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under *FATCA*, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of *FATCA* withholding. Investors should choose the custodians or intermediaries with care (to ensure each is

compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common depository for the clearing systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

## SUBSCRIPTION AND SALE

The Dealers have in a programme agreement (as amended and/or supplemented from time to time the “*Programme Agreement*”) dated 25th May, 2012 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 the Programme Agreement, the Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Any stabilisation will be conducted in accordance with all applicable regulations. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Pricing Supplement and must be discontinued 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.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

### **Selling Restrictions**

#### *United States*

In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold into or within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold into or within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, into or within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes into or within the United States or to, or for the account or benefit of, U.S. persons. 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

#### *Public Offer Selling Restriction under the Prospectus Directive*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the pricing supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt

Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes in any Relevant 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “*Prospectus Directive*” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

#### *United Kingdom*

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “*FSMA*”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### *The Netherlands*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any Notes will only be offered in The Netherlands to Qualified Investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (“*Wet op het financieel toezicht*”).

### *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “*FIEA*”). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### *Hong Kong*

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “*SFO*”)) other than (i) to “professional investors” as defined in the SFO and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in 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 that Ordinance.

### *Singapore*

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “*Securities and Futures Act*”). Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of

the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person as defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations of Singapore.

### *General*

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor and any of 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.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer, the Guarantor and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.



## **Other Relationships**

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer or the Guarantor and their respective affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with the Issuer or the Guarantor and their respective affiliates in the future.

The Dealers or certain of their respective affiliates may, subject to the selling restrictions described above, purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 18th May, 2012, 14th May, 2013, 13th May, 2014, 21st May, 2015, 17th May, 2016 and 22nd May, 2017 and the giving of the Guarantee has been duly authorised by resolutions of the Board of Directors of the Guarantor dated 18th May, 2012, 14th May, 2013, 13th May, 2014, 21st May 2015, 17th May, 2016 and 22nd May, 2017. Each issue of Notes will be subject to the approval of the Board of Directors of the Guarantor.

### Listing of Notes on the Hong Kong Stock Exchange

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme. Separate application will be made for the listing of Notes issued under the Programme on the Hong Kong Stock Exchange. The issue price of listed Notes 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.

### Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Paying Agent in Hong Kong if and for so long as any Notes are listed on the Hong Kong Stock Exchange:

- (i) the Memorandum and Articles of Association of each of the Issuer and the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor in respect of the financial years ended 31st December, 2015 and 2016 which include the audited non-consolidated balance sheets of the Guarantor as of 31st December, 2015 and 2016 (the Guarantor currently prepares audited consolidated financial statements on an annual basis and does not prepare annual non-consolidated financial statements other than the balance sheet which is included in the audited consolidated financial statements);
- (iii) the most recently published audited annual financial statements of the Guarantor and the most recently published unaudited condensed interim financial information of the Guarantor and the most recently published audited annual financial statements of the Issuer from time to time (at the date of this Offering Circular, the Guarantor publishes unaudited condensed interim financial information on a half yearly basis);
- (iv) the Agency Agreement, the Guarantee, the Deed of Covenant, the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular;
- (vi) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce

evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and

- (vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. The relevant CMU Instrument Number will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system (including Sicovam) the appropriate information will be specified in the applicable Pricing Supplement.

### **Significant or Material Change**

Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial or trading position of the Guarantor or the Swire Properties Group since 31st December, 2016 and there has been no significant or material adverse change in the financial or trading position of the Issuer since its date of incorporation.

### **Litigation**

Save as disclosed in this Offering Circular, neither the Issuer nor the Guarantor nor any other member of the Swire Properties Group is or has been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of either Issuer, the Guarantor or the Swire Properties Group.

### **Audited Consolidated Financial Statements**

The Issuer was incorporated on 20th April, 2012. The auditor of the Issuer and of the Guarantor is PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, who has audited and issued unqualified auditor's reports on the Guarantor's consolidated financial statements for each of the years ended 31st December, 2015 and 31st December, 2016.

Solely in respect of the listing of the Programme on the Hong Kong Stock Exchange, PricewaterhouseCoopers has given and has not withdrawn its written consent to the incorporation by reference in this Offering Circular of its audit report dated 16th March, 2017 on the consolidated financial statements of the Guarantor for the year ended 31st December, 2016 in the form and context in which it is so incorporated.

**THE ISSUER**

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**THE GUARANTOR**

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