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Neither this announcement or the listing document attached hereto nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement and the listing document attached hereto are for information purposes only and do not constitute an invitation or offer to sell, dispose of, acquire, purchase or subscribe for any securities of the Issuer and the Guarantor (each as defined below) and neither this announcement or the listing document attached hereto, nor anything herein forms the basis for any contract or commitment whatsoever.

*This announcement and the listing document attached hereto do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S (“**Regulation S**”) under the United States Securities Act of 1933 (the “**Securities Act**”). The securities mentioned herein will be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act, as amended, and have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction, 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 unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act. The Issuer and the Guarantor have no intention to register under the Securities Act any portion of the proposal or any of the securities referred to herein or to conduct a public offering of securities in the United States.*

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

Notice to Hong Kong investors: *The Issuer and the Guarantor confirm that the notes to be issued under the Programme (as defined below) are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and, the Programme has been and the Notes, where they are listed on the SEHK, will be listed on the SEHK on that basis. Accordingly, the Issuer and the Guarantor confirm that the notes to be issued under the Programme are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*



CATHAY PACIFIC MTN FINANCING (HK) LIMITED

(Incorporated in Hong Kong with limited liability)
(the “**Issuer**”)

unconditionally and irrevocably guaranteed by
CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)
(**Stock code: 293**)
(the “**Guarantor**”)

U.S.\$2,500,000,000
MEDIUM TERM NOTE PROGRAMME (the “**Programme**”)

Arranger

The Hongkong and Shanghai Banking Corporation Limited

PUBLICATION OF THE OFFERING CIRCULAR

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

Reference is made to the notice of listing of the Programme on The Stock Exchange of Hong Kong Limited dated 28th August 2024 published by the Issuer.

The offering circular dated 28th August 2024 (the “**Offering Circular**”) in relation to the Programme is appended to this announcement.

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

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended.

As at the date of this announcement, the Directors of the Issuer are: Rebecca Sharpe, Christopher Buckley and Liu Mang Hung.

As at the date of this announcement, the Directors of the Guarantor are:

Executive Directors: Patrick Healy (Chair), Ronald Lam, Lavinia Lau, Alexander McGowan and Rebecca Sharpe;

Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Wang Mingyuan, Xiao Feng and Zhang Zhuo Ping;

Independent Non-Executive Directors: Bernard Chan, Lily Cheng, Christoph Mueller and Wang Xiao Bin.

By Order of the Board
CATHAY PACIFIC AIRWAYS LIMITED
國泰航空有限公司
Joanna Lai
Company Secretary

Hong Kong, 29th August 2024

Appendix – Offering Circular

NOT FOR DISTRIBUTION INTO OR WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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

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

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD INTO OR WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of the Representation:

This Offering Circular is being sent at your request, and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us that you are outside the United States or, in respect of any offering of securities under Category 2 of Regulation S of the Securities Act, you shall be deemed to have represented to us that you are not a U.S. person. In addition, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission.

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

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

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers or any person who controls any Dealer or any director, officer, employee or agent of any Dealer or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

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

OFFERING CIRCULAR



Cathay Pacific MTN Financing (HK) Limited

(incorporated with limited liability in Hong Kong)

unconditionally and irrevocably guaranteed by

Cathay Pacific Airways Limited

國泰航空有限公司

(incorporated with limited liability in Hong Kong)

U.S.\$2,500,000,000

Medium Term Note Programme

On 23rd August 2011, Cathay Pacific MTN Financing Limited (“CPMF” or the “Original Issuer”) established a U.S.\$2,000,000,000 Medium Term Note Programme (the “Programme”) and issued an offering circular on that date describing the Programme. With effect from 14th August 2019, Cathay Pacific MTN Financing (HK) Limited (the “Issuer” or “CPMFHK”) was added as an issuer under the Programme, and the Original Issuer ceased to be an issuer under the Programme. On 27th August 2021, the Issuer increased the aggregate nominal amount of the Programme from U.S.\$2,000,000,000 to U.S.\$2,500,000,000. This Offering Circular supersedes all previous offering circulars and any supplement thereto. All Notes (as defined below) issued under this Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any notes issued under this Programme prior to the date of this Offering Circular. 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 Cathay Pacific Airways Limited 國泰航空有限公司 (“Cathay Pacific” or the “Guarantor”).

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.\$2,500,000,000 (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 under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (“Professional Investors”) only on the Hong Kong Stock Exchange during the 12-month period after the date of this Offering Circular.

This Offering Circular is for distribution to Professional Investors only.

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

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

MIFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “MiFID II”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (as amended, the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) – Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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. Neither the Issuer nor the Guarantor has any obligation to inform Noteholders of any such suspension, change or withdrawal.

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. Investors should have regard to the factors described under the section headed “Risk Factors” beginning on page 7 in this Offering Circular.

Arranger

HSBC

Dealers

Bank of China
(Hong Kong)

Barclays

BNP PARIBAS

DBS Bank Ltd.

HSBC

Morgan Stanley

OCBC

Standard
Chartered Bank

UBS

The date of this Offering Circular is 28th August 2024

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

This Offering Circular is for distribution to Professional Investors only.

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

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Cathay Group 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 Arranger 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 the 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. The 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 of 1986 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, the United Kingdom, 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 "*Chinese Mainland*"), see "*Subscription and Sale*".

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.

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

Important Notice to Prospective Investors

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

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

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors.

If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINED TERMS AND CONVENTIONS

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 Chinese Mainland. 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.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the two 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.cathaypacific.com) and/or the Hong Kong Stock Exchange (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 after 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.\$2,500,000,000 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.

Issuer:	Cathay Pacific MTN Financing (HK) Limited
Legal Entity Identifier of the Issuer:	549300BLM71AQBASFS47
Guarantor:	Cathay Pacific Airways Limited
Description:	Medium Term Note Programme
Arranger:	The Hongkong and Shanghai Banking Corporation Limited
Dealers:	Bank of China (Hong Kong) Limited Barclays Bank PLC BNP Paribas DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited Morgan Stanley & Co. International plc Oversea-Chinese Banking Corporation Limited Standard Chartered Bank UBS AG Hong Kong Branch

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: 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 “*Subscription and Sale*”) 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*”.

Issuing and Principal Paying Agent and Transfer Agent:	Citibank, N.A., London Branch
Registrar:	Citibank, N.A., London Branch
Paying Agent and CMU Lodging Agent:	Citicorp International Limited
Programme Size:	Up to U.S.\$2,500,000,000 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.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Denomination of Notes:	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.
Redenomination:	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.
Maturities:	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.
Issue Price:	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.
Form of Notes:	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 vice versa.

Fixed Rate Notes:

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.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (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. (“*ISDA*”), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

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.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Index Linked Notes which are issued as an *appel public à l'épargne* in France must be issued in compliance with the *Principes Généraux* from time to time set by the *Commission des Opérations de Bourse* and the *Conseil des Bourses de Valeurs* or any successor body thereto.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

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.

Dual Currency Notes:

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

Partly Paid Notes:

The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Other Notes:

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

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.

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.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes with a maturity of less than one year*" above.

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, except 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.

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".

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 11.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will 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.

Guarantee: 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 *pari passu* 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.

Rating: 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. Neither the Issuer nor the Guarantor has any obligation to inform Noteholders of any such suspension, change or withdrawal.

Listing:

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of 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.

Unlisted Notes may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s). Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK\$500,000 (or its equivalent in other currencies).

Governing Law:

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

Clearing Systems:

The CMU Service, Euroclear, Clearstream, Luxembourg and/or any other clearing system, as specified in the relevant Pricing Supplement, see "*Form of Notes*".

Selling Restrictions:

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, the United Kingdom, Japan, Hong Kong, Singapore and the Chinese Mainland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

United States Selling Restrictions:

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 therein) and reach their own investment decisions after carefully considering with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investments portfolio) prior to making any investment decision.

RISKS RELATING TO THE BUSINESS

Economic Risk

As an international airline, Cathay Pacific's business is highly dependent on global economic conditions. A material adverse change in economic conditions reduces demand for business and leisure travel and for shipments of air cargo. This in turn reduces revenue and may adversely affect operating cash flow and financial performance.

Competition Risk

The airline business is highly competitive. Cathay Pacific competes with full service and low-cost carriers and with existing and new airlines. Liberalisation of air traffic rights increases competition as it enables more airlines to operate on Cathay Pacific's network of routes. Competition for passengers and cargo puts pressure on revenues and may adversely affect financial performance. Hong Kong International Airport competes for traffic with other airports, particularly in Asia and the Middle East. Loss of traffic to those airports may adversely affect the business of Cathay Pacific.

Governmental and Regulatory Risk

The aviation industry is highly regulated by governments, both the home governments of airlines and those of countries to which they fly. Changes in government policies towards the aviation industry and in government regulation of the industry may adversely affect the financial performance of Cathay Pacific, for example if they result in increased landing charges or duties payable by passengers or enhanced safety or public health management measures. In some instances, governments may also adopt restrictive policies with respect to the issuance of certain permits and approvals. Foreign governments may impose or alter domestic regulations so as to protect their domestic airlines from competition, which may restrict Cathay Pacific's business opportunities. Foreign governments may distort competition by subsidising their domestic airlines, which may put pressure on the revenues of Cathay Pacific.

Jet Fuel Cost Risk

Jet fuel is one of Cathay Pacific's largest single costs. High jet fuel prices and significant increases in jet fuel prices adversely affect the financial performance of airlines. Hedging can ameliorate the adverse effect of jet fuel price increases to an extent, but hedging can itself adversely affect profits, for example when spot jet fuel prices fall significantly and hedging has been done at higher prices.

In addition, if flights are reduced to a significant extent (for example, due to the COVID-19 pandemic), the Cathay Group can be in an over-hedged position with respect to expected fuel consumption. Any surplus hedges will need to be classified as ineffective under applicable financial reporting standards and any unrealised marked to market loss arising therefrom will be recognised in profit or loss, which may adversely affect the financial position of the Cathay Group.

Interest Rate Risk

Cathay Pacific borrows significant amounts in order to fund its capital expenditure on aircraft and other items. It borrows at fixed and floating rates. Increases in interest rates increase the cost of current floating rate borrowings and all future borrowings. Interest rates for Cathay Pacific can increase because market rates increase or because lenders change their views of Cathay Pacific's creditworthiness. Increased interest rates cost Cathay Pacific more money directly and may have longer term adverse effects by causing planned investments to be deferred or cancelled because they are no longer profitable.

Currency Risk

A significant portion of Cathay Pacific's revenue is earned in foreign currency. Losses may be incurred on its conversion into Hong Kong dollars. Cathay Pacific borrows in foreign currencies. Increases in the value of those currencies compared with the Hong Kong dollar increase the cost of repaying them and paying interest on them in Hong Kong dollars.

Reputational Risk

Cathay Pacific's reputation and brand image may be significantly damaged by safety related or other events, which could have a material adverse effect on its revenue and business.

Local and International Political Risk

Cathay Pacific's business and operations are subject to local and international political risks.

As a global airliner, Cathay Pacific is exposed to risks arising from any actual or potential political events (including war, terrorism, social unrest and public order events), which may disrupt travel and business, reduce passenger traffic and shipment of air cargo, may lead to closure or restriction of access to airspace or airports, and may contribute to a fear of travelling by air, visiting particular destinations. Such circumstances may adversely impact forward bookings.

For example, the ongoing military conflict between Russia and Ukraine, the geopolitical uncertainty originated by, among others, the tensions between Russia and members of the North Atlantic Treaty Organisation, and the ongoing conflict in the Gaza Strip have contributed or are expected to contribute to increases in the prices of energy, oil and other commodities and to volatility in the global economy and financial markets, as well as a new landscape in relation to international sanctions, which in turn may adversely impact Cathay Pacific's business and operations.

Cathay Pacific's business and operations are also influenced by ongoing trade discussions, developments and tensions between major economies, in particular the Chinese Mainland and the U.S. Against the backdrop of the trade tensions between the Chinese Mainland and the U.S., both the Chinese Mainland government and the U.S. government have also taken actions beyond tariffs. For example, the Ministry of Commerce of the Chinese Mainland maintains an unreliable entity list allowing it to sanction entities designated as unreliable. The Anti-Foreign Sanctions Law of the Chinese Mainland gives the Chinese Mainland government the power to take countermeasures against sanctions imposed by foreign governments. The U.S. Department of Defense maintains a list of Chinese companies under the National Defense Authorization Act for Fiscal Year 1999, asserting that these companies are Communist Chinese military companies. If Cathay Pacific fails to comply with any sanctions or similar restrictive measures developed or promulgated by any governments (if they are applicable to Cathay Pacific), such failure may materially and adversely affect Cathay Pacific's business, financial condition and results of operations. Such sanctions or similar restrictive measures may also affect the market for Cathay Pacific's securities or impair Cathay Pacific's ability to gain access to the relevant capital markets, which may also materially and adversely affect Cathay Pacific's business, financial condition and results of operations.

Risks from Epidemics, Pandemics, Severe Weather Conditions and Natural Disasters

Contagious diseases, severe weather and natural disasters present serious risks to airlines and their financial performance and liquidity position if they result in significant disruption to air travel for long periods or cause travel demand to drop substantially.

The outbreak of the COVID-19 pandemic resulted in nations issuing strict travel restrictions and imposing quarantine constraints and travel demand having declined to an unprecedented level, which had posed significant challenges for the Cathay Group and impacted its operations and financial position. Cathay Pacific had been particularly impacted by such restrictions and constraints as it has no domestic network and is wholly reliant on cross-border travel. While the Cathay Group has been working towards resuming pre-pandemic service levels, the longer-term effects of the COVID-19 pandemic on the Cathay Group's business are not entirely certain. There might be a period of significantly reduced economic activity, potential increased unemployment and reduced consumer spending. There is also no assurance that travel will rebound to pre-pandemic levels. As the Cathay Group's business emerges from the COVID-19 pandemic, it is subject to risks relating to the ramp-up of operations in Hong Kong and around the world. These stem from sources such as workforce capacity in view of global labour shortage in the aviation sector, timely reactivation of aircraft and management of third parties across the supply chain globally to deliver services. Such risks may materially and adversely affect Cathay Pacific's business, 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 THE 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

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

Restrictions imposed by the government of the Chinese Mainland on cross-border Renminbi fund flows may affect the liquidity of any notes denominated in Renminbi and the ability of the issuer of those notes to source Renminbi outside the Chinese Mainland to service those notes.

As a result of the restrictions imposed by the government of the Chinese Mainland on cross-border Renminbi fund flows, the availability of Renminbi outside the Chinese Mainland is limited. The limited availability of Renminbi outside the Chinese Mainland may affect the liquidity of any notes denominated in Renminbi. If and to the extent that the issuer of such notes is required to source Renminbi in the offshore market to service such notes, there is no assurance that such issuer will be able to source such Renminbi on satisfactory terms, or at all.

The Renminbi is not completely freely convertible; there are significant restrictions on remittance of the Renminbi into and outside the Chinese Mainland.

The Renminbi is not completely freely convertible at present. The government of the Chinese Mainland regulates the conversion between the Renminbi and the Hong Kong dollar and between the Renminbi and foreign currencies.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund on 1st October 2016, there is no assurance that the government of the Chinese Mainland 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 Chinese Mainland will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the Chinese Mainland. In the event that funds cannot be repatriated outside the Chinese Mainland in Renminbi, this may affect the overall availability of Renminbi outside the Chinese Mainland 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 Chinese Mainland, see “*Chinese Mainland Currency Controls*” below.

Investment in 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 Chinese Mainland and international political and economic conditions and by many other factors. 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 government of the Chinese Mainland has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. CNY Notes may carry a fixed interest rate. Consequently, the trading price of 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 CNY Notes will only be made to investors in the manner specified in 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 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 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 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 Chinese Mainland).

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

There can be no assurance as to the liquidity of CNY Notes or that an active trading market will develop. If such a market were to develop, 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 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 CNY Notes which may be applicable in the relevant jurisdictions. 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. 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 Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue 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 Issue 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 Depository 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 Depository 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 365 days 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 depositary 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 14th August 2019 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.

[MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “*MiFID II*”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “*distributor*”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]¹

[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“*UK MiFIR*”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “*distributor*”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “*UK MiFIR Product Governance Rules*”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]²

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “*EEA*”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “*Insurance Distribution Directive*”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “*Prospectus Regulation*”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “*PRIIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

1 Legend for issuances involving one or more MiFID Firm manufacturers.

2 Legend for issuances involving one or more UK MiFIR Firm manufacturers.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “*UK*”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “*EUWA*”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “*FSMA*”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (as amended, the “*UK PRIIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “*SFA*”) – [*To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products*]].³

[Date]

Cathay Pacific MTN Financing (HK) Limited (the “*Issuer*”)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the “*Notes*”)
Guaranteed by Cathay Pacific Airways Limited (the “*Guarantor*”)
under the U.S.\$2,500,000,000
Medium Term Note Programme (the “*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 28th August 2024 (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) (“*Professional Investors*”) only.]

³ Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. If there is a change as to product classification for the relevant drawdown, from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

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

The Hong Kong Stock Exchange has not reviewed the contents of this 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 or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Cathay Group (as defined below) 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 howsoever 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, the Guarantor and the subsidiaries of the Guarantor (the Guarantor and its subsidiaries, being the “*Cathay Group*”). The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]⁴

[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: | Cathay Pacific MTN Financing (HK) Limited |
| | (ii) Guarantor: | Cathay Pacific Airways 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 25 below, which is expected to occur on or about [<i>date</i>]]/[Not Applicable] |

⁴ Legends for issuance of Notes which are to be listed on the Hong Kong Stock Exchange.

3. Specified Currency or Currencies: [●]⁵
4. Aggregate Nominal Amount:
- (i) Series: [●]
- (ii) Tranche: [●]
5. [(i)] Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- [(ii)] Net proceeds: [●] (Required only for listed issues)
6. (a) Specified Denominations: [●]
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)
(N.B. Notes must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the Transparency Directive exemptions in respect of wholesale securities.)
(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:
“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)
(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: [●]
(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.)

5 In respect of Notes denominated in Renminbi, purchasers of the Notes should note that Renminbi is not completely 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 Chinese Mainland).

7. [(i)] Issue Date [and Interest Commencement Date]: [●]
- [(ii)] Interest Commencement Date (if different from the Issue Date): [*specify/Issue Date/Not Applicable*] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
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] [[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: [Applicable/Not Applicable] [*If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12. Put/Call Options: [Investor Put] [Issuer Call] [(further particulars specified below)] [Not Applicable]
13. Listing: [The Stock Exchange of Hong Kong Limited/*specify other/None*]**
14. Method of distribution: [Syndicated/Non-syndicated]

* 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.

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

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] on each Interest Payment Date
(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]***
(N.B.: Amend appropriately in the case of irregular coupons)
- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount****
- (iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]
- (v) Day Count Fraction: [Actual/Actual (ICMA) 30/360
Actual/365 (Fixed)
Other]

*** 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]
(N.B.: 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)
- [(vii)] 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 if different from the Conditions: [Specify]

(Where different interest provisions are specified, consider adjusting or disapplying the Screen Rate Determination provisions in Condition [●] and including replacement provisions describing the manner in which the Rate of Interest and Interest Amount is to be determined)
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [●]
- (vi) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate: [●] month

[EURIBOR/HIBOR/CNH HIBOR/specify other Reference Rate]
Relevant Financial Centre:
[London/Brussels/specify other Relevant Financial Centre]

- Interest Determination Date(s): [●]
(First day of each Interest Period if Hong Kong dollar HIBOR and the second day on which T2 System is open prior to the start of each Interest Period if EURIBOR 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 EURIBOR or HIBOR based option, the first day of the Interest Period)

(N.B. In the case of EURIBOR, the fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)

- (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 or annex 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 from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems 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 from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems 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 depositary for Euroclear and Clearstream, Luxembourg/held through the CMU Service (specify nominal amounts)]

* (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]").

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]
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. N.B.: 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) Stabilisation Manager (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [●]
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/Add details of any additional selling restrictions]

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)]
40. Use of Proceeds [●]
41. [Ratings: [Not Applicable/give details]]
42. [Others: [Not Applicable/give details]]

[HONG KONG SFC CODE OF CONDUCT

43. [Rebates: [A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to the Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMI otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]]
44. [Contact email addresses of the overall coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]]
45. [Marketing and Investor Targeting Strategy: [As indicated in the Offering Circular] OR [Describe if different from the programme Offering Circular]]]

ISIN: [●]

Common Code: [●]

Legal Entity Identifier: [●]

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

[LISTING APPLICATION]

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$2,500,000,000 Medium Term Note Programme of Cathay Pacific MTN Financing (HK) 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: _____
Duly authorised

By: _____
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 Cathay Pacific MTN Financing (HK) Limited (“**CPMFHK**”) (the “**Issuer**”) pursuant to the Agency Agreement (as defined below). The Notes will be guaranteed by Cathay Pacific Airways Limited (the “**Guarantor**”).

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

- a. in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- b. any Global Note;
- c. any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- d. 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 amended and restated Agency Agreement dated 14th August 2019 (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 dated 14th August 2019 and executed by the Guarantor (such guarantee as amended and/or supplemented and/or restated from time to time, the “*Guarantee*”). 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) 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 dated 14th August 2019 (such Deed of Covenant as amended and/or supplemented and/or restated from time to time, the “*Deed of Covenant*”). 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) 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 8 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 or the transfer itself.

(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 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) other than a Permitted 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:

“Permitted Security Interest” means any Security Interest, created or subsisting, directly or indirectly, over (i) any aircraft, aircraft engines or aircraft-related equipment, or any lease receivables or insurances in respect of aircraft, aircraft engines or aircraft-related equipment (and any proceeds of the foregoing), in each case purchased, owned or operated by the Issuer, the Guarantor or any of the Principal Subsidiaries (including by means of special purpose entities purchasing, owning or operating aircraft, aircraft engines or aircraft-related equipment) and/or (ii) any assets (including but not limited to existing and/or future receivables, revenues, rights in relation thereto and proceeds of any kind arising therefrom) in respect of loyalty and/or reward programmes operated (directly or indirectly) by the Guarantor or any of its Subsidiaries.

“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 Receiptholders 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;
- (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 Pricing Supplement, 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 subparagraph (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 the day 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:

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

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

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

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

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

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

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

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

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

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

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

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ 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:

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

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

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

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

“D₁” 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 D₁ will be 30; and

“D₂” 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 D₂ 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 T2 (as defined below)) specified in the applicable Pricing Supplement;
- (B) if T2 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 System or any successor or replacement for that system (“*T2*”) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, 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) or (2) in relation to any sum payable in euro, a day on which T2 is open.

7. PAYMENTS

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro 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, New Zealand dollars or Renminbi, shall be Sydney, Auckland and Hong Kong, respectively); and
- (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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer, the Guarantor or their Agents are subject, 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 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, 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 (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 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.

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 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 on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear, Clearstream, Luxembourg, or the CMU Service, as applicable.

(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. 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) 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) 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.

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 on the relevant due date to the Designated Account of 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 fifteenth day (whether or not such 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.

No commissions or expenses shall be charged to the 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 shall be the only person 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 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 their 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;
 - (D) any Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement; and
 - (E) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(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; and
- (vi) 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 to 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 be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). 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. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination. With respect to Notes represented by a Global Note, the aggregate nominal amount of Redeemed Notes represented by such a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(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 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, 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 or which is payable in a Specified Currency other than that in which the Note is denominated, 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 its Early Redemption 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 the holder 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 Subsidiary, becomes payable prior to its stated maturity following a default by the Issuer, the Guarantor or such Principal Subsidiary; or
 - (2) the Issuer, the Guarantor or any Principal 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 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 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 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 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 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 Subsidiary or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or the Issuer, the Guarantor or any Principal 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 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 Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Guarantor or another of its Subsidiaries pursuant to a merger of such Principal 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 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 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 Subsidiary” at any time shall mean a Subsidiary of the Guarantor:

(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 non-controlling 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 financial statements (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 financial statements 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 financial statements relate, the then latest audited financial statements of the Guarantor for the purposes of the calculation above shall, until audited financial statements for the financial period in which the acquisition is made are published, be deemed to be adjusted to consolidate the latest audited financial statements of the Subsidiary in such financial statements;

(bb) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated financial statements are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of *pro forma* consolidated financial statements of the relevant Subsidiary and its Subsidiaries prepared for this purpose by its auditors; and

(cc) if the financial statements 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 Subsidiary shall, if the Guarantor requires, be based on a *pro forma* consolidation of its financial statements of such Subsidiary (consolidated, if appropriate) with the consolidated financial statements 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 non-controlling interests in Subsidiaries) represent five per cent. or more of the consolidated net assets (after deducting non-controlling interests in Subsidiaries) of the Guarantor and its Subsidiaries, all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Guarantor and the then latest consolidated audited financial statements 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 financial statements relate, the then latest audited financial statements of the Guarantor for the purposes of the calculation above shall, until audited financial statements for the financial period in which the acquisition is made are published, be deemed to be adjusted to consolidate the latest audited financial statements of the Subsidiary in such financial statements;
 - (bb) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated financial statements are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of *pro forma* consolidated financial statements of the relevant Subsidiary and its Subsidiaries prepared for this purpose by its auditors; and
 - (cc) if the financial statements 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 Subsidiary shall, if the Guarantor requires, be based on a *pro forma* consolidation of its financial statements of such Subsidiary (consolidated, if appropriate) with the consolidated financial statements 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 Subsidiary. With effect from such transfer the Subsidiary which so transfers its assets and undertakings shall cease to be a Principal 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 Subsidiary.

A certificate signed by one authorised signatory of the Guarantor as to whether or not a Subsidiary is a Principal 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 Subsidiary as to mathematical accuracy of the calculations.

“*Subsidiary*” means any subsidiary within the meaning of Section 15 of the Companies Ordinance (Cap. 622 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 Limited 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 Limited 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 (the “*Cathay Group*” or the “*Group*”) for working capital and general corporate purposes.

DESCRIPTION OF CATHAY PACIFIC MTN FINANCING (HK) LIMITED

Cathay Pacific MTN Financing (HK) Limited (“*CPMFHK*”) is a public company incorporated under the laws of Hong Kong on 4th July 2019. The registered office of CPMFHK is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong. As at the date of this Offering Circular it has issued and paid up share capital of HK\$1. CPMFHK is a wholly-owned, direct subsidiary of the Guarantor. CPMFHK is a financing vehicle whose sole business is the raising of debt, the proceeds of which will be on-lent to the Cathay Group. As at the date of this Offering Circular CPMFHK has no subsidiaries. CPMFHK has the capacity, rights, powers and privileges of a natural person of full age in accordance with the provisions of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The Directors and Company Secretaries of CPMFHK are:

Directors

Rebecca Jane Sharpe
Christopher James Buckley
Liu Mang Hung

Company Secretaries

Joanna Lai and John Swire & Sons (H.K.) Limited

The business address of Rebecca Jane Sharpe, Christopher James Buckley and Liu Mang Hung is 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong.

CPMFHK has no employees.

The following table sets out the outstanding debt securities which have been issued by CPMFHK under the Programme as at the date of this Offering Circular together with their respective coupon amounts and years of maturity. It is intended that any debt securities which may be issued under the Programme on or after the date of this Offering Circular will be issued by CPMFHK.

<u>Description and principal amount of debt</u>	<u>Coupon amount</u>	<u>Year of maturity</u>
HK\$200,000,000 Notes	5% per annum	2024
U.S.\$650,000,000 Notes	4.875% per annum	2026
HK\$625,000,000 Notes	5% per annum	2027
HK\$200,000,000 Notes	4.9% per annum	2027
HK\$300,000,000 Notes	4.9% per annum	2027
HK\$200,000,000 Notes	4.8% per annum	2027
HK\$500,000,000 Notes	5.05% per annum	2029

CAPITALISATION AND INDEBTEDNESS OF CATHAY PACIFIC AIRWAYS LIMITED

The following table shows the consolidated capitalisation and indebtedness of Cathay Pacific as at 30th June 2024 extracted from its unaudited condensed interim financial information for the six months ended 30th June 2024.

	As at 30th June 2024
	(in HK\$ million)
Current interest-bearing liabilities ²	11,890
Non-current interest-bearing liabilities ²	54,920
Non-controlling interests	7
Funds attributable to the shareholders of the Cathay Group	
Share capital ¹	28,830
Reserves	32,576
	61,406
Total funds attributable to the shareholders of the Cathay Group	61,406
Total capitalisation ³	116,333
Total current interest-bearing liabilities and capitalisation	128,223

Notes:

- (1) As at 30th June 2024, 6,438,146,624 ordinary shares were in issue (31st December 2023: 6,437,900,319 ordinary shares).
- (2) Interest-bearing liabilities comprise loans and other borrowings and lease liabilities.
- (3) Total capitalisation equals non-current interest-bearing liabilities plus funds attributable to the shareholders of the Cathay Group and non-controlling interests.

DESCRIPTION OF CATHAY PACIFIC AIRWAYS LIMITED

Cathay Pacific was founded in 1946 and is an international airline registered and based in Hong Kong. Together with its wholly-owned subsidiaries, Hong Kong Express Airways Limited (“*HK Express*”) and AHK Air Hong Kong Limited (“*Air Hong Kong*”), Cathay Pacific offers passenger and cargo services around the world including Asia, North America, Europe, Australia and Africa. Cathay Pacific owns 15.87% of Air China Limited (“*Air China*”), the national flag carrier of the Chinese Mainland. Cathay Pacific is also engaged in airline catering, ground handling, aircraft ramp handling services and cargo terminal operations. At 30th June 2024, the Cathay Group employed more than 27,200 people worldwide.

Cathay Pacific and its substantial shareholders, Swire Pacific Limited and Air China, are listed on the Hong Kong Stock Exchange. Based on the closing price of its ordinary shares on 28th June 2024, Cathay Pacific had a market capitalisation of approximately HK\$51,441 million. The registered office of Cathay Pacific is at 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong.

As at 30th June 2024, Cathay Pacific, HK Express and Air Hong Kong together operated a fleet of 231 Airbus and Boeing passenger and cargo aircraft and had 73 new aircraft due for delivery in the second half of 2024 and thereafter.

Cathay Pacific is a founding member of the oneworld global airline alliance, which has a combined network of more than 900 destinations worldwide.

Fleet Profile^(a)

Aircraft type	Number at 30th June 2024				Orders ^(c)				Expiry of leases without asset transfer ^(b)						
	Leased ^(b)			Average age	'24	'25	'26 and beyond	Total	'24	'25	'26	'27	'28	'29 and beyond	
	Owned	With asset transfer	Without asset transfer												Total
Cathay Pacific:															
A321/A320-200neo	4	3	5	12	2.2	4	15 ^(d)	19						5	
A330-300	39		4	43	15.8					2	2				
A350-900	20	8	2	30	6.2								2		
A350-1000	11	7		18	4.6										
A350F							6	6							
747-400ERF	6			6	15.5										
747-8F	11	3		14	11.4										
777-300	17			17	22.7										
777-300ER	30		8	38	11.7				2	2	4				
777-9						2	19	21							
Total	138	21	19	178	11.5	4	2	40	46	2	4	6	-	2	5
HK Express:															
A320-200	3 ^(e)		4	7	15.5					2				2	
A320-200neo			10	10	5.3			8 ^{(d)(f)}	8					2	8
A321-200	2 ^(e)		11	13	8.8					1	2				8
A321-200neo		6 ^(g)		6	0.6	6 ^(h)	4	9 ^{(d)(f)}	19						
Total	5	6	25	36	7.8	6	4	17	27	2	1	2	-	4	16
Air Hong Kong^{(i)(j)}:															
A300-600F			6	6	19.1					3	3				
A330-243F			2	2	12.5							2			
A330-300P2F			9	9	12.9							3		4	2
Total	-	-	17	17	15.0	-	-	-	-	3	3	5	-	4	2
Grand total	143	27	61	231	11.2	10	6	57	73	7	8	13	-	10	23

(a) The table does not reflect aircraft movements after 30th June 2024.

- (b) Leases without asset transfer components are accounted for in a similar manner to leases with asset transfer components under accounting standards. The majority of leases without asset transfer components in the above table are within the scope of HKFRS 16.
- (c) The Group believes that based on its available unrestricted liquidity as at 30th June 2024, as well as its ready access to both loan and debt capital markets, it will have sufficient financing capacity to fund this material investment in the fleet.
- (d) Final number is subject to reallocation between Cathay Pacific and HK Express.
- (e) Three A320-200 and two A321-200 aircraft are owned by Hong Kong Dragon Airlines Limited and sub-leased to HK Express.
- (f) Final split between Airbus A320-200neo and A321-200neo aircraft is subject to adjustment in accordance with future operational requirements.
- (g) The aircraft are leased by Cathay Pacific and sub-leased to HK Express.
- (h) Two Airbus A321-200neo aircraft were delivered in July 2024.
- (i) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.
- (j) The Group plans to replace its entire fleet of Airbus A300-600F freighter with second-hand A330F freighter. The remaining six Airbus A300-600F are expected to be returned between 2024 and 2025.

REVIEW OF MAJOR SUBSIDIARIES AND ASSOCIATES

Hong Kong Express Airways Limited

- HK Express is a wholly-owned subsidiary of Cathay Pacific.
- It is a low-cost passenger carrier.
- As at 30th June 2024, HK Express operated an all Airbus narrow-body fleet of 36 aircraft to 25 destinations.

AHK Air Hong Kong Limited

- Air Hong Kong operates express cargo air transportation offering scheduled services within Asia.
- As at 30th June 2024, Air Hong Kong operates a fleet of 17 aircraft.

Cathay Pacific Catering Services (H.K.) Limited (“Cathay Dining”) and kitchens outside Hong Kong

- Cathay Dining, a wholly-owned subsidiary of Cathay Pacific, operates the principal flight kitchen in Hong Kong.
- It provides flight catering services to 47 international airlines in Hong Kong.

Cathay Pacific Services Limited (“Cathay Cargo Terminal” or “CCT”)

- CCT, a wholly-owned subsidiary of Cathay Pacific, operates the Cathay Group’s cargo terminal at Hong Kong International Airport.
- As at 30th June 2024, CCT provided cargo-handling services for the Cathay Group and 14 other airlines.
- CCT handled 733,000 tonnes of cargo in the first half of 2024.

Hong Kong Airport Services Limited (“HAS”)

- HAS, a wholly-owned subsidiary of Cathay Pacific, provides ramp and passenger handling services at Hong Kong International Airport. At 30th June 2024, it provided ground handling services to 24 airlines, including Cathay Pacific and HK Express.
- In the first half of 2024, the number of flights handled under both ramp- and passenger-handling businesses increased by 46% and 72%, respectively, against the same period in 2023.

Air China Limited

- Air China, in which Cathay Pacific had a 15.87% interest at 30th June 2024, is the national flag carrier and leading provider of passenger, cargo and other airline-related services in the Chinese Mainland.

Air China Cargo Co., Ltd. (“Air China Cargo”)

- Air China Cargo, in which Cathay Pacific owns an equity and an economic interest totalling 24%, is the leading provider of air cargo services in the Chinese Mainland.

SUMMARY FINANCIAL INFORMATION¹

The summary financial information as of and for the six months ended 30th June 2024 and 30th June 2023 is prepared based on the unaudited condensed interim financial statements of Cathay Pacific for the six months ended 30th June 2024 and 30th June 2023, which are incorporated by reference in this Offering Circular.

The summary financial information as of and for the years ended 31st December 2023 and 31st December 2022 is prepared based on the audited consolidated financial statements of Cathay Pacific for the year ended 31st December 2023, which are incorporated by reference in this Offering Circular.

¹ The non-statutory accounts (within the meaning of Section 436 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), (the “*Ordinance*”)) of Cathay Pacific in this document are not specified financial statements (within such meaning). The specified financial statements of Cathay Pacific for the year ended 31st December 2023 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. An auditor’s report has been prepared on those specified financial statements. The 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 Ordinance.

The Cathay Group's profit attributable to shareholders for the six months ended 30th June 2024 amounted to HK\$3,613 million compared to the profit attributable to the shareholders of HK\$4,268 million for the six months ended 30th June 2023.

	<u>Six months ended 30th June</u>		<u>Year ended 31st December</u>	
	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u> <u>(restated)</u>
	<u>(in HK\$ million)</u>		<u>(in HK\$ million)</u>	
Selected Consolidated Statement of Profit or Loss and Other Comprehensive Income and dividend information				
Total revenue	49,604	43,593	94,485	51,036
Net finance charges	(1,455)	(1,446)	(2,733)	(2,909)
Profit/(loss) before taxation	4,241	4,707	10,858	(6,115) ¹
Profit/(loss) attributable to the shareholders of the Cathay Group	3,613	4,268	9,789	(6,623) ¹
Dividends paid to the ordinary shareholders of the Cathay Group	(2,768)	–	–	–
	<u>As at 30th June</u>		<u>As at 31st December</u>	
	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u> <u>(restated)</u>
	<u>(in HK\$ million)</u>		<u>(in HK\$ million)</u>	
Selected Consolidated Statement of Financial Position information				
Non-current assets	148,050	150,136	151,366	154,578
Current assets	27,580	31,042	22,749	26,336 ¹
Current interest-bearing liabilities	11,890	9,833	10,523	14,643
Non-current interest-bearing liabilities	54,920	58,831	57,771	62,463
Funds attributable to the shareholders of the Cathay Group	61,406	64,490	60,026	63,803 ¹
	<u>128,216</u>	<u>133,154</u>	<u>128,320</u>	<u>140,909</u>

Cathay Pacific had a net current liabilities position as at 30th June 2024 of HK\$20,234 million, 30th June 2023 of HK\$15,415 million, 31st December 2023 of HK\$22,744 million and 31st December 2022 of HK\$17,066 million.

¹ These line items were restated in the consolidated financial statements of the Guarantor for the year ended 31st December 2023 due to a change in accounting policy and adoption of the new guidance published by the Hong Kong Institute of Certified Public Accountants in July 2023 in respect of the accounting implications of the abolition of the MPF-LSP offsetting mechanism. For details of such restatements, please refer to the section titled “material accounting policy 1(b)” in the consolidated financial statements of the Guarantor for the year ended 31st December 2023.

The following table sets out, among others, the revenue, operating profit or loss, share of loss or profit of associates and attributable loss or profit for (i) the six months ended 30th June 2024 and 2023 and (ii) the years ended 31st December 2023 and 2022 and the total equity of Cathay Pacific at those dates:

	Six Months ended 30th June		Year ended 31st December	
	2024	2023	2023	2022 (restated)
	(in HK\$ million)		(in HK\$ million)	
Revenue				
Passenger services	33,004	27,563	61,437	14,333
Cargo services	12,610	12,432	25,606	30,554
Other services and recoveries	3,990	3,598	7,442	6,149
Total revenue	49,604	43,593	94,485	51,036
Expenses				
Staff	(7,770)	(6,612)	(14,785)	(10,646) ¹
Inflight service and passenger expenses	(1,957)	(1,244)	(3,026)	(694)
Landing, parking and route expenses	(6,572)	(5,066)	(11,190)	(5,590)
Fuel, including hedging gains	(14,160)	(10,635)	(24,989)	(10,488)
Aircraft maintenance	(4,047)	(3,253)	(7,357)	(3,206)
Aircraft depreciation and rentals	(4,929)	(5,043)	(9,860)	(9,884)
Other depreciation, amortisation and rentals	(1,256)	(1,305)	(2,578)	(2,544)
Others	(3,006)	(3,799)	(7,701)	(4,513)
Operating expenses	(43,697)	(36,957)	(81,486)	(47,565) ¹
Net reversal of impairment and other gains or charges	19	208	197	–
Gain on deemed partial disposal of an associate	90	1,929	1,929	–
Operating profit	6,016	8,773	15,125	3,471 ¹
Finance charges	(1,939)	(1,997)	(3,961)	(3,074)
Finance income	484	551	1,228	165
Net finance charges	(1,455)	(1,446)	(2,733)	(2,909)
Share of losses of associates	(320)	(2,620)	(1,534)	(6,677)
Profit/(loss) before taxation	4,241	4,707	10,858	(6,115) ¹
Taxation	(628)	(439)	(1,068)	(507)
Profit/(loss) for the period	3,613	4,268	9,790	(6,622) ¹
Profit/(loss) attributable to				
Ordinary shareholders of the Cathay Group	3,372	3,959	9,067	(7,237) ¹
Preference shareholder of the Cathay Group	241	309	722	614
Non-controlling interests	–	–	1	1
Profit/(loss) for the period	3,613	4,268	9,790	(6,622) ¹
Total equity	61,413	64,496	60,033	63,809 ¹

¹ These line items were restated in the consolidated financial statements of the Guarantor for the year ended 31st December 2023 due to a change in accounting policy and adoption of the new guidance published by the Hong Kong Institute of Certified Public Accountants in July 2023 in respect of the accounting implications of the abolition of the MPF-LSP offsetting mechanism. For details of such restatements, please refer to the section titled “material accounting policy 1(b)” in the consolidated financial statements of the Guarantor for the year ended 31st December 2023.

MANAGEMENT

The Directors and Company Secretary of Cathay Pacific are:

Executive Directors

HEALY, Patrick[#], aged 58, has been Chair and a Director of Cathay Pacific since 6th November 2019. He is also Chairman of Swire Coca-Cola Limited and a Director of John Swire & Sons (H.K.) Limited, Swire Pacific Limited and Air China Limited. He was a Director of Swire Properties Limited from January 2015 to August 2021. He joined the Swire group in 1988 and has worked with the group in the Hong Kong SAR, Germany and the Chinese Mainland.

LAM, Siu Por Ronald[#], aged 51, has been a Director of Cathay Pacific since 19th August 2019 and Chief Executive Officer since 1st January 2023. He was Chief Customer and Commercial Officer of Cathay Pacific from August 2019 to December 2022. He was Director and General Manager, Hong Kong Operations of Hong Kong Aircraft Engineering Company Limited from July 2013 to May 2017 and Director Commercial and Cargo of Cathay Pacific from June 2017 to July 2019. He has also been Chair of Hong Kong Express Airways Limited since 20th August 2019 and a Director of John Swire & Sons (H.K.) Limited since 21st March 2023. He joined the Swire group in 1996 and has worked with Cathay Pacific in the Hong Kong SAR, Japan and Sri Lanka.

LAU, Hoi Zee Lavinia, aged 54, has been Chief Customer and Commercial Officer and a Director of Cathay Pacific since 1st January 2023. She was Director Customer Travel of Cathay Pacific from August 2021 to December 2022. She was Director Commercial of Cathay Pacific from July 2019 to July 2021, General Manager Planning from August 2015 to July 2019, and General Manager Sales, Pearl River Delta and the Hong Kong SAR from July 2012 to August 2015. She joined the Swire group in 1992.

MCGOWAN, Alexander James John, aged 52, has been Chief Operations and Service Delivery Officer and a Director of Cathay Pacific since 1st April 2023. He was Director Service Delivery of Cathay Pacific from September 2020 to March 2023. He was General Manager Aircrew, Flight Operations of Cathay Pacific from July 2018 to August 2020. He joined Cathay Pacific in 2005 and has led a number of departments across the airline. Before joining Cathay Pacific, he had worked for an international airline based in London and a technology start-up in Seattle.

SHARPE, Rebecca Jane[#] (formerly known as WALLACE, Rebecca Jane), aged 53, has been Chief Financial Officer and a Director of Cathay Pacific since 25th January 2021. She is also a Director of Hong Kong Express Airways Limited with effect from 15th March 2021 and AHK Air Hong Kong Limited with effect from 25th January 2021. She was a Director and Group Director Finance of Hong Kong Aircraft Engineering Company Limited from October 2017 to January 2021 and Finance Director of The China Navigation Company Pte. Limited (now known as Swire Shipping Pte. Ltd.) from January 2013 to August 2017. She joined the Swire group in 2008 and has worked with the group in the Hong Kong SAR, the Chinese Mainland and Singapore. She is a member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Non-Executive Directors

BRADLEY, Guy Martin Coutts[#], JP, aged 58, has been a Director of Cathay Pacific since 25th August 2021. He is also Chairman of John Swire & Sons (H.K.) Limited, Swire Pacific Limited and Swire Properties Limited. He was a Director of Swire Pacific Limited from January 2015 to May 2017 and Chief Executive of Swire Properties Limited from January 2015 to August 2021. He joined the Swire group in 1987 and has worked with the group in the Hong Kong SAR, Papua New Guinea, Japan, the United States, Vietnam, the Chinese Mainland, the Taiwan region and the Middle East. He is a chartered surveyor, a fellow of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. He is also Deputy Chairman of The Hong Kong General Chamber of Commerce and Vice-President of The Real Estate Developers Association of Hong Kong.

MA, Chongxian, aged 59, has been a Director of Cathay Pacific since 11th June 2021 and Deputy Chair since 3rd November 2022. He is Chairman of Air China Limited, China National Aviation Holding Corporation Limited and China National Aviation Corporation (Group) Limited.

MCCALLUM, Gordon Douglas^{#+&}, aged 64, has been a Director of Cathay Pacific since 12th January 2023. He is also a Director of John Swire & Sons Limited and Chairman of its wholly-owned subsidiary, Argent Energy Holdings Limited. He is also Chairman of Zopa Group Limited and Zopa Bank Limited and a Director of Swire Pacific Limited. He was previously a Director of Virgin Atlantic Airways Limited and associated companies in the Virgin Atlantic group.

SUN, Yuquan, aged 51, has been a Director of Cathay Pacific since 12th May 2022. He has served as the Chief Accountant of China National Aviation Holding Corporation Limited since February 2022, and the Chief Accountant of Air China Limited since March 2023. He has also been a Director and Chairman of China National Aviation Capital Holding Co., Ltd., and a Director and Chairman of China National Aviation Media Co., Ltd. since April 2022 and of China National Aviation Finance Co., Ltd. since November 2023. He has been appointed as a Non-Executive Director of TravelSky Technology Limited with effect from 25th January 2024.

SWIRE, Merlin Bingham[#], aged 50, has been a Director of Cathay Pacific since 1st June 2010. He is also a Director of Swire Pacific Limited and Swire Properties Limited. He was Chairman of Swire Pacific Limited and Swire Properties Limited from July 2018 to August 2021. He is also Deputy Chairman, Chief Executive Officer and a shareholder of John Swire & Sons Limited. He joined the Swire group in 1997 and has worked with the group in the Hong Kong SAR, Australia, the Chinese Mainland and London.

WANG, Mingyuan, aged 58, has been a Director of Cathay Pacific since 24th July 2023. He has served as Chairman of Air China Development Corporation (Hong Kong) Limited since April 2011. He has also served as Vice Chairman of Tibet Airlines Co., Ltd. since June 2020 and Chairman of Air Macau Company Limited since March 2022. He has been serving as the President, Director and Vice Chairman of Air China Limited since March 2023.

XIAO, Feng^{*@}, aged 55, has been a Director of Cathay Pacific since 1st January 2017. He has been Chief Economist of Air China Limited since March 2023. He has also been the Board secretary and the joint company secretary of Air China Limited since March 2024.

ZHANG, Zhuo Ping[#], aged 53, has been a Director of Cathay Pacific since 14th April 2020. He is also a Director of John Swire & Sons (H.K.) Limited and Swire Pacific Limited and Chairman of John Swire & Sons (China) Limited. He spent his early career in investment banking. He was with the Swire group from 2002 to 2011, spending much of his time in the Chinese Mainland, including as Chief Representative of John Swire & Sons (China) Limited from 2005 to 2008. He ceased to be employed by the Swire group in 2011, when he founded a bioengineering company in Beijing and rejoined the Swire group in 2020.

Independent Non-Executive Directors

CHAN, Bernard Charnwut^{+&} (formerly known as CHAN, Chi Sze Bernard), JP, aged 59, has been a Director of Cathay Pacific since 1st December 2018. He is Chairman, President and an Executive Director of Asia Financial Holdings Limited and Chairman of its wholly owned subsidiary, Asia Insurance Company, Limited and an advisor to Bangkok Bank (China) Company Limited. He is also an Independent Non-Executive Director of Chen Hsong Holdings Limited, China Resources Beer (Holdings) Company Limited, CLP Holdings Limited and Yau Lee Holdings Limited and a Director of Bumrungrad Hospital Public Company Limited. He is a Steward of The Hong Kong Jockey Club. He is a former Convenor of the Non-Official Members of the Executive Council and a former member of the Legislative Council of the Hong Kong SAR.

CHENG, Lily Ka Lai^{+*&}, aged 45, has been a Director of Cathay Pacific since 20th May 2024. She is an Independent Non-Executive Director of Chow Tai Fook Jewellery Group Limited, Octopus Cards Limited and SUNeVision Holdings Ltd. She is also an advisor and board observer to HBX Group, a global council member of Herbert Smith Freehills LLP and an Executive Director of Hubel Labs Limited. Between 2008 and 2016, she had held various senior executive roles within the online travel industry, including serving as the President of TripAdvisor Asia Pacific between 2014 and 2016 and Senior Director at Expedia Inc. prior to 2010. She was an Independent Non-Executive Director of Swire Properties Limited from 2017 to 2024. She has more than ten years of experience as a corporate executive of listed technology companies providing consumer-facing software and internet services, including implementation of artificial intelligence and cybersecurity protocols.

MUELLER, Christoph Romanus^{*@}, aged 62, has been a Director of Cathay Pacific since 12th May 2022. He is a Non-Executive Director of WestJet Airlines Limited. He was Group Chief Financial Officer of DHL from 2002 to 2005, and Group Chief Executive Officer of Sabena SA from 2000 to 2001, Hapag-Lloyd Airlines from 2006 to 2009, Aer Lingus from 2009 to 2015 and Malaysia Airlines from 2015 to 2016. He was the Chairman of An Post, Ireland from 2014 to 2016 and Swissport International Limited from 2020 to 2022. He was also the President of the International Air Carrier Association (IACA) from 2010 to 2015 and Chairman of the Advisory Board of the European Organisation for the Safety of Air Navigation (Eurocontrol) from 2012 to 2015. He was the founding Chairman of Brussels Airlines and Non-Executive Director of various airlines.

WANG, Xiao Bin^{*@}, aged 56, has been a Director of Cathay Pacific since 20th May 2024. She is an Independent Non-Executive Director of Hang Seng Bank Limited. She was an Independent Non-Executive Director of Worley Limited (a company listed on the Australian Securities Exchange) from 2011 to 2024, a senior executive of China Resources Power Holdings Company Limited (“**China Resources**”) from 2003 to 2023 and held positions including Chief Financial Officer, Senior Vice President and acted as an Executive Director of China Resources from 2006 to 2023. Ms. Wang was a Director of corporate finance at ING Investment Banking from 1995 to 2003, responsible for the execution of capital markets and merger and acquisition transactions in the Asia Pacific region. She had worked at the audit and business advisory division of Price Waterhouse (now known as PricewaterhouseCoopers) in Australia from 1990 to 1995. She is qualified as a chartered accountant in Australia and is a member of the Australian Society of Certified Practising Accountants (now known as CPA Australia).

Company Secretary

LAI, Joanna, aged 39, has been Company Secretary of Cathay Pacific since 19th April 2021. She joined Cathay Pacific as Group General Counsel and Company Secretary on 19th April 2021 and before then, she was Head of Legal of Swire Properties Limited. She is qualified to practise law in the Hong Kong SAR and in the State of New York.

Employee of the John Swire & Sons Limited group

+ Member of the Remuneration Committee

* Member of the Audit Committee

@ Member of the Board Risk Committee

& Member of the Nomination Committee

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

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 CMU Service is open to financial institutions regulated by the HKMA, the Securities and Futures Commission, the Insurance Authority or the Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU Service’s custodial services, please refer to the CMU Reference Manual.

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

An investor holding an interest 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.

CHINESE MAINLAND CURRENCY CONTROLS

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE CHINESE MAINLAND

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

CURRENT ACCOUNT ITEMS

Under Chinese Mainland 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 Chinese Mainland.

Prior to July 2009, all current account items were required to be settled in foreign currencies. On 1st July 2009, the government of the Chinese Mainland promulgated Measures for the Administration of the Pilot Program of Renminbi Settlement of Cross-Border Trades (跨境貿易人民幣結算試點管理辦法) (the “*Measures*”) and its implementation rules, pursuant to which designated and eligible enterprises are allowed to settle their cross-border trade transactions in Renminbi. Since July 2009, subject to the Measures and its implementation rules, the Chinese Mainland has commenced a scheme pursuant to which Renminbi may be used for settlement of cross-border trade between approved pilot enterprises in five designated cities in the Chinese Mainland including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17th June 2010, the government of the Chinese Mainland promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program 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), pursuant to which (i) the list of designated pilot districts was expanded to cover 20 provinces including Beijing, Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang, Liaoning, Shandong and Sichuan, and (ii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the Chinese Mainland, such Renminbi remittance may only be effected by approved pilot enterprises in 16 provinces within the designated pilot districts in the Chinese Mainland). On 27th July 2011, the government of the Chinese Mainland promulgated the Circular on the Expansion of the Regions of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算地區的通知), pursuant to which the list of designated pilot districts was expanded to the whole country. On 3rd February 2012, the government of the Chinese Mainland promulgated the Circular on the Relevant Issues Pertaining to Administration over Enterprises Engaging in RMB Settlement of Export of 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 which any enterprises in China which are qualified to engage in import and export trade are allowed to settle their goods export trade in Renminbi. On 29th April 2019, the SAFE issued the Notice on Issuing the Measures for the Administration of the Foreign Exchange Business of Payment Institutions (國家外匯管理局關於印發《支付機構外匯業務管理辦法》的通知), which facilitates domestic institutions and individuals to carry out e-commerce trade through the Internet, standardizes the cross-border capital flows through the Internet channel. On 31st December 2020, the government of the Chinese Mainland promulgated the Circular on Further Optimizing the Cross-border Renminbi Policy to Support the Stabilization of Foreign Trade and Foreign Investment (關於進一步優化跨境人民幣政策支持穩外貿穩外資的通知) (the “*Circular*”), which became effective on 2nd April 2021. Pursuant to the Circular, procedures for Renminbi settlement are further simplified for serving the economy and facilitating trade and investment.

CAPITAL ACCOUNT ITEMS

Under Chinese Mainland 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 only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant Chinese Mainland authorities on a case-by-case basis and are subject to a strict monitoring system.

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

On 3rd June 2011, the PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement (中國人民銀行關於明確跨境人民幣業務相關問題的通知) (the "**PBOC Circular**"). The PBOC Circular provides instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment ("**FDI**") into the Chinese Mainland. The PBOC Circular applies to all non-financial Renminbi foreign direct investment into the Chinese Mainland, and includes investment by way of establishing a new enterprise, acquiring an onshore enterprise, transferring the shares, increasing the registered capital of an existing enterprise, or providing loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the Chinese Mainland are required to submit written applications to the relevant local PBOC authorities which include, *inter alia*, requisite approval letters issued by the relevant MOFCOM authorities. The PBOC Circular only applies to cases where the receiving onshore enterprise is not a financial institution. On 13th October 2011, the PBOC issued 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**"), to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of Chinese Mainland domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the PBOC Circular is no longer necessary.

On 14th June 2012, the PBOC issued the Notice on Clarifying the implementation of Settlement of Cross-Border Renminbi 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) (the "**PBOC RMB FDI Measures**"), which provides more detailed rules for cross-border Renminbi direct investments and settlements. The PBOC RMB FDI Measures and its implementing rules were further amended on 5th June 2015.

On 19th November 2012, the SAFE promulgated the Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the “**SAFE Circular on DI**”), which became effective on 17th December 2012 and further amended on 4th May 2015. According to the SAFE Circular on DI, the SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including, but not limited to, the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within China of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts.

On 3rd December 2013, 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 RMB FDI Circular**”), which has become effective on 1st January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM RMB FDI Circular, the competent counterpart of MOFCOM will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM RMB FDI Circular removes the approval requirement for changes in the relevant joint venture contract or the articles of association of the joint venture company where foreign investors change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM RMB FDI Circular also clearly prohibits the FDI funds from being used for any direct or indirect investment in securities and financial derivatives (except for strategic investment in the Chinese Mainland listed companies) or for entrustment loans in the Chinese Mainland.

On 13th February 2015, the SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**2015 SAFE Circular**”), which became effective on 1st June 2015. The 2015 SAFE Circular aims to deepen the reform of foreign exchange administration of capital accounts, promote and facilitate the capital operation of enterprises in making cross-border investments, regulate the direct investment-related foreign exchange administration business, improve the administration efficiency. The 2015 SAFE Circular sets forth the following reformation: (i) cancel the Administrative Examination and Approval Procedures relating to the Foreign Exchange Registration Approval under Domestic Direct Investment and the Foreign Exchange Registration Approval under Overseas Direct Investment; (ii) cancel the requirements to provide the confirmation, and apply for the registration, of foreign investors’ non-monetary and provide the confirmation, and apply for the registration, of foreign investors’ contribution to purchasing the equity held by the party incorporated in the Chinese Mainland under domestic direct investment; (iii) the requirements to provide the confirmation, and apply for the registration, of foreign investors’ monetary contribution has been replaced by the requirement to apply for a book-entry registration of domestic direct investment monetary contribution.

GENERAL

If any Chinese Mainland laws or regulations are promulgated or amended which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions, whether they are current account items or capital account items, then such remittances will need to be made subject to the requirements or restrictions under such laws or regulations.

The relevant Chinese Mainland laws and regulations are subject to interpretation and application by the relevant Chinese Mainland authorities. Local authorities may adopt different practices in applying the relevant Chinese Mainland laws and regulations and impose conditions for settlement of current account items or capital account items.

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 assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

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

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the “*IRO*”)) 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; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the *IRO*).

Sums received by or accrued to a corporation carrying on a trade, profession or business in Hong Kong by way of gains or profits arising in or derived from Hong Kong from the sale, disposal or redemption of Bearer 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. Sums received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong by way of gains or profits arising in or derived from Hong Kong from the sale, disposal or redemption of Bearer Notes where such gains or profits are in respect of the funds of the trade, profession or business may be deemed to be profits

arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong. Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bearer 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. 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 IRO) from the sale, disposal or redemption of Bearer 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.

Any such sums in respect of Registered Notes received by or accrued to the aforementioned financial institution, person and/or corporation will be subject to Hong Kong profits tax if such sums arise in or are derived from Hong Kong.

Stamp Duty

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 sale and purchase or change in beneficial ownership of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any sale and purchase or change in beneficial ownership 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)).

With effect from 17th November 2023, if stamp duty is payable in respect of the sale and purchase 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 or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

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

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 (“*FATCA*”), a “foreign financial institution” (as defined by *FATCA*) may be required to withhold on certain payments it makes (“*foreign passthru payments*”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement *FATCA* (“*IGAs*”), which modify the way in which *FATCA* applies in their jurisdictions. Certain aspects of the application of the *FATCA* provisions and *IGAs* to instruments such as the Notes, including whether withholding would ever be required pursuant to *FATCA* or an *IGA* with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to *FATCA* or an *IGA* with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register.

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 reporting regime and potential withholding tax imposed by *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 an amended and restated programme agreement dated 14th August 2019 (such Programme Agreement as amended and/or supplemented and/or restated from time to time, the “Programme Agreement”), agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. 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 Stabilisation 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).

IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS)

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

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

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

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

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

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

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

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

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

- The name of each underlying investor;

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

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

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

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.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “*MiFID II*”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “*Insurance Distribution Directive*”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “*Prospectus Regulation*”); and
- (b) the expression an “*offer*” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other Regulatory Restrictions

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 as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the 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.

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 (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “*CWUMPO*”) or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Chinese Mainland

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 neither it nor any of its affiliates will offer or sell any of the Notes in the Chinese Mainland (for this purpose, excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Notes.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

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.

If a jurisdiction requires that such offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

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 under the Programme were duly authorised by a resolution of the Board of Directors of the Original Issuer dated 17th August 2011 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Guarantor dated 10th August 2011. The change of the issuer under the Programme from CPMF to CPMFHK was duly approved by a resolution of the Board of Directors of the Guarantor on 7th August 2019. The annual update of the Programme was duly authorised by a resolution of the Board of Directors of the Issuer on 7th August 2024 and by a resolution of the Board of Directors of the Guarantor on 7th August 2024.

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 under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of 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 Articles of Association of the Issuer and the Articles of Association of the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor in respect of the financial years ended 31st December 2022 and 2023 which include the non-consolidated statements of financial position of the Guarantor as of 31st December 2022 and 2023 (the Guarantor currently prepares audited consolidated financial statements on an annual basis and does not prepare annual non-consolidated financial statements other than the statement of financial position 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 from time to time (at the date of this Offering Circular, the Issuer does not publish any audited or unaudited financial statements and the Guarantor currently 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 Cathay Group since 31st December 2023 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 Cathay 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 Cathay Group.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Issuer was incorporated on 4th July 2019. The auditor of the Guarantor is KPMG, independent Certified Public Accountants who has audited and issued an unqualified auditor's report on the Guarantor's consolidated financial statements for the years ended 31st December 2022 and 2023.

Solely in respect of the listing of the Programme on the Hong Kong Stock Exchange, KPMG has given and has not withdrawn its written consent to the incorporation by reference in this Offering Circular of its auditor's report dated 13th March 2024 on the consolidated financial statements of the Guarantor for the year ended 31st December 2023 in the form and context in which it is so incorporated.

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