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刊發發售通函

CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(於開曼群島註冊成立的有限公司)

股份代號: 1929

(「本公司」)

於2030年到期的8,800,000,000港元0.375%可換股債券

(股份代號: 5704)

(「債券」)

獨家全球協調人、獨家賬簿管理人及獨家牽頭經辦人



本公告乃根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)第37.39A條刊發。

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承董事會命
周大福珠寶集團有限公司
聯席公司秘書
鄭炳熙

香港，2025年7月2日

於本公告日期，執行董事為鄭家純博士、鄭志恒先生、鄭志雯女士、黃紹基先生、鄭錦標先生、鄭炳熙先生及孫志強先生；及獨立非執行董事為鄺志強先生、林健鋒先生、柯清輝博士、鄭嘉麗女士、車品覺先生、馮詠儀女士及鄧迎章先生。

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Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer and the Manager that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”); (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission; and (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a “connected person” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Issuer, which includes but is not limited to any director, chief executive or substantial shareholder of the Issuer or any of its subsidiaries or any associate of any of them within the meaning of the Listing Rules; and (5) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Issuer.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Manager, the Trustee (as defined in the attached Offering Circular) and the Agents (as defined in the attached Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Manager will provide a hard copy version to you upon request.

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CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1929)

HK\$8,800,000,000 0.375% Convertible Bonds due 2030

Issue Price: 100.00 per cent.

The HK\$8,800,000,000 0.375% Convertible Bonds due 2030 (the “**Bonds**,” which term shall include, unless the context requires otherwise, any further bonds issued in accordance with the terms and conditions of the Bonds set out in “*Terms and Conditions of the Bonds*” (the “**Conditions**”) and each of the Conditions, a “**Condition**”) and consolidated and forming a single series therewith) will be issued by Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司 (the “**Issuer**”) on 30 June 2025 (the “**Issue Date**”). The issue price of the Bonds shall be 100.00 per cent. of the aggregate principal amount of the Bonds and the denomination of each Bond shall be HK\$2,000,000 each and in integral multiples thereof.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(A)) unsecured obligations of the Issuer, and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(A), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. Each Bondholder (as defined in the Conditions) will have the right to convert any Bonds held by it into ordinary shares of par value HK\$1.00 each of the Issuer, as further described in Condition 6 (the “**Shares**”) at any time during the Conversion Period (as defined in the Conditions). The price at which Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$17.32 per Share. The Conversion Price is subject to adjustment in accordance with the Conditions. The Shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) under stock code 1929.

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Issuer will redeem each Bond at 102.55 per cent. of its principal amount together with accrued and unpaid interest thereon on 30 June 2030. On giving not less than 30 nor more than 60 days’ notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), the Issuer may redeem in whole, but not in part the Bonds for the time being outstanding at the Early Redemption Amount (as defined in the Conditions) (together with interest accrued but unpaid up to but excluding the date fixed for redemption) (a) at any time on the occurrence of certain tax-related events as described in Condition 8(C) or (b) if, at any time prior to the date of such notice, at least 90 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued in accordance with the Conditions) have already been converted, redeemed or purchased and cancelled as described in Condition 8(B). The holder of each Bond will have the right, at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds on the Optional Put Date (as defined in the Conditions) at the Early Redemption Amount together with interest accrued but unpaid up to but excluding the Optional Put Date. Following the occurrence of a Relevant Event (as defined in the Conditions), the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of that holder’s Bonds on the Relevant Event Put Date (as defined in the Conditions) at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such date (if any). See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation*”.

The Issuer undertakes to file or cause to be filed with the China Securities Regulatory Commission (the “**CSRC**”) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined in the Conditions) (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined below)). The Issuer shall file or cause to be filed the CSRC Filing Report (as defined in the Conditions) and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three PRC Business Days (as defined in the Conditions) after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”).

Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange 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 (the “**Listing Rules**”)) (“**Professional Investors**”) only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and such permissions are expected to become effective on 2 July 2025 and when such Shares are issued, respectively. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds 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 Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer, the 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 howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investing in the Bonds and the Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of Conversion Rights of the Bonds, and there are various other risks relating to the Bonds, the Issuer, its business and its jurisdiction of operations which investors should familiarise themselves with before making an investment in the Bonds. See “*Risk Factors*” beginning on page 12.

The Bonds are not intended to be initially placed and may not be initially placed to “connected persons” of the Issuer as defined in the Listing Rules (“**Connected Persons**”). Each holder of the Bonds (and the beneficial owners of the Bonds, if applicable) will be deemed to have represented to the Issuer and the Manager that it is not a Connected Person of the Issuer and will not after completion of the subscription of the Bonds be a Connected Person of the Issuer. Each prospective investor will be deemed to have agreed with the Issuer and the Manager that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the Hong Kong Securities and Futures Commission (the “**SFC**”), disclose information about such potential investor (including but not limited to its name, company registration number and the number of Bonds allotted to it) to certain parties.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Shares to be issued upon conversion of the Bonds may only be offered outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see “*Subscription and Sale*”.

The Bonds will initially be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”, and together with Euroclear, the “**Clearing Systems**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

UBS

The Offering Circular is dated 25 June 2025.

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THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR ANY OF ITS SUBSIDIARIES OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**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. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Bonds 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**”); 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. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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.

The Issuer, having made all reasonable enquiries, confirms that to its best knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries taken as a whole (collectively, the “**Group**”) and to the Shares and the Bonds which is material in the context of the issue and offering of the Bonds (including any information (if any) which is required by applicable laws of the Cayman Islands and according to the particular nature of the Issuer, the Shares and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and

prospects of the Issuer and of the rights attaching to the Shares and the Bonds), (ii) the facts and statements contained in this Offering Circular relating to the Issuer and to the Group are, in every material particular true and accurate and not misleading in light of the circumstances under which they have been made, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and to the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts or statements in relation to the Issuer, the Group or the Shares or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect in light of the circumstances under which they have been made and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of UBS AG Hong Kong Branch (the “**Manager**”) or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the Shares deliverable upon conversion of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the Shares deliverable upon conversion of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale.*” By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group, the Bonds or the Shares other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Manager, The Hongkong and Shanghai Banking Corporation Limited as the trustee (the “**Trustee**”) or the Agents (as defined in the Conditions), or any of their respective directors, officers, employees, agents, representatives, advisers, affiliates or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Manager, the Trustee or the Agents, or any of their respective directors, officers, employees, agents, representatives, advisers, affiliates or any person who controls any of them to subscribe for or purchase any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Offering Circular is not intended to invite offers to subscribe for or purchase Shares.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular

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None of the Manager, the Trustee, or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers has independently verified the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Manager, the Trustee or the Agents or any of the respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each person receiving this Offering Circular acknowledges that it has not relied on the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and such person must rely on its own examination of the Issuer, the Group, and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” below for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Manager, the Trustee and the Agents and their respective affiliates, officers, employees, agents, representatives, directors and advisers or any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer, or the Group during the life of the arrangements contemplated by this Offering Circular or to advise any investor or prospective investor in the Bonds of any information coming to the attention of the Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE BONDS, THE MANAGER MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE MANAGER (OR ANY PERSON ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE MANAGER (OR ANY PERSON ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Manager and/or its affiliates, or affiliates of the Issuer may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for

their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Manager and/or its affiliates, or affiliates of the Issuer as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including the Manager, are “capital market intermediaries” (together, the “**CMI**s”) 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” (together, the “**OC**s”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this 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 this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this 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). If a prospective investor is an asset management arm affiliated with the Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager 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 this 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 the Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the Manager 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 this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this 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 Manager and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

This Offering Circular is prepared using a number of conventions, which investors should consider when reading the information contained herein. The terms the “**Issuer**”, the “**Company**”, the “**Group**” and words of similar import refer to Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司 itself, an exempted company incorporated in the Cayman Islands with limited liability, or to Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司 and its consolidated subsidiaries, as the context requires.

Market data and certain industry forecast and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes this information to be reliable, it has not been independently verified by the Issuer, the Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them and none of the Issuer, the Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. Due to possibly inconsistent collection methods and other problems, the statistics herein may be inaccurate and should not be unduly relied upon. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering and the Bonds, including the merits and risks involved.

In this Offering Circular, all references to “**USD**”, “**US\$**”, “**U.S.\$**” and “**U.S. dollars**” are to United States dollars, the official currency of the United States; all references to “**HK\$**”, “**H.K. dollars**”, “**Hong Kong dollars**” and “**HKD**” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**” or “**HK**”); all references to “**RMB**” or “**Renminbi**” are to the Renminbi, the official currency of the People’s Republic of China.

References to the “**PRC**”, “**China**”, “**Mainland of China**” and “**Mainland China**” are to the People’s Republic of China and, for the purposes of this Offering Circular, except where the context requires, do not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China (“**Macau**”) or Taiwan. The “**PRC government**” or the “**State**” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or, where the context requires, any of them.

The Group’s consolidated financial statements are presented in H.K. dollars. Unless otherwise stated in this Offering Circular, all translations from H.K. dollars into U.S. dollars were made at the rate of HK\$7.7677 to US\$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as certified for customs purposes by the Federal Reserve Bank of New York on 31 December 2024. All such translations in this Offering Circular are provided solely for investors’ convenience and no representation is made that the H.K. dollar amounts referred to herein have been, could have been or could be converted into U.S. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see “*Exchange Rates*.”

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

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

FORWARD-LOOKING STATEMENTS

Forward-looking statements have been included in this Offering Circular. Statements that are not historical facts, including statements about the Group's intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

Forward-looking statements have been included in this Offering Circular relating to the Group's intentions, beliefs, expectations or predictions for future events and conditions which may not occur. Even though these statements have been made by the Issuer after due and careful consideration and on bases and assumptions that it believes are fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Some of the risks are listed in "Risk Factors" and elsewhere in this Offering Circular. In some cases, investors can identify these forward-looking statements by words such as "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "propose," "seek," "should," "will," "would" or similar expressions, or their negatives. These forward-looking statements include, without limitation, statements relating to:

- any changes in the laws, rules and regulations of the central and local governments in the PRC and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group's business and its business plans;
- the Group's business and operating strategies and its ability to implement such strategies;
- the Group's ability to control or reduce costs;
- the Group's capability to identify and integrate suitable acquisition targets;
- the Group's ability to maintain a strong relationship with its business partners or customers;
- the Group's future business development, results of operations and financial condition;
- determination of the fair value of the Group's Shares;
- the Group's dividend policy;
- capital market development;
- exchange rate fluctuations and restrictions; and
- risks identified under "*Risk Factors*" of this Offering Circular.

This Offering Circular also contains market data and projections that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect the Group's business and the market price of its Shares. In addition, due to the rapidly changing nature of the PRC economy, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. Investors should not place undue reliance on these forward-looking statements.

There are no assurances that the transactions and events described in the forward-looking statements in this Offering Circular will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in "*Risk Factors*" in this Offering Circular. Investors should read this Offering Circular in its entirety and with the understanding that actual future results may be materially different from what the Group

expects. The forward-looking statements made in this Offering Circular relate only to events as at the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since the Group operates in an evolving environment where new risks and uncertainties may emerge from time to time, investors should not rely upon forward-looking statements as predictions of future events. The Group undertakes no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when its situation may have changed.

INCORPORATION BY REFERENCE

The following documents published on the website of the Hong Kong Stock Exchange at www.hkex.com.hk are deemed to be incorporated by reference into, and to form part of, this Offering Circular:

- (a) the Issuer's audited annual consolidated financial statements as at and for the financial year ended 31 March 2024 ("**2024 Annual Financial Statements**") and audited annual consolidated financial statements as at and for the financial year ended 31 March 2025, ("**2025 Annual Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"); and
- (b) the auditor's reports in respect of such annual consolidated financial statements, which have been audited by PricewaterhouseCoopers, the Issuer's independent auditors.

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer and the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a subsequent statement contained in another incorporated document herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The documents incorporated herein by reference are available electronically through the internet from the Hong Kong Stock Exchange.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision.

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular. This summary is qualified by, and must be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this Offering Circular. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. You should read the entire Offering Circular carefully, including the Group's consolidated financial statements and related notes and "Risk Factors", to determine whether an investment in the Bonds is appropriate.

OVERVIEW

Founded in 1929, the Group was listed on the Main Board of The Stock Exchange of Hong Kong in December 2011. The Group firmly upholds the vision: "To be the leading global jewellery brand that is a trusted lifetime partner for every generation", drawing on nearly a century of legacy and success. The Group operates across, and controls, a fully-integrated business model, from sourcing, cutting, polishing, setting, production, to marketing and retail activities in its self-operated stores, as well as wholesale activities through franchised business.

As a leading Chinese jeweller, the Group believes in blending contemporary cutting-edge designs with traditional techniques to create jewellery that can be passed down from generation to generation. Every collection is thoughtfully conceived and crafted to reflect the stories of the Group's customers, celebrating the special moments in their lives. Committed to growing alongside its customers, the Group embraces a spirit that aspires to inspire and captivate generations to come, weaving the story of CHOW TAI FOOK into the fabric of their lives.

Offering a wide variety of products, services and channels, the Group's brand portfolio comprises the CHOW TAI FOOK flagship brand with curated retail experiences, and other individual brands including HEARTS ON FIRE, ENZO and MONOLOGUE.

The Group is committed to delivering sustainable long-term value creation for its stakeholders by enhancing the quality of earnings and driving higher value growth. The Group operates an extensive omni-channel retail ecosystem, which consists of 6,644 stores, spanning across Mainland China, Hong Kong, Macau as well as multiple locations globally as at 31 March 2025, complemented by a growing e-commerce business that further enhances its competitive edge.

The Group's largest market is Mainland China, accounting for 83.2% of its revenue for the year ended 31 March 2025, followed by Hong Kong, Macau and other markets, which accounted for 16.8%.

For the years ended 31 March 2024 and 2025, the Group's revenue was approximately, HK\$108,713 million and HK\$89,656 million, respectively. For the years ended 31 March 2024 and 2025, the Group's operating profit, which represents the aggregate of gross profit and other income, less selling and distribution costs and general and administrative expenses, was approximately HK\$13,432 million and HK\$14,746 million, respectively.

COMPETITIVE STRENGTHS

- Iconic and trusted brand with nearly a century of heritage, legacy and success
- Customer-centric product optimisation and exquisite craftsmanship
- Effective vertically integrated business model
- Extensive retail network with effective optimisation strategies
- Loyal, experienced and dynamic management team

BUSINESS STRATEGIES

The Group is dedicated to future-proofing its business by strengthening its competitiveness, enhancing the quality of its earnings, and achieving sustainable value creation for all stakeholders in the long run. To this end, the Group has identified five key strategic priorities, being (i) brand transformation, (ii) product optimisation, (iii) accelerated digitalisation, (iv) operational efficiency and (v) talent cultivation. The Group's five core values – work collaboratively, act with integrity, be open-minded, take ownership and be passionate – serve as the foundation for executing its five strategic priorities and achieving its business goals. Through ongoing communication, reinforcement and the embodiment of these values in its daily work, the Group is building a stronger and more resilient organisation that is poised for long-term success.

THE OFFERING

The following summary contains basic information about the Bonds and is not intended to be complete. It does not contain all the information that is important to investors. The full Conditions are set out in the section of this Offering Circular entitled “*Terms and Conditions of the Bonds.*” Capitalised terms used in this summary and not otherwise defined shall have the meaning given to them in the Conditions.

Issuer	Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司.
Bonds	HK\$8,800,000,000 0.375% convertible bonds due 2030. The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer (the “ Board ”) passed on 12 June 2025.
Issue Price	The Bonds will be issued at 100.00 per cent. of their principal amount.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 0.375 per cent. per annum, payable semi-annually in arrear on 30 June and 30 December of each year, beginning on 30 December 2025.
Issue Date	30 June 2025.
Maturity Date	30 June 2030.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(A)) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(A), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.
Conversion Right	Subject as further provided in the Conditions, each Bond shall entitle the holder to convert such Bond into Shares credited as fully paid at any time during the Conversion Period (as defined below) (the “ Conversion Right ”).
Conversion Period	Subject to and upon compliance with the provisions of Condition 6, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as provided in the Conditions) on or after 30 June 2028 up to (a) the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in Condition 6(A)(iii), in no event thereafter) or (b) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days

	<p>inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) or Condition 8(E), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice requiring redemption (the “Conversion Period”) as further described in Condition 6(A)(i).</p>
Conversion Price	<p>The price at which Shares will be issued upon the conversion of any Bond (the “Conversion Price”) will initially be HK\$17.32 per Share but will be subject to adjustment in the manner described in Condition 6(C).</p>
Negative Pledge	<p>So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that none of its Material Subsidiaries (other than the Listed Material Subsidiaries, if applicable) will, create or permit to subsist any Security Interest, other than Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness, without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.</p>
Redemption at Maturity	<p>Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Issuer will redeem each Bond at 102.55 per cent. of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.</p>
Redemption for Taxation Reasons	<p>The Issuer may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days’ notice (a “Tax Redemption Notice”) to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable) on the date specified in the Tax Redemption Notice for redemption (the “Tax Redemption Date”) at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (a) the Issuer has or will become obliged to pay Additional Tax Amounts (as provided or referred to in Condition 9) as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 June 2025, and (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax</p>

Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 8(C)(i).

If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(C)(i), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal, premium (if any) or interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 and payment of all amounts by the Issuer to such holder in respect of such Bond(s) shall be made subject to the deduction or withholding of any tax required to be deducted or withheld, as further described in Condition 8(C)(ii).

Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued in accordance with Condition 17) has already been converted, redeemed or purchased and cancelled, as further described in Condition 8(B).

Redemption at the Option of the Bondholders

On 30 June 2028 (the “**Optional Put Date**”), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Optional Put Date at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such Optional Put Date (if any). To exercise such right, the holder of the relevant Bond must complete, sign and deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Optional Put Date, as further described in Condition 8(E).

Redemption for Delisting or Change of Control

Following the occurrence of a Relevant Event, the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the

	<p>Relevant Event Put Date at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the holder of the relevant Bond must deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 11, as further described in Condition 8(D).</p>
Form and Denomination of Bonds	<p>The Bonds will be issued in registered form in the specified denomination of HK\$2,000,000 each and in integral multiples thereof. Upon issue, the Bonds will be represented by the Global Certificate deposited with a common depository for, and representing Bonds registered in the name of a nominee of, the Clearing Systems.</p>
Clearance	<p>The Bonds will be cleared through the Clearing Systems. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.</p>
Global Certificate	<p>For as long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a common depository, payments of principal and interest (if any) in respect of the Bonds represented by the Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.</p>
Selling Restrictions	<p>There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United States, the United Kingdom, Hong Kong, Singapore, Japan, the PRC and the Cayman Islands. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “<i>Subscription and Sale</i>”.</p>
Listing	<p>Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and</p>

	<p>such permissions are expected to become effective on 2 July 2025 and when such Shares are issued, respectively.</p> <p>The Issuer has undertaken to apply to have the Shares, issuable upon conversion of the Bonds, approved for listing on the Hong Kong Stock Exchange and any Alternative Stock Exchange on which its Shares are listed from time to time.</p>
Trustee	The Hongkong and Shanghai Banking Corporation Limited.
Principal Agent	The Hongkong and Shanghai Banking Corporation Limited.
Registrar and Transfer Agent	The Hongkong and Shanghai Banking Corporation Limited.
Governing Law	The Bonds and any non-contractual obligations arising out of or in connection with the Bonds will be governed by, and will be construed in accordance with, English law.
Jurisdiction	The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with them.
Use of Proceeds	The Issuer intends to use the net proceeds from this offering, after deducting the underwriting commission and other estimated expenses payable in connection with the offering, for development and financing of gold jewellery business, stores upgrades and strategic expansion in domestic and international markets and general working capital.
Lock-up	<p>Neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 90 days after the Closing Date (as defined in the Subscription Agreement) (both dates inclusive); except for (i) the issuance of the Bonds and the Shares to be issued on conversion of the Bonds (the “New Shares”); (ii) the entering into of any transaction, or the</p>

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announcing or otherwise making public an intention to enter into a transaction, with respect to the issuance of any Shares as consideration for any acquisition in relation to the Group's business *provided that* the issuance of any Shares pursuant to any such acquisition occurs after the date which is 90 days after the Closing Date; and (iii) the issuance of any Shares or rights or options to subscribe for or acquire Shares pursuant to the share award scheme adopted by the Issuer on 7 July 2023 and amended on 13 June 2024 (the "**Share Scheme**").

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Notes:

- (1) Concurrent with the issue of the Bonds, the Manager will conduct a delta placement of the Shares of the Issuer to facilitate hedging for the investors participating in the offering (the "**Delta Placement**"). As part of the Delta Placement, the Issuer will conduct a concurrent repurchase of the Shares of the Issuer at the clearing price of the Delta Placement.
- (2) In connection with the proposed issue of the Bonds, UBS AG, London Branch as borrower and custodian (the "**Borrower**") has entered into a stock borrowing and lending agreement with Chow Tai Fook Capital Limited as lender (the "**Lender**") dated 16 June 2025 (the "**Stock Borrowing and Lending Agreement**"), pursuant to which the Lender will lend 320,000,000 Shares to the Borrower upon and subject to the terms and conditions stated in the Stock Borrowing and Lending Agreement. Chow Tai Fook Capital Limited has executed a lock-up undertaking on the date of the Subscription Agreement (the "**Lock-up Undertaking**"). The Lock-up Undertaking provided by Chow Tai Fook Capital Limited shall exclude 320,000,000 Lock-up Shares (as defined in the Subscription Agreement) which are subject to the Stock Borrowing and Lending Agreement.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information of the Group as of and for the year ended 31 March 2023 included in this Offering Circular has been extracted from the 2024 Annual Financial Statements. The consolidated financial information of the Group as of and for the years ended 31 March 2024 and 2025 included in this Offering Circular has been extracted from the 2025 Annual Financial Statements. The consolidated financial information of the Group as of and for the years ended 31 March 2024 and 2025 prepared in accordance with IFRS have been audited by PricewaterhouseCoopers, the independent auditor of the Group in accordance with International Standards on Auditing.

The summary financial information set out below and in this Offering Circular should be read in conjunction with, and is qualified in its entirety by reference to, the Group's audited consolidated financial statements as of and for the years ended 31 March 2024 and 2025 (including the notes thereto).

In preparing the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025, management has determined that the fair value gains or losses arising from gold loans which were included in "cost of goods sold" in previous years should be included in "other gains and losses" in order to better reflect the core underlying operational performance without the impact of fluctuations in gold prices on gold loans. The change in presentation is voluntary and is for the purpose of giving reliable and more relevant information to the user of financial information and in line with industry practice. Such figures for the year ended 31 March 2024 have been reclassified to conform to the presentation for the year ended 31 March 2025 in the 2025 Annual Financial Statements. Please refer to note 2.1(c) of the 2025 Annual Financial Statements. The consolidated financial information of the Group for the year ended 31 March 2023 may not be directly comparable to the consolidated financial information of the Group for the years ended 31 March 2024 and 2025. Investors must therefore exercise caution when making comparisons of consolidated financial figures of the Group and when evaluating the financial condition and results of operations of the Group. Investors should consult their own independent financial advisers for professional advice.

SUMMARY CONSOLIDATED INCOME STATEMENT DATA

	For the year ended 31 March		
	2023	2024	2025
	(audited)	(audited)	(audited)
	(HK\$ in millions)		
Revenue.....	94,684.4	108,713.0	89,656.0
Cost of goods sold.....	(73,512.9)	(82,670.6)	(63,201.2)
Gross profit.....	21,171.5	26,042.4	26,454.8
Other income.....	733.3	689.6	782.1
Selling and distributions costs.....	(9,974.3)	(9,513.2)	(8,697.2)
General and administrative expenses.....	(3,721.4)	(3,787.0)	(3,793.9)
Other gains and losses.....	(317.8)	(4,087.8)	(6,275.4)
Other expenses.....	(87.5)	(74.3)	(53.5)
Share of profits/(losses) of associates.....	0.3	(19.9)	(20.4)
Interest income.....	227.8	183.1	113.6
Finance costs.....	(585.4)	(704.6)	(592.8)
Profit before taxation.....	7,446.5	8,728.3	7,917.3
Taxation.....	(1,957.0)	(2,121.1)	(1,928.4)
Profit for the year.....	5,489.5	6,607.2	5,988.9
Other comprehensive income/ (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
– remeasurement of defined benefit scheme.....	51.5	8.8	(0.1)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– exchange differences arising on translation of foreign operations.....	(1,726.7)	(597.8)	(239.5)
Other comprehensive expense for the year.....	(1,675.2)	(589.0)	(239.6)
Total comprehensive income for the year.....	3,814.3	6,018.2	5,749.3
Profit for the year attributable to:			

For the year ended 31 March			
	2023	2024	2025
	(audited)	(audited)	(audited)
		(HK\$ in millions)	
Shareholders of the Company	5,384.4	6,499.3	5,915.5
Non-controlling interests.....	105.1	107.9	73.4
	<u>5,489.5</u>	<u>6,607.2</u>	<u>5,988.9</u>
Total comprehensive income for the year attributable to:			
Shareholders of the Company	3,778.1	5,944.0	5,694.2
Non-controlling interests.....	36.2	74.2	55.1
	<u>3,814.3</u>	<u>6,018.2</u>	<u>5,749.3</u>
Earnings per share – Basic and Diluted	<u>HK53.8 cents</u>	<u>HK65.0 cents</u>	<u>HK59.2 cents</u>

SUMMARY CONSOLIDATED BALANCE SHEET DATA

	As at 31 March		
	2023	2024	2025
	(audited)	(audited) (HK\$ in millions)	(audited)
Non-current assets			
Property, plant and equipment	5,144.4	4,526.8	3,618.0
Right-of-use assets	1,696.4	1,781.9	1,569.0
Investment properties	323.1	292.3	491.0
Other intangible assets	66.3	25.0	6.9
Jewellery collectibles	1,520.1	1,520.1	1,520.1
Prepayment and deposits	346.3	370.4	677.7
Financial assets at fair value through profit or loss	64.6	62.9	45.4
Investments in associates	69.5	49.8	28.5
Amounts due from associates	41.6	40.0	40.0
Loan receivables	8.5	6.7	4.1
Deferred tax assets	792.9	960.7	1,250.0
	<u>10,073.7</u>	<u>9,636.6</u>	<u>9,250.7</u>
Current assets			
Inventories	59,290.4	64,647.0	55,417.2
Trade and other receivables	6,192.9	6,825.0	4,242.9
Amounts due from associates	11.4	1.7	–
Amounts due from non-controlling shareholders of subsidiaries	–	4.1	20.5
Loan receivables	2.0	1.9	1.5
Taxation recoverable	36.3	7.3	9.2
Short-term bank deposits	38.8	–	–
Cash and cash equivalents	11,695.0	7,695.4	7,582.4
	<u>77,266.8</u>	<u>79,182.4</u>	<u>67,273.7</u>
Current liabilities			
Trade and other payables	30,088.9	30,529.6	26,610.0
Amounts due to associates	–	2.1	3.1
Amounts due to non-controlling shareholders of subsidiaries	52.4	152.1	217.9
Taxation payable	825.1	905.0	987.0
Bank borrowings	4,366.8	793.6	3,825.1
Gold loans	15,085.6	24,487.8	15,866.7
Lease liabilities	602.7	650.2	618.3
	<u>51,021.5</u>	<u>57,520.4</u>	<u>48,128.1</u>
Net current assets	<u>26,245.3</u>	<u>21,662.0</u>	<u>19,145.6</u>
Total assets less current liabilities	<u>36,319.0</u>	<u>31,298.6</u>	<u>28,396.3</u>
Non-current liabilities			
Bank borrowings	1,488.1	3,342.3	–
Lease liabilities	563.0	617.0	479.0
Retirement benefit obligations	185.2	173.3	168.5
Deferred tax liabilities	645.2	348.7	291.8
Other liabilities	77.7	71.7	63.6
	<u>2,959.2</u>	<u>4,553.0</u>	<u>1,002.9</u>
Net assets	<u>33,359.8</u>	<u>26,745.6</u>	<u>27,393.4</u>
Share capital	<u>10,000.0</u>	<u>9,987.7</u>	<u>9,987.7</u>
Reserves	<u>22,397.4</u>	<u>15,727.3</u>	<u>16,437.7</u>
Equity attributable to shareholders of the Company	<u>32,397.4</u>	<u>25,715.0</u>	<u>26,425.4</u>
Non-controlling interests	<u>962.4</u>	<u>1,030.6</u>	<u>968.0</u>
	<u>33,359.8</u>	<u>26,745.6</u>	<u>27,393.4</u>

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below and other information contained in this Offering Circular before making an investment decision. The risks and uncertainties described below may not be the only ones that the Group faces. Additional risks and uncertainties that the Group is not aware of or that it currently believes are immaterial may also adversely affect its business, financial condition or results of operations. If any of the possible events described below occur, the Group's business, financial condition or results of operations could be materially and adversely affected. In such case, the Group may not be able to satisfy its obligations under the Bonds, and prospective investors could lose all or part of their investment.

RISKS RELATED TO THE GROUP'S BUSINESS

Dependence on brand strength.

The Group considers its CHOW TAI FOOK flagship brand to be one of its most important assets. The Group derives substantially all of its revenue from sales of its jewellery products. In particular, for the years ended 31 March 2023, 2024 and 2025, the Group's CHOW TAI FOOK POS in Mainland China contributed to 90.8% , 91.0% and 89.8%, respectively, of the Group's Mainland retail sales value ("RSV") with the rest coming from other store brands (including CTF WATCH, HEARTS ON FIRE, ENZO and MONOLOGUE) and e-commerce platforms. The strength of the CHOW TAI FOOK flagship brand is based on its reputation for providing authentic and high-quality gold jewellery and products with superior craftsmanship, complemented by consistent customer service across all of its POS. The Group's image is also built on its ability to control the perception of the CHOW TAI FOOK flagship brand, its product designs, the materials used to make its products, the presentation and quality of its products, the image of the CHOW TAI FOOK POS and the effectiveness of its brand messaging. The relevance and desirability of the CHOW TAI FOOK flagship brand depends on the Group's ability to maintain a clear brand identity that distinguishes the brand from its competitors. In order to build emotional connections with the CHOW TAI FOOK flagship brand, the Group is required to ensure its brand identity is constantly refined as culture, values and societies evolve. As such, the desired emotional connections can be built only through insights into consumers' needs and passions. If the Group's insights are off-target or not properly realised, the relevance of the CHOW TAI FOOK flagship brand could decline.

Maintaining the Group's brand image and desirability to consumers requires that stores be constructed and maintained in a manner consistent with that brand image. As part of its brand transformation initiatives commenced in 2024, the Group is currently revamping retail experience for its customers by refurbishing its stores. This requires significant capital investment and may also result in temporary disruptions to an individual store's business. If its investments to renovate existing stores do not generate sufficient incremental sales, the Group's results of operations, financial condition and its growth strategies may be materially and adversely affected.

The Group is also implementing targeted online-to-offline strategies to strengthen its competitiveness in today's omni-channel retail environment. The Group's consumers are increasingly using computers, tablets, mobile phones and other devices to shop, determine product availability and complete purchases online. To remain competitive and relevant and to promote consumer loyalty, the Group must offer a consistent, engaging and convenient shopping experience for its consumers regardless of the sales channel. If the Group is unable to maintain and continuously improve its consumers' omni-channel shopping experience, its business, results of operations and financial condition may be materially and adversely affected.

Failure to manage any of the above factors or the failure of the Group's promotion and other activities to distinguish and further strengthen its brand could adversely affect the value and perception of its brand and image, as well as its ability to maintain existing or attract new customers. In addition, any failure to maintain effective quality control over the Group's products could adversely affect its reputation and brand. Should its brand or image deteriorate, the

Group may not be able to maintain its current prices and/ or sales volumes or introduce new products or enter new markets, which may materially and adversely affect its business, results of operations, financial condition and its growth strategies.

Macroeconomic and socio-political risks.

The Group is a retailer of highly discretionary products and its revenue is particularly sensitive to changes in economic conditions and consumer confidence, especially those in Mainland China, Hong Kong and Macau, where most of its revenue is generated. Consumer confidence is affected by, among other factors, general business conditions such as stock market and real estate market conditions, current and expected future global or regional macroeconomic conditions such as employment rates, inflation and interest rates and socio-political factors such as military conflicts, changes of government, civil unrest, pandemics, nationalisation and expropriation.

For example, recent years' developments such as the COVID-19 pandemic, the Russian-Ukrainian war, the armed conflict in Gaza and its dispersion to other countries in the region, the increase in tension in the Taiwan strait, high inflation levels, elevated interest rates and disturbances in energy supply and increasing energy and raw material prices have all had a significant impact on macroeconomic conditions around the world which, in turn, directly impacts consumer confidence and average household disposable income (more particularly, the amount of household disposable income allocated to spending on discretionary products such as jewellery). Deteriorating economic and socio-political conditions may also adversely affect the financial health and performance of the Group's franchisees, which could in turn materially and adversely affect the Group's business, results of operations and financial condition. Such macroeconomic externalities have weighed on customer demand for gold jewellery in the Group's key markets. For the year ended 31 March 2025, the Group's revenue decreased 17.5% or 16.8% on constant exchange rate basis, while both Mainland China and Hong Kong and Macau recorded a same store sales ("SSS") decline.

In the event that its competitors react to any declines in consumer confidence by reducing retail prices, the Group's ability to maintain its market share may be adversely impacted, as it may have to intensify its marketing efforts in order to compete effectively. Such efforts, such as more aggressive promotions, or reduction of its retail prices to respond to price competition, may materially and adversely affect the Group's business, results of operations and financial condition.

Any economic downturn or recession, lower than expected growth, increasing interest rates, sustained rates of inflation or an otherwise uncertain economic outlook, either globally or in the markets in which the Group operates, or any perception thereof by its customers, could have a material adverse effect on the Group's business, results of operations and financial condition.

Changing pattern of Mainland tourists travelling to Hong Kong and Macau.

As a significant portion of its customers in Hong Kong and Macau are tourists from Mainland China, the Group is highly susceptible to events that can negatively affect demand for travel to Hong Kong and Macau, including changes in PRC government policies on granting tourist visas to enter Hong Kong and Macau, outbreaks of contagious diseases such as COVID-19, SARS, avian flu, swine flu or similar epidemics or natural disasters.

Moreover, inbound tourism may be affected by civil unrest or protests, with fewer tourists travelling to Hong Kong which in turn may negatively affect the Hong Kong retail market. Civil unrest is outside the control of the Group and any such demonstrations, protests or riots occurring in close proximity to the Group's POS could adversely impact the Group's business, financial condition and results of operations. Significant economic downturns and decreased consumer confidence in Mainland China may also affect travel to Hong Kong and Macau. As a mix of geopolitical tensions and economic uncertainties drove gold prices to unprecedented levels, some consumers in Mainland China have recently adopted a wait-and-see attitude towards gold jewellers. Changes in Mainland tourists' spending patterns and preferences have impacted the Group's business, as Mainland tourists who visit Hong Kong

are increasingly cost-conscious day-trippers instead of luxury shoppers. During the period of April 2024 to March 2025, the Census and Statistics Department of Hong Kong reported a year-on-year decline of approximately 15% in retail sales of jewellery, watches, clocks and valuable gifts. Local outbound travel has also affected sales in Hong Kong. Influenced by evolving consumption patterns and lower spending by both inbound visitors and local residents, the Group's Hong Kong, Macau and other markets recorded a decline of 20.6% in revenue for the year ended 31 March 2025. As such, to the extent that the travel industry continues to be impacted by events that adversely affect tourism to Hong Kong and Macau, the Group's product sales in Hong Kong and Macau could decline significantly, which could have a material adverse effect on its business, results of operations and financial condition.

Changes in market trends and customer preferences.

The success of the Group's business in the regions in which it operates is dependent on its ability to identify market trends and customer preferences in those regions, and then to design and bring to market in a timely manner products that satisfy the current preferences of a broad range of customers in each respective region, by either enhancing existing products or developing new and innovative product offerings. Constantly offering consumers what they desire is crucial for driving repeat purchases and attracting new consumers, but with every launch of a new collection of the Group's jewellery products, there is an inherent risk that consumers might not find the new products relevant and desirable, which could negatively impact the Group's brand. Customer preferences differ across and within each of the Group's regions and shift over time in response to changing aesthetics. Consumer preferences for discretionary products are also influenced by numerous factors beyond the Group's control, such as general economic conditions and major social events which may also shift consumer preferences regarding gold jewellery products.

There are no assurances that the Group will anticipate or respond to changes in customer preferences or to develop new and innovative product offerings in one or more of the regions in which it operates. Even if the Group does anticipate and respond to such changes, there are no assurances that it will bring to market in a timely manner enhanced or new products that meet these changing preferences. If the Group fails to anticipate or respond to changes in customer preferences or fail to bring to market in a timely manner new and innovative products that satisfy new preferences or shopping patterns, including the development of an engaging omnichannel retail experience for its customers, its business, results of operations and financial condition could be materially and adversely affected.

To continuously identify new market trends and consumer preference, the Group has recently collaborated with other intellectual properties and brands. Any failure to ensure proper intellectual property rights protection relating to such collaboration may have adverse effects on the Group's success and access to the market with such initiatives. In such scenario, legal action may also be taken against the Group because of its use of designs, design elements, product names or other intellectual property alleged to infringe claimed intellectual property rights of a third party, resulting in the loss of rights to use those designs, design elements, product names or other intellectual property. In addition, the Group may be required to make royalty payments, or have other financial commitments imposed on it, or suffer withdrawal of products, legal costs and reputational damage.

Sales may be affected by seasonality.

In Mainland China, Hong Kong, Macau and other markets, the demand of the Group's products is event-driven due to the Chinese tradition of jewellery gift-giving at ceremonial and festive events such as Christmas, Chinese New Year, Valentine's Day, weddings and newborn arrivals. As a result, the Group's sales are subject to seasonal fluctuations. The peak seasons for the Group's sales include the PRC National Day holiday which is a seven-day public holiday around 1 October every year in the PRC and the period from Christmas through Chinese New Year till Valentine's Day. Due to these seasonal factors, comparison of sales and operating results between different periods within a single financial year may not be meaningful and should not be relied upon as indicators of the Group's performance. In addition, these seasonal consumption patterns may cause the Group's operating results and financial condition to fluctuate from period to period.

There is limited ability for the Group to compensate for shortfalls in sales or earnings by changes in its operations and strategies outside of the above key trading periods, or to recover from any extensive disruption during the above periods due to any of the factors noted elsewhere in this “*Risk Factors*” section.

Fluctuations in prices, or unavailability, of raw materials.

The Group’s raw materials include, among others, diamonds, gemstones, platinum and gold. The Group’s purchases of gold, diamonds and platinum together represents the largest component of its cost of sales, and fluctuations in the prices of these raw materials can have a significant effect on its business, results of operations and financial condition. In particular, gold prices have significantly increased in recent years. As a mix of geopolitical tensions and economic uncertainties drove gold prices to unprecedented levels, some consumers in Mainland China have recently adopted a wait-and-see attitude towards gold jewellers. An increase in gold prices may accordingly have an adverse impact on the Group’s customers’ demand. On the other hand, if gold prices decrease sharply in the future, consumers may perceive gold jewellery as less valuable and may prefer other investment options, leading to reduced demand for the Group’s products and negatively affecting its sales and revenue.

The Group manages commodity price risks mainly by hedging gold price fluctuations through gold loan and by passing on price increases to its customers through higher selling prices. The Group does not conduct hedging of its other raw materials, as no established hedging instruments are available for certain raw materials, such as diamonds, that it uses in its products. Although the Group hedges the risks of price fluctuations in gold through gold loan arrangements, there is no guarantee that it will be able to continue to do so in the future at a reasonable cost or at all.

While a significant percentage of the Group’s raw materials are commodities, which are obtainable through a variety of sources, if the availability of or the cost of purchasing certain raw materials for the Group’s products is adversely affected (for example, due to a decrease in the number of suppliers of such raw materials, or a reduction in the overall availability of such raw materials - whether due to a lack of supply, the loss of a supply contract, increased demand from competitors or fluctuations in world market prices), the Group may have to pay more for, or may be unable to source, these raw materials. For instance, the Group uses diamonds in its jewellery production and a majority of the world’s supply of rough diamonds is controlled by a limited number of diamond mining firms.

In addition, the Group is currently a De Beers’ Sightholder and a Rio Tinto Select Diamantaire. There are no assurances that the Group will be able to maintain its status as a De Beers’ Global Sightholder or a Rio Tinto Select Diamantaire. Any such adverse changes, or similar changes in the supply of other raw materials, may require the Group to increase prices or reduce the production of certain products and could materially and adversely impact its business, results of operations or financial condition.

Competitive landscape and retail environment.

Changes in the competitive landscape and the retail environment could impact the Group’s success, particularly given that jewellery is considered a discretionary item which competes with other discretionary categories, such as travel, leisure activities, entertainment and dining. Lower access to, or inability to sustain, attractive shopping locations, such as shopping malls could lead to sales shortfalls in the Group’s self-operated stores as well as its franchised stores, higher inventories, increased clearance and promotional activity and profit margin pressure. The same would apply if customers were to spend on other discretionary items and services rather than the Group’s products.

Within the jewellery and watch markets, the Group also faces competition from various competitors. Such competitors may have certain advantages over the Group, including greater financial and technical resources, more secured sources of production raw materials, greater economies of scale, broader brand recognition and more established relationships with customers in certain markets. Some of the Group’s competitors may be able to secure raw materials or gold jewellery products from suppliers on more favourable terms, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory availability policies and devote

substantially more resources to website and information system development than the Group. In the event that its competitors adopt aggressive pricing strategies and reduce retail prices, the Group's ability to maintain its market share may be adversely impacted, and it may have to intensify its marketing efforts in order to compete effectively, such efforts being more aggressive promotions, or reduction of retail prices to respond to price competition. Failure to successfully apply sufficient pricing power on high volume products could threaten the Group's financial performance, in particular on profit margins. If the Group fails to compete effectively against its competitors, it may be unable to expand its market share in its key growth markets or in its product categories and may lose market share.

Suitable locations for new POS.

The Group's performance depends, to a significant extent, on the location of its new POS. When selecting a site for a POS, the Group takes into account various factors, including:

- whether it is located in a central or prime shopping district, or in a shopping centre with significant consumer traffic;
- the risk of cannibalisation of existing POS sales by the new POS opening;
- its convenience and accessibility to the Group's target consumer group;
- the expected pedestrian flow;
- the size of the available space;
- the availability of supplementary facilities including parking lots; and
- the level of surrounding competition.

As the Group expands its retail network, it will need to secure more retail locations through leases or ownership, as determined on a case-by-case basis. The supply of prime locations for new POS is scarce and the competition to secure these locations is intense. As a result, the Group may not be able to identify and lease or acquire suitable locations for its new POS.

The Group's ability to purchase or lease suitable properties on terms acceptable to it is critical to the success of its business and expansion strategy. There are no assurances that the Group will be able to lease or acquire suitable locations on terms commercially acceptable to it. In the event that the Group encounters difficulties in securing suitable sites for POS in the localities it plans to expand into, its business and growth prospects will be materially and adversely affected.

New POS may not achieve expected level of profitability.

The Group continuously optimises its existing retail network strategically through a combination of selective store openings and closures to enhance operational efficiency and profitability. However, opening new POS requires significant capital outlays upfront, including with respect to the price of acquisition or rental for the premises, the renovation and decoration of the premises, the purchase of inventory and the hiring and training of managers and sales staff. There are no assurances that a new POS will achieve the Group's expected level of profitability for a prolonged period of time, or at all, due to a variety of factors, including, among others, (i) its ability to properly position its new POS and to execute its business strategy in the locality, (ii) actions by its existing or new competitors in the same locality and (iii) the effectiveness of its marketing activities in the locality. Some of these factors are not entirely within the Group's control. If the Group's new POS does not achieve its expected level of profitability within the expected timeframe, or at all, its expansion plan and profitability may be materially and adversely affected.

Renewal and termination of existing leases or concessionaire agreements for POS.

The Group's self-operated POS consists of concessionaire counters, which are typically located within department stores, as well as self-operated stores occupying leased or self-owned properties. It is therefore important to the Group's business that the existing leases for its POS are maintained and renewed. In the event the Group is unable to renew its leases on terms acceptable to it or such leases are terminated for any reason prior to their expiration, it will need to relocate the relevant POS to alternative premises. Relocation of any POS may cause disruptions to the Group's business and may require significant expenditures. There are also no assurances that in such a case the Group will be able to find alternative premises that are suitable or on commercially acceptable terms, in a timely manner, if at all.

Most of the Group's concessionaire agreements related to POS in Mainland China need to be renewed on a regular basis. In consideration for maintaining the Group's concessionaire counter within a department store, the host department store charges a commission on sales in the form of concessionaire fees. In the event expenses for the Group's host department stores, such as rental expenses, increase in the future, they may attempt to transfer such increases to the Group by increasing concessionaire fees upon renewal of concessionaire agreements. There are no assurances that the Group will be able to renew its concessionaire agreements on the same terms or on commercially acceptable terms, in a timely manner, if at all. Consequently, the Group's business, results of operations, financial condition and growth strategies may be materially and adversely affected.

Oversight and control of franchisees.

The Group relies on local expertise and the decision-making of the managers and staff of its local franchisees. The Group's franchised stores represent around 75% of its POS in Mainland China as at 31 March 2025. The terms of the Group's franchise agreements regulate various facets of the operations of the local franchisees, which aim to ensure a uniform shopping experience and consistently high-quality customer service across all of its POS. At the same time, the Group gives its franchisees a certain amount of autonomy to make use of their local knowledge and expertise to develop the Group's business. While franchisees source their products from the Group and are required to adhere to the various terms of its franchise agreements, the Group's franchisees are ultimately responsible for the end-customer's shopping experience, including the customer service they deliver.

There are no assurances that the Group's franchisees will not make decisions or take actions that are not in its best interests or engage in any misconduct such as violation of laws or regulations, thereby harming the Group's reputation, business and diverting management resources to deal with the negative publicity or litigation exposure. Furthermore, should any of its franchisees fail to comply with the terms of the Group's franchise agreements, or fail to exercise sound business judgment in operating their respective POS, the Group may be unable to capitalise on growth opportunities in certain markets if it relies on such franchisees with respect to its entrance into or expansion in these markets. Such actions by the Group's franchisees may also lead to uneven shopping experiences and inconsistent customer service for its customers, which would harm its reputation and brand.

Negative publicity regarding the KOLs and celebrities and on social media.

The Group had collaborated with KOLs and celebrities and launched various marketing campaigns on social media as part of its marketing initiatives to market its products and brand. While KOLs and celebrities endorsements help strengthen its brand influence and promote its products, there are no assurances that the KOLs and celebrities endorsements will remain compatible with the messages that the Group's brands and products aim to convey. There are also no assurances that any of these KOLs and celebrities will remain popular or their public perceptions will remain positive. Any negative publicity related to any of such KOLs and celebrities, including but not limited to, inappropriate speech, unethical behaviour, non-compliance with the relevant laws and regulations or bans from conducting marketing activities, the occurrence of which is beyond the Group's control, may adversely impact its reputation and brand image and consequently its ability to attract new customers and retain existing customers. In

the event that the Group needs to replace KOLs and celebrities, it may not be able to find suitable candidates in a timely manner, or it may need to incur additional costs, which may disrupt its marketing efforts.

In addition, customers may provide feedback and public commentary about the Group's products and other aspects of its business online through social media platforms, such as Wechat, Weibo and RedNote. Any negative information concerning the Group, whether accurate or not, may be posted on social media platforms at any time and may have a disproportionately adverse impact on the Group's brand, reputation, or business. The harm may be immediate without affording the Group an opportunity for redress or correction and could have a material adverse effect on its business, results of operations and financial condition.

Concentration of processing and production plants.

A majority of the Group's jewellery products are processed and produced in its polishing and manufacturing facility in Wuhan and Shunde in Mainland China. The concentration of the Group's production facilities and its raw material warehouses in limited geographical regions means that its business and results of operations are dependent on the degree to which it is able to continue to import raw materials into, manufacture products in, and export products from, such regions. The Group's ability to do so could be particularly adversely impacted due to unfavourable changes in PRC government rules and regulations, such as foreign investment policies or tax policies, political unrest or the adoption of more restrictive import and export policies within the PRC in general.

More generally, the Group's operations in Wuhan and Shunde could also be adversely impacted due to changes in local economic conditions, increases in wage levels, trade issues, strikes or other labour unrest in, or affecting, its production facilities, widespread health crisis in such regions (such as a renewed outbreak of COVID-19, SAAS, avian flu, swine flu or similar epidemics), delays in shipments to or from such regions, or other disruptions due to power outages, theft, robbery, fire or natural disasters. Any of the above factors could increase the costs of the Group's production or disrupt its production in such regions, which may have a material adverse effect on its business, results of operations or financial condition.

In addition, the Group's operations depend significantly on its ability to manage its inventory efficiently and deliver products to its POS network in a timely and efficient manner. Power outages, theft, robbery, fire, flood, natural disasters or other factors affecting the warehousing facilities would lead to disruptions in the supply of raw materials to the Group's processing and production facilities and supplies of finished products to its POS network.

Out-of-date production machinery and technical know-how.

The Group has devoted substantial efforts in the development of its production machinery and technical know-how and may incur significant costs in adapting to new requirements or specifications from its major customers due to the requirement of new machineries or know-how. For example, in recent years, the Group has increasingly adopted automated facilities such as automatic robotic arms, automatic weighing system and automated guided vehicles in the Group's production hubs. Nevertheless, the Group's competitors may develop production techniques which are superior to it in terms of costs, time and product quality, which would render its production techniques out-of-date and its business non-competitive. Equipment producers may also develop new production machinery which would render the Group's existing machinery out-of-date. Should any of these factors materialise, the Group's business, financial conditions and results of operations could be materially and adversely affected.

Watches purchased from suppliers of international brands.

For the years ended 31 March 2023, 2024 and 2025, revenue attributable to the Group's watch business amounted to approximately HK\$4,929.2 million, HK\$4,955.2 million and HK\$4,287.6 million, respectively, representing approximately 5.3%, 4.6% and 4.9% of the Group's total revenue (excluding jewellery trading and service income from franchisees) for each of the corresponding year. Although the Group entered into framework agreements with certain watch suppliers, such agreements do not guarantee that they will necessarily supply the Group with their

watches. It is a customary industry practice to source watches from suppliers of international brands on an order-by-order basis. While the Group has well-established business relationships with reputable watch suppliers, these international suppliers of watches, among others, may reduce or cease their cooperation with the Group, or they may opt for dealerships or retail arrangements in their own respective names and thereby compete against the Group. Should any of these circumstances arise, the Group may not be able to source watches from other brands of comparable quality, image or prestige. As a result, the Group's watch business could be materially and adversely affected.

Execution of strategic plans.

Looking towards a remarkable centennial milestone in 2029, the Group has identified five key strategic priorities, being (i) brand transformation, (ii) product optimisation, (iii) accelerated digitalisation, (iv) operational efficiency and (v) talent cultivation.

The Group's success depends on the quality of underlying analysis and predictive accuracy of decisions and the ability to execute strategic decisions. Consumers' changing expectations require the Group to continuously evaluate and, if necessary, adapt its business model. However, the analysis of the Group's strategic position, the assessment of customer needs, trends and potential market disruptions include an element of business judgement, so the Group's overall strategy or the strategy in individual markets may not prove to be effective. In addition, there is a risk of making wrong business decisions, implementing decisions poorly or inconsistently, or being unable to adapt to changes in the operating environment, any of which would have a material and adverse impact on the Group's business, financial conditions and results of operations. Any strategic errors or a flawed or inconsistent implementation of the Group's strategy, including with respect to the allocation of capital expenditures, could have a material adverse effect on the Group's business, financial condition and results of operations.

Identify, acquire or integrate businesses in pursuing growth and expansion.

The Group may expand its business operations through selective acquisitions. Acquisitions and expansion involve numerous risks and uncertainties, including:

- inability to identify suitable acquisition targets or complete acquisitions at commercially acceptable terms or prices;
- the availability, terms and costs of any financing required to fund acquisitions or complete expansion plans;
- inability to secure necessary governmental approvals, third party consents or land use rights;
- the costs of and difficulties in integrating acquired businesses, managing a larger and growing business or operating in new markets and geographic regions;
- potential ongoing financial obligations and unforeseen, hidden or latent liabilities of its acquisition targets and other unidentified risks;
- failure to capitalise on the expected synergies arising from acquisitions and to achieve other intended objectives or benefits, or to generate sufficient turnover to recover the costs or expenses, of an acquisition or expansion plan;
- acquired business' failure to perform as expected and impairment costs;
- the decrease in its overall margins due to the lower margins of its acquired businesses;
- potential negative effect on its liquidity position due to the net cash outflow of an acquired business;
- failure to retain the management teams of the acquired businesses and their expertise; and
- the diversion of resources and management attention from its existing businesses.

Any failure to address these risks may have a material adverse effect on the Group's business, financial condition and results of operations.

Optimal inventory levels and security of inventory.

Maintaining optimal inventory levels is critical to the success of the Group's business. As at 31 March 2023, 2024 and 2025, the balance of the Group's inventory (excluding packaging materials) was HK\$59,172 million, HK\$64,593 million and HK\$55,368 million, respectively. For the years ended 31 March 2023, 2024 and 2025, the Group's inventory turnover days (excluding packaging materials) were 300 days, 286 days and 320 days, respectively. The Group is exposed to inventory risks because of a variety of factors which are beyond its control, including fluctuation of gold price, delay or disruption in the supply by its suppliers, decreases in the number of orders placed by its customers, changing consumption trends and customer preferences and launches of competing products. Any unexpected decrease in the market demand for the products the Group sells could lead to excessive inventory, and the Group may be forced to offer discounts or conduct promotional activities to dispose of slow-moving inventory, sometimes at prices below cost, which in turn may materially and adversely affect the Group's financial condition and results of operations. On the other hand, insufficient inventory level may cause the Group to delay production and delivery and lose sales to its competitors.

The Group is also subject to certain risks related to product warehousing as it may store substantial amounts of high-value inventories at its warehouse pending delivery to or pick up by its customers. Accidents such as theft, fire, explosion, smoke, water damage, weather damages and other natural disasters may cause damage to the products the Group stores in its warehouse and materially and adversely affect its ability to supply products on time. The occurrence of any of these accidents could result in significant unanticipated expenses, delay the Group's delivery of products and lost sales, and prolonged business disruptions could result in a loss of its consumers. If any one or more of the above risks were to materialise, the Group's business, financial condition and results of operations may be adversely affected.

Key personnel.

The Group's success depends significantly on the efforts and abilities of key individuals who have valuable experience and knowledge of its products and industry, and who have made substantial contributions to the development of its operations, the design and craftsmanship of its products and raw material procurement. For example, jadeite procurement and selection require technical expertise that is difficult to find, develop and replicate. If the Group were to lose such personnel, including those from its senior management team, design and production team, raw material procurement team or other key employees, or if these individuals fail to devote the same amount of time and effort to its business as they have done in the past, there are no assurances that the Group would be able to replace such individual or individuals with new personnel capable of making the same contribution in the near term or at all. As such, the loss of the services of one or more of these key individuals, or any negative market or industry perception arising from such loss, could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, the gold jewellery industry requires a constant supply of skilled labour. As the Group relies on the artisans working in the Chow Tai Fook Master Studio to deliver quality gold jewellery products to its customers, a shortage of such skilled labour could disrupt the Group's business, results of operations and financial condition. The Group may also be unable to hire or retain appropriate technically skilled employees or may have to pay higher levels of remuneration than it currently intends for its existing and future operations.

Business interruption and hazards.

Major incidents in countries in which the Group operates or has its POS and production facilities, or where its suppliers are located, may significantly interrupt the Group's ability to conduct business in the ordinary course. Such

incidents could be caused by a wide range of events, such as natural catastrophes and phenomena, major fires or pandemics, as well as political and military unrest, trade wars and other types of geo-political tensions.

These types of events could affect the Group's production facilities, POS, distribution facilities and offices, or disrupt its operational processes, leading to loss of sales, higher cost and a decline in profitability. Risks related to external hazards, political unrest or regulatory changes could have a material adverse effect on the Group's business, financial condition and results of operations.

Climate change.

The Group aims to achieve net zero emissions by 2049 and is targeting to introduce collections made with 100% recycled gold from 2025 onwards. Failure to comply with these targets could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is also subject to physical risks related to climate change such as extreme weather patterns affecting supply chains, rising temperatures, changes in precipitation patterns, fluctuations in water levels or more frequent occurrence of extreme temperatures, droughts or other extreme meteorological phenomena, such as cyclones, earthquakes or hurricanes. Such physical effects of climate change can negatively impact the Group's production facilities and supply chains that it depends on. They can also result in additional insurance costs to the Group's management of its operations.

Insurance coverage.

The Group maintains different types of insurance policies to cover its operations. However, there may be circumstances under which certain types of losses, damages and liabilities, such as property, business interruption and product liability, are not covered by the Group's insurance policies. Furthermore, there can be no assurance that the insurance coverage obtained will always prove to be sufficient or that the Group's insurance carriers will not dispute their coverage obligations. In addition, there is generally no or limited insurance coverage for certain risks such as war, strikes, terrorism, communicable diseases and pandemics, explosions, punitive damages and consequential loss. Moreover, if the Group makes claims under its insurance policies, claims handling costs and relevant insurance premiums and deductibles may rise in the future.

Substantial capital requirements.

The Group requires significant levels of capital investments, including product design, development and production. In order to further expand its business and remain competitive, the Group may also require additional capital to be expended in its operations. However, financing may not be readily available in amounts or on terms acceptable to the Group. The Group's ability to use cash from operations and to obtain additional capital is also subject to a variety of uncertainties, including its future financial condition, results of operations and cash flows and general market conditions for capital-raising activities. The future incurrence of indebtedness may result in debt service obligations and could result in operating and financing covenants restricting the Group's operations. Any failure to meet the Group's capital requirements may materially and adversely affect its business, financial conditions and results of operations. If the Group cannot satisfy such requirement with cash from operations or raise sufficient additional capital on acceptable terms, its ability to maintain or expand its manufacturing capacity, defend its competitive position or meet customer demand may be affected, which in turn may materially and adversely affect the Group's business, financial conditions and results of operations. If the Group is unable to service its indebtedness due to its inability to raise capital, the Group may be required to adopt alternative strategies. These may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

Hedging instruments to manage the fluctuations in gold price.

The Group enters into gold loans as part of its commodity price risk management policy to seek to reduce its exposure to fluctuations in gold price. The Group uses gold loans (short position in gold) for economic hedge purpose to mitigate the financial impact of the gold price fluctuations in its gold inventories (long position). There are no assurances that the Group's hedging instruments will continue to be effective in hedging gold price movements and that its hedging strategy will be able to protect it from unfavourable gold price movements. Failure to utilise the Group's hedging instruments effectively in managing its exposure to gold price movements could have a material and adverse effect on its business, financial condition and results of operations.

Although the Group chooses only reputable and well-capitalised banks that are active in the gold hedging market and closely monitor its counterparties' financial position, there are no assurances that the Group's hedging counterparties will not default or otherwise fail to perform their obligations under the gold hedging transactions. Any such event may materially and adversely affect the Group's business, results of operations and financial condition.

Interruption or security breaches to information systems.

The Group relies on information technology systems for the timely exchange of business information between the Group's headquarters and individual POS, which are critical to the Group's day-to-day business operations. There are no assurances that the Group's information systems will always operate without interruption or malfunction. Any breakdown for an extended period of time, or other failure of the Group's information systems from, among other things, security breaches, viruses, hacking or damage to the hardware or software systems, may cause interruptions to the Group's operations and inventory management, and may adversely affect the integrity of its information, business performance and profitability. Although the Group has disaster recovery systems and have back-up systems in place, there are no assurances that these systems will be adequate to support the Group's operations in the event of a prolonged breakdown of its primary system, or that its back-up systems will not be damaged simultaneously with its primary system, in which case its business operations will be materially and adversely affected.

Intellectual property, trade name and trademarks.

The Group considers the CHOW TAI FOOK trade name and related trademarks to be critical to its success and competitive advantage. As such, any unauthorised use of the Group's trade name or trademarks could harm its brand, market image and reputation, which could materially and adversely affect its financial condition and results of operations. In addition, the Group may incur additional costs as a result of any trade name or trademarks infringement claims it initiates, which may divert management's attention from its business and impact its operating results. There are also no assurances that the steps or claims that the Group have taken to protect its trade name or trademarks are or will be sufficient.

Trade names that are identical or similar to the Group's trade name may have been registered or used by third parties in other markets it may decide to enter. As a result, the Group may incur significant expenses should it decide to acquire the right to use its trade name in these markets. If the Group is unable to acquire these rights on acceptable terms, or at all, it may be unable to enter these markets using its trade name. Furthermore, others may attempt to counterfeit the Group's products, sell CHOW TAI FOOK brand look-a-likes or make unauthorised use of its trademarks and proprietary information, including the content on its website. The unauthorised use of the Group's trade name and trademarks in counterfeit products could harm its market image and reputation, which could have a material adverse effect on its business, financial condition and results of operations. There are no assurances that counterfeiting of the Group's products will not occur in the future and that the Group will be able to effectively deter or address counterfeiting or other types of infringement of its intellectual property rights in a timely manner. Any occurrence of counterfeiting of the Group's products, or other types of infringement of its intellectual property rights, could negatively affect its reputation and brand image, which will lead to loss of consumer confidence in its brands and in turn adversely affect its results of operations.

Regulatory compliance risks.

Given the Group's multinational activities throughout the entire value chain from sourcing, producing, distribution and sales, the Group is subject to a significant number of laws and regulations. Non-compliance with such laws and regulations by the Group itself or any business partner, including its franchisees, could lead to penalties and fines and cause significant reputational damage for the Group. Non-compliance with laws and regulations concerning, for example, human rights, environmental, social, and governance, data protection and privacy may result in substantial fines and loss of consumer trust, thus resulting in a material adverse effect on the Group's business, financial condition and results of operations. If the Group fails to ensure compliance with laws and regulations and does not take appropriate action to prevent, detect and respond to non-compliant or fraudulent activities, this could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

Litigation, arbitration, and governmental proceedings.

From time to time, the Group may be involved in, or threatened with, legal, arbitration and governmental proceedings in the ordinary course of its business. If such proceedings are determined against the Group, the Group may be subject to fines, required to change its business practices or may incur liabilities or monetary losses, some of which may not be covered by its existing insurance policies and may be significantly disruptive to the operation of the Group's business. In addition, the costs and penalties related to litigation, arbitration and governmental proceedings may be significant. Exposure to litigation, whether directed at the Group, its employees and executives, customers, suppliers, franchisee or business partners could also result in the distraction of management resources and materially and adversely affect the Group's reputation, business, financial condition and results of operations.

RISKS RELATED TO THE PRC**Political and economic risks of doing business in the PRC.**

As a significant portion of the Group's revenue is derived from the PRC, accounting for 83.2% of its revenue for the year ended 31 March 2025, and a significant portion of its customers in Hong Kong and Macau are tourists from the PRC, the Group is susceptible to economic, political and legal developments in the PRC.

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

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

While the PRC economy has experienced significant growth in the past 25 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also have a negative effect on the Group's operations.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasising the utilisation of market forces for

economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. There are no assurances that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business, financial condition and results of operations.

The legal system in the PRC.

A significant portion of the Group's business and operations is conducted in the PRC and is therefore subject to PRC laws, rules and regulations. The Group's PRC subsidiaries are generally subject to laws, rules and regulations applicable to foreign investments in PRC and, in particular, laws, rules and regulations applicable to wholly foreign-owned enterprises. The PRC legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes. Since 1979, the PRC government has begun to promulgate a comprehensive system of laws and has introduced various new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of new changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may be subject to different interpretations and enforced in different manners. The interpretation of PRC laws may be subject to policy changes, which reflects domestic political changes. As the PRC legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's business, financial condition and results of operations.

Inflation Risks.

In recent years, the PRC economy has experienced periods of rapid expansion and highly fluctuating rates of inflation. That has led to the adoption by the PRC government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the PRC government to impose controls on credit or prices, or to take other action, which could inhibit economic activity in China, which could materially and adversely affect the Group's business, financial condition and results of operations.

Such inflation in the PRC may result in increased labour costs for the Group, as all of its manufacturing operations are located within the PRC. As a result, it may become increasingly difficult for the Group to maintain the profit margins achieved in previous years. In order to maintain its current margins, the Group may be required either to increase its pricing or to locate its manufacturing elsewhere. If the Group increases its prices, its sales could decline and it could lose market share if its competitors do not follow suit. On the other hand, should the Group locate its manufacturing operations in areas of the PRC with lower labour costs, it may be difficult to find employees that meet its requirements in terms of training, experience and technical capability, which could affect its manufacturing operations and its ability to meet customer demand. In either instance, the Group's business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE BONDS AND THE SHARES

Fluctuations in exchange rates between the Renminbi and other currencies.

The Bonds are denominated in Hong Kong dollars, which are pegged to the U.S. dollar, while the majority of the Group's revenues are generated in Mainland China and are denominated in Renminbi. Pursuant to reforms of the exchange rate system announced by the PBOC on 21 July 2005, Renminbi-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further on 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on 21 May 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on 16 April 2012 and 2.0% on 17 March 2014. Although the exchange rate between the Hong Kong dollar and the U.S. dollar has been effectively pegged, there can be no assurance that the Hong Kong dollar will remain pegged to the U.S. dollar, especially in light of the significant international pressure on the Chinese government to permit the free floatation of the Hong Kong dollar or the Renminbi, which could result in an appreciation of the Hong Kong dollar or the Renminbi against the U.S. dollar. The International Monetary Fund announced on 30 September 2016 that, effective 1 October 2016, the Renminbi will be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of Renminbi against the U.S. dollar, the Group's financial condition and results of operations could be adversely affected because of its U.S. dollar denominated indebtedness and other obligations. Such a devaluation could also adversely affect the value, translated or converted to Hong Kong dollars of the Group's earnings and its ability to satisfy its obligations under the Bonds.

There are limited hedging instruments available in China to reduce the Group's exposure to exchange rate fluctuations between the Renminbi and other currencies. In connection with the Group's other U.S. dollar-denominated liabilities, the Group may enter into foreign exchange or interest rate hedging agreements. These hedging agreements may require the Group to pledge or transfer cash and other collateral to secure its obligations under the agreements, and the amount of collateral required may increase as a result of mark-to-market adjustments.

The Group will also require Hong Kong dollars for dividend payments (if any) to its shareholders. In addition, the price at which the Group purchases raw materials from its suppliers may be affected to the extent its suppliers' raw materials are imported or otherwise subject to foreign currency fluctuations. It is difficult to predict how market forces or relevant government policies such as those referred to above may impact the exchange rate between Renminbi and other currencies in the future. Should there be significant changes in the exchange rates of Renminbi, the Group's ability to make dividend payments in Hong Kong dollars or to purchase raw materials from its suppliers in other currencies may be adversely affected.

The Bonds will be unsecured obligations.

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(A) of the Conditions) unsecured obligations of the Issuer at all times ranking *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 4(A) of the Conditions, will at all times rank at least equally with all of the Issuer's other present and future direct, unsubordinated, unconditional and unsecured obligations. Therefore, the Bonds will be unsecured obligations of the Issuer. The payment obligations under the Bonds may be adversely affected if:

- the Group enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Group’s future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Group’s indebtedness.

If any of the above events occurs, the Group’s assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds.

Structural subordination of the Bonds.

None of the Issuer’s subsidiaries will guarantee the Bonds. Therefore, the Bonds will be structurally subordinated to any indebtedness and other liabilities and commitments, including trade payables and lease obligations, of the Issuer’s existing or future subsidiaries, whether or not secured. The Issuer may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer is subject to various restrictions under applicable laws and the contracts and agreements which they enter into from time to time. The Issuer’s subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Bonds or make any funds available therefor, whether by dividends, loans or other payments. As a result, all claims of creditors of the existing and future subsidiaries of the Issuer, including trade creditors, lenders and all other creditors, and rights of holders of preferred shares of such subsidiaries (if any) will have priority as to the assets of such subsidiaries over claims of the Issuer as shareholder and those of creditors of the Issuer, including holders of the Bonds.

Ability to obtain and remit foreign currency.

The Issuer’s ability to satisfy its obligations under the Bonds depends upon the ability of its subsidiaries in the PRC to obtain and remit sufficient foreign currency to pay dividends to it. The Issuer’s PRC subsidiaries receive substantially all of their revenues in Renminbi. The Issuer’s PRC subsidiaries must present certain documents to SAFE, its authorised branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of the PRC (including, in the case of dividends, evidence that the relevant PRC taxes have been paid). Pursuant to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”), which became effective on 1 January 2008 and was amended on 29 December 2018, if the Issuer is deemed a “non-resident enterprise”, dividends distributed to it by its PRC subsidiaries and interest payments made to it by its PRC subsidiaries (to the extent permitted by law) are subject to a 10% withholding tax (subject to the applicable preferential tax treaty). Prior to making such interest payments, the relevant PRC subsidiary must also present evidence of payment of the aforesaid withholding tax. If any such PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency, including the failure of SAFE to approve the registration of the relevant intercompany loans or to approve the payments under such loans, the PRC subsidiary will be unable to pay the Issuer dividends or interest and principal, when due, on the relevant intercompany loans, which may affect the Issuer’s ability to satisfy its obligations under the Bonds.

The Bonds may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds and the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- understand thoroughly the terms of the Bonds; and

- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Holders of the Bonds are not entitled to rights but are subject to changes with respect to the Shares.

Holders of the Bonds are not entitled to any rights with respect to the Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Shares) prior to the time such Bondholders convert the Bonds for Shares and are themselves registered as holders thereof. However, such Bondholders are subject to all changes affecting the Shares. For example, in the event that an amendment is proposed to the Issuer's articles requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Shares and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Shares after conversion.

Short selling of the Shares by purchasers of the Bonds.

The issuance of the Bonds may result in downward pressure on the market price of the Shares. Many investors in convertible bonds seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares as well as on the trading price of the Bonds.

Future issuances of Shares or equity-related securities may depress the trading price of the Shares.

Any issuance of the Issuer's equity securities after this offering of the Bonds could dilute the interest of its existing shareholders and could substantially decrease the trading price of the Shares. The Issuer may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt to equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares and impair the Issuer's ability to raise capital through the sale of additional equity securities. Save for certain customary lock-up arrangements, there is no restriction on the Issuer's ability to issue Shares or the ability of any of its shareholders to dispose of, encumber or pledge the Shares, and there can be no assurance that the Issuer will not issue Shares or that its shareholders will not dispose of, encumber or pledge the Shares. The Issuer cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Issuer and by hedging or engaging in arbitrage trading activity involving the Bonds.

The market value of the Bonds may fluctuate.

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) of the Group and/or the subsidiaries and/or associated companies of the Group, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, the Group and/or the subsidiaries and/or associated companies of the Group generally. Adverse economic developments in the PRC could have a material and adverse effect on the results of operations and/or the financial condition of the Group and/or the subsidiaries and/or associated companies of the Group.

The market price of the Bonds at any time will be affected by fluctuations in the price of the Shares. The Shares are currently listed on the Hong Kong Stock Exchange. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of Shares for future issue or sale, will have on the market price of the Shares prevailing from time to time and therefore on the price of the Bonds. Sales of substantial numbers of Shares

in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and the Bonds.

The return on the Bonds may decrease due to inflation.

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders would have an anticipated rate of return on the purchase of the Bonds based on expected inflation rates. An unexpected increase in inflation could reduce the actual returns.

CSRC filings or other requirements by the PRC government authorities in relation to the proposed issuance of the Bonds.

On 17 February 2023, the CSRC released the CSRC Filing Rules, which came into effect on 31 March 2023. The CSRC Filing Rules regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. The CSRC Filing Rules state that, any post-listing follow-on offering by an issuer in an overseas market, including issuance of shares, convertible bonds and other similar securities, shall be subject to filing requirement within three business days after the completion of the offering. In connection with the CSRC Filing Rules, on 17 February 2023 the CSRC also published the Notice on the Administrative Arrangements for the Filing of Overseas Securities Offering and Listing by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》) (the “**Notice on Overseas Listing Measures**”). According to the Notice on Overseas Listing Measures, issuers that have already been listed in an overseas market by 31 March 2023, the date the Overseas Listing Measures became effective, are not required to make any immediate filing and are only required to comply with the filing requirements under the CSRC Filing Rules when it subsequently seeks to conduct a follow-on offering. The CSRC Filing Rules provide that an overseas offering and listing, including the follow-on offering of convertible bonds, is prohibited under any of the following circumstances: if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller (the “**Forbidden Circumstances**”). In addition, in the process of filing, where the issuer may be under any of the Forbidden Circumstances, the CSRC may solicit the opinions of the competent government authorities under the State Council.

The Issuer will comply with applicable filing requirements if applicable. However, there remains substantial uncertainty as to their interpretation, application and enforcement of the CSRC Filing Rules and how they will affect the Group's operations and its future financing. There are no assurances that the Group is able to meet such requirements, obtain such permit from the relevant government authorities, or complete such filing in a timely manner or at all. In addition, there are no assurances that new rules or regulations promulgated in the future will not impose any additional requirements on the Group. If it is determined that the Group is subject to any approval, filing, other governmental authorisation or requirements from the CSRC or other PRC government authorities, it may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject the Group to fines, penalties or other sanctions which may have a material adverse effect on its business and financial condition.

Gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

Under the EIT Law which took effect on 29 December 2018 and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to

PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the Individual Income Tax Law of the PRC (the “**IIT Law**”) as last amended on 31 August 2018, and its implementation rules, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than one year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “**Arrangement**”) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (“**Circular 36**”), which introduced a new value-added tax (“**VAT**”) from 1 May 2016. Further, Circular 36 was partially amended by the Announcement of the State Taxation Administration on Matters relating to Deepening the VAT Reform which was issued by the State Administration of Taxation on 21 March 2019 and became effective on 1 April 2019. VAT is applicable where entities or individuals provide services within the PRC. The issuance of the Bonds is likely to be treated as the Bondholders providing loans to the Issuer, which consequently shall be regarded as financial services for VAT purposes. Therefore, the Bondholders may be regarded as providing financial services within the PRC and consequently, the Issuer may be obligated to withhold VAT of 6 per cent. on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders who do not have business establishments in the PRC.

VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. As Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any income tax or VAT on gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected. See “*Taxation – The PRC*”.

The Bondholders may be subject to tax on their income or gain from the Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the Shares. See “*Taxation*” for a discussion of tax consequences in certain jurisdictions.

The Group's results of operations, financial condition, future prospects and business strategy could also affect the value of the Shares.

The trading price of the Shares will be influenced by the Group's operational results (which in turn are subject to the various risks to which its businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which it operates and capital markets in general. Corporate events such as share sales, reorganisations, takeovers or share buy-backs may also adversely affect the value of the Shares. Any decline in the price of the Shares would adversely affect the market price of the Bonds.

Conversion of the Bonds may dilute the ownership interest of existing shareholders and could also adversely affect the market price of the Shares.

The conversion of some or all of the Bonds may dilute the ownership interests of existing shareholders. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the conversion of the Bonds might encourage short selling of the Shares by market participants.

Holders have limited anti-dilution protection.

The Conversion Price will be adjusted on the occurrence of certain events, including a consolidation, reclassification or subdivision of Shares, capitalisation of profits or reserves, capital distributions, rights issue of Shares or options over Shares or other events as specified in Condition 6. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

The Bonds will have limited liquidity and the transfer of the Bonds will be restricted.

No public market exists for the Bonds. There is no current intention to list the Bonds other than on the Hong Kong Stock Exchange. If any of the Bonds are traded after the initial issue, they may trade at a discount or premium from their initial offering price, depending on prevailing interest rates, the market for similar Bonds and other factors, including general economic conditions and the Group's financial condition, performance and prospects. No assurance can be given as to the future price level of the Bonds after their initial issue.

The Bonds or the Shares issuable upon conversion of the Bonds are not registered under the Securities Act or other securities laws. Unless and until the Bonds or the Shares are registered under the Securities Act, they may not be offered or sold except in transactions that are exempt from the registration requirements of the Securities Act and hedging transactions may not be conducted unless in compliance with the Securities Act. The Bonds and the Shares thereof will not be freely tradable absent registration or an exemption from registration.

The Bonds will contain provisions regarding modification, waivers and substitution, which could affect the rights of Bondholders.

The Trust Deed will contain provisions for convening meetings of Bondholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all holders of Bonds, including holders of Bonds who did not attend and vote at the relevant meeting and holders of Bonds who voted in a manner contrary to the majority. In addition, the Trust Deed will provide that (A) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds for the time being outstanding will take effect as if it were an Extraordinary Resolution of the Bondholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders and (B) a resolution passed by way of electronic consents through the Clearing Systems by or on behalf of holders of not less than 90 per cent. of the aggregate principal amount of Bonds for the time being outstanding will take effect as if it were an Extraordinary Resolution of the Bondholders, in each case whether or not relating to a Reserved Matter (as defined in Condition 14(A)). The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement, the Bonds or the Conditions

(together the “**Documentation**”) which in the Trustee’s opinion is of a formal, minor or technical nature, or is made to correct a manifest error, or to comply with mandatory provisions of law, and (ii) any other modification to the Documentation (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Documentation which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 11.

The Bonds may be redeemed by the Issuer prior to maturity.

The Bonds may be redeemed at the option of the Issuer, in whole but not in part, at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding the Tax Redemption Date (if any), if, as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 June 2025, the Issuer has or will become obliged to pay Additional Tax Amounts (as described in Condition 9) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, as further described in Condition 8(C).

The Bonds may also be redeemed at any time prior to the Maturity Date if, prior to the date of the redemption notice, at least 90 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to Condition 17) has already been converted, redeemed or purchased and cancelled, as further described in Condition 8(B).

If the Issuer redeems the Bonds prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer’s ability to redeem the Bonds prior to maturity may reduce the market price of the Bonds.

The Issuer may not have the ability to redeem the Bonds.

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash all or some of their Bonds (A) on the Optional Put Date (as described in Condition 8(E)) or (B) following the occurrence of a Relevant Event (as described in Condition 8(D)). The Issuer may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer’s ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness it holds.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of any other jurisdiction with which holders of the Bonds are familiar.

Since the Issuer is incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. As the Group conducts a substantial amount of its business operations through its PRC-incorporated subsidiaries in the PRC, the PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard are also relevant and may significantly differ from those of other jurisdictions with which the holders of the Bonds are familiar. Investors should analyse the risks and uncertainties carefully before investing in the Bonds.

It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against the Group residing in the PRC.

The Conditions and the transaction documents are governed by English law and the Issuer submitted to the exclusive jurisdiction of the English courts. However, a substantial number of companies in the Group are incorporated in the PRC and a substantial amount of the Group's assets are located in the PRC.

The enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions. Therefore, it may not be possible for investors to effect service of process and/or enforce any judgments obtained from outside the PRC upon the Group.

The Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any steps and/or actions and/or institutes any proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take any such steps and/or actions and/or institute any such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the Trust Deed and the Conditions and applicable laws and regulations, it will be for the Bondholders to take any such steps and/or actions and/or institute any such proceedings directly.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no established trading market when issued, and one may never develop. Although an application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange, no assurance can be given that such application will be approved, or even if the Bonds become so listed, an active trading market for the Bonds will develop or be sustained. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Bonds.

If an active trading market were to develop, the Bonds could trade at a price that may be lower than the initial offering price of the Bonds. Whether or not the Bonds will trade at lower prices depends on many factors, including:

- prevailing interest rates and the market for similar securities;
- general economic, market and political conditions;
- the financial condition, financial performance and future prospects of the Issuer;
- the publication of earnings estimates or other research reports and speculation in the press or investment community in relation to the Issuer; and
- changes in the industry and competition affecting the Group.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Changes in the Group's revenues, earnings and cash flows and proposals of new investments, strategic alliances or acquisitions, interest rates, government

regulations applicable to its industry and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There are no assurances that these developments will not occur in the future.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Certain facts and statistics are derived from publications not independently verified.

Facts and other statistics in this Offering Circular relating to the PRC, Hong Kong and their economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources. Although the Group believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Issuer, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, officers, agents, advisers or representatives or any person who controls any of them, and, therefore, the Issuer, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, officers, agents, advisers or representatives or any person who controls any of them makes no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics contained in this Offering Circular may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there are no assurances that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

There may be less publicly available information about the Group than is available in certain other jurisdictions.

There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In particular, the regulatory requirements for disclosure by companies listed on the Hong Kong Stock Exchange differ from, and may be less stringent than, those applicable to companies listed in other major financial markets such as the United States or the European Union. Investors may face obstacles in obtaining comparable information on the Group and its peers, which may lead to uncertainties in assessing the Group's value, risks and future prospects.

The Bonds will initially be represented by the Global Certificate, and therefore, Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Bonds will initially be represented by the Global Certificate and held through Euroclear and Clearstream. Interests in the Bonds represented by the Global Certificate will trade in book-entry form only, and the Bonds in definitive registered form, or definitive registered bonds, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book- entry interests will not be considered owners or holders of the Bonds.

The nominee of the common depositary for Euroclear and Clearstream will be the sole registered holder of the Global Certificate representing the Bonds. Payments of principal, interest and other amounts owing on or in respect of the Global Certificate representing the Bonds will be made to the Principal Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the Global Certificate representing the Bonds and credited by such participants to indirect participants. After payment to the nominee of the common depositary for Euroclear and Clearstream, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, Bondholders who own a book-entry interest must rely on the procedures of Euroclear and Clearstream, and if not a participant in Euroclear and Clearstream, on the procedures of the participant through which the Bondholders own their interest, to exercise any rights and obligations of a holder of Bonds under the Trust Deed.

Unlike the holders of the Bonds themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Bonds. Instead, if Bondholders own a book-entry interest, they will be permitted to act only to the extent they have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable Bondholders to vote on a timely basis.

Similarly, upon the occurrence of an Event of Default (as defined in Condition 10), unless and until definitive registered bonds are issued in respect of all book-entry interests, if Bondholders own a book-entry interest, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Bonds.

USE OF PROCEEDS

The net proceeds from this offering will be approximately HK\$8,715 million. The Issuer intends to use the net proceeds from this offering, after deducting the underwriting commission and other estimated expenses payable in connection with the offering, for the development and financing of gold jewellery business, stores upgrades and strategic expansion in domestic and international markets and general working capital.

EXCHANGE RATE INFORMATION

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since 17 October 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "Basic Law"), which came into effect on 1 July 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to US\$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, there are no assurances that the Hong Kong government will maintain the link within the current rate range or at all.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

	Period end	Average ⁽²⁾	Exchange Rate ⁽¹⁾	
			High	Low
		(HK\$ per US\$1.00)		
2020.....	7.7534	7.7562	7.7951	7.7498
2021.....	7.7996	7.7727	7.8034	7.7515
2022.....	7.8015	7.8306	7.8499	7.7693
2023.....	7.8109	7.8292	7.8499	7.7920
2024.....	7.7677	7.8030	7.8368	7.7617
2025				
January	7.7917	7.7852	7.7917	7.7749
February	7.7775	7.7819	7.7928	7.7692
March	7.7799	7.7728	7.7799	7.7677
April	7.7548	7.7631	7.7820	7.7548
May	7.8409	7.8015	7.8409	7.7500
June (through 13 June).....	7.8495	7.8473	7.8495	7.8443

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) Exchange rates between Hong Kong dollars and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) Annual and semi-annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

CAPITALISATION AND INDEBTEDNESS

As at 31 March 2025, the authorised share capital of the Company was HK\$50,000,000,000 divided into 50,000,000,000 shares of HK\$1.00 each. As at 31 March 2025, the total number of shares issued by the Company was 9,987,736,800 shares (including treasury shares).

The following table sets forth on an actual basis the Group's borrowings and capitalisation as at 31 March 2025 and as adjusted to give effect to the issuance of the Bonds in this offering before deducting the underwriting commission and other estimated expenses payable in connection with the offering of the Bonds. The table should be read in conjunction with the financial statements and the accompanying notes incorporated by reference in this Offering Circular.

	As at 31 March 2025	
	Actual (HK\$ in millions) (audited)	As Adjusted (HK\$ in millions) (unaudited)
Current indebtedness:		
Bank borrowings	3,825.1	3,825.1
Gold loans.....	15,866.7	15,855.7
Total current indebtedness	19,691.8	19,691.8
Non-current indebtedness:		
Bank borrowings	-	-
Bonds to be issued	-	8,800.0
Total non-current indebtedness	-	8,800.0
Total indebtedness⁽²⁾	19,691.8	28,491.8
Total equity	27,393.4	27,393.4
Total capitalisation⁽³⁾	47,085.2	55,885.2

Notes:

- (1) In accordance with IAS 32, Financial Instruments: Presentation, a convertible bond that can be converted to equity shares at the option of the holder which is accounted for as compound financial instruments contains both a liability component and an equity component. For illustrative purpose, the aggregate gross proceeds the Group is expecting to receive from the issue of the Bonds (before deducting underwriting commissions and other estimated expenses payable in connection with the offering of the Bonds) will be assumed as the liability component and no allocation to the equity component will be made.
- (2) Total indebtedness equals the aggregate of total current indebtedness and total non-current indebtedness.
- (3) Total capitalisation equals the aggregate of the current indebtedness, non-current indebtedness and total equity attributable to the owners of the Group.

Except as otherwise disclosed herein, there has been no material change in the Group's capitalisation and indebtedness since 31 March 2025.

BUSINESS

OVERVIEW

Founded in 1929, the Group was listed on the Main Board of The Stock Exchange of Hong Kong in December 2011. The Group firmly upholds the vision: “To be the leading global jewellery brand that is a trusted lifetime partner for every generation”, drawing on nearly a century of legacy and success. The Group operates across, and controls, a fully-integrated business model, from sourcing, cutting, polishing, setting, production, to marketing and retail activities in its self-operated stores, as well as wholesale activities through franchised business.

As a leading Chinese jeweller, the Group believes in blending contemporary cutting-edge designs with traditional techniques to create jewellery that can be passed down from generation to generation. Every collection is thoughtfully conceived and crafted to reflect the stories of the Group’s customers, celebrating the special moments in their lives. Committed to growing alongside its customers, the Group embraces a spirit that aspires to inspire and captivate generations to come, weaving the story of CHOW TAI FOOK into the fabric of their lives.

Offering a wide variety of products, services and channels, the Group’s brand portfolio comprises the CHOW TAI FOOK flagship brand with curated retail experiences, and other individual brands including HEARTS ON FIRE, ENZO and MONOLOGUE.

The Group is committed to delivering sustainable long-term value creation for its stakeholders by enhancing the quality of earnings and driving higher value growth. The Group operates an extensive omni-channel retail ecosystem, which consists of 6,644 stores, spanning across Mainland China, Hong Kong, Macau as well as multiple locations globally as at 31 March 2025, complemented by a growing e-commerce business that further enhances its competitive edge.

The Group’s largest market is Mainland China, accounting for 83.2% of its revenue for the year ended 31 March 2025, followed by Hong Kong, Macau and other markets, which accounted for 16.8%.

For the years ended 31 March 2024 and 2025, the Group’s revenue was approximately HK\$108,713 million and HK\$89,656 million, respectively. For the years ended 31 March 2024 and 2025, the Group’s operating profit, which represents the aggregate of gross profit and other income, less selling and distribution costs and general and administrative expenses, was approximately HK\$13,432 million and HK\$14,746 million, respectively.

COMPETITIVE STRENGTHS

Iconic and trusted brand with nearly a century of heritage, legacy and success

“Trust” is one of the most valued virtues in the Chinese community and is also a key attribute that customers look for when they choose their jeweller. As a pioneer in the industry, the Group started its operations in Guangzhou in 1929 and opened its first point of sales (“POS”) in Hong Kong in 1939. The Group was one of the first in Hong Kong and Macau to launch 999.9 gold jewellery products in 1972. In 1990, the Group was the first to implement the “一口價” “Fixed Price” policy, which made pricing fair and transparent and rendered haggling an obsolete practice. The “Fixed Price” policy was widely embraced by the public in Hong Kong and transformed the way jewellery retailers did business. With nearly a century of heritage, legacy and success, the Group’s customers’ trust in its brand has stood the test of time, underpinning the Group’s vision to be the leading global jewellery brand that is a trusted lifetime partner for every generation.

Building upon nearly a century of rich heritage and a foundation of trust, the Group’s long-standing commitment to innovation and craftsmanship has been integral to its success over time and has become synonymous with excellence, value and authenticity, which is reflected in various aspects, including:

- being the first Chinese company to become a De Beers' Sightholder in 1973, one of the diamond dealers who are strictly selected to purchase rough diamonds directly from De Beers Group;
- being recognised in 2009 as a Rio Tinto Select Diamantaire, an honour that only a few diamantaires have received, granting the Group access to a regular and consistent supply of responsibly sourced diamonds from Rio Tinto's Diavik Diamond Mine in Canada;
- being the only selected Hong Kong jewellery brand in 2016 to become one of the Reference Price Members of the Shanghai Gold Benchmark Price, the world's first RMB-denominated gold benchmark price, underlying the Group's prominence in Mainland China;
- being ranked 7th in the Top 10 Global Powers of Luxury Goods 2023, a report compiled by Deloitte based on consolidated luxury goods sales in financial year ended 31 December 2022 (the "**Top 10 Global Powers of Luxury Goods 2023**"), and being the only top 10 Chinese player ranked on the list amongst other international luxury powerhouses; and
- being named as the Most Trustworthy Jewellery Brand at the 2024 Top Influential Brand Award.

Customer-centric product optimisation and exquisite craftsmanship

Chinese consumers attach great importance to the quality, design and cultural connotation of jewellery products, demanding products to express their individuality. The Group's success is achieved through its differentiation strategy which caters to a bespoke experience for its large and diversified customer base with ever-evolving needs and tastes through its very broad range of classic and contemporary jewellery products made from diamonds, gemstones, platinum and gold. By leveraging structured 12-18 month product cycles, the Group ensures its collections resonate with evolving consumer preferences. The Group's customer-centric approach is underpinned by data-driven insights and strategic planning.

By combining its market intelligence with its prestigious jewellery craftsmanship, the Group continues to create offerings that captivate a diverse and discerning audience. Leveraging on its history that traces all the way back to 1929, the Group is renowned for its sophisticated artisan techniques and innovations in elevating gold and jewellery craftsmanship. The Group's award-winning master artisans working in the Chow Tai Fook Master Studio have more than 30 years of gold and jewellery making experience and are known for their meticulous attention to detail and mastery of time-honoured techniques.

In recent years, the Group has successfully ridden the wave of "Guochao" (China Chic), a trend that saw Chinese consumers embracing homegrown brands, designs and cultural symbols with a modern twist. In response to the demands of customers with a penchant for "Guochao" products, the Group released the CTF Rouge Collection in 2024, which drew design inspiration from the passionate hues of red and the auspicious symbol of good fortune "福", paying homage to the architectural beauty of Chinese windowsills and seamlessly blending traditional Chinese motifs with contemporary aesthetics. A significant portion of customers purchasing items from the CTF Rouge Collection are new to the Group. This influx of new customers underscores the appeal of culturally themed products and is a testament to the Group's product optimisation strategy, which leverages on the deep reverence for Chinese cultural heritage in its jewellery-making philosophy.

Other collections such as the HUÁ Collection, which was launched in 2017, took inspiration from symbols, pictographs, and decorative patterns that carry the meaning of blessing in ancient China, for instance, the Tang Dynasty and Dunhuang Caves, and reinterpreted ancient motifs and traditional gold crafting techniques into contemporary designs. The Group also released the Chow Tai Fook Palace Museum Collection in 2024, which drew inspiration from the Palace Museum's imperial artifacts and treasures, featuring three symbols of auspiciousness – drums, butterflies, and stone lions. This collection differentiates itself with its unique representation of Chinese heritage and craftsmanship, featuring jewellery pieces designed for daily wear.

Riding on the heightened appreciation of Chinese aesthetics and craftsmanship in gold jewellery, the Group has been shifting focus from weight-based pricing to fixed-price gold jewellery. Since the progressive roll-out in November 2023, the sales contribution of the Group's higher margin fixed-price gold products has been steadily rising in Mainland China. For the year ended 31 March 2025, the revenue of fixed-price gold products surged by 105.5% year-on-year and its retail sales value mix within Mainland China's gold jewellery and product category expanded significantly to 19.2% from 7.1% a year ago, reflecting consumers' positive reception and a validation of the Group's strategy.

The Group's deep understanding of the evolving gold jewellery market, particularly the growing trend of younger Chinese consumers purchasing gold, has further contributed to its recent success. According to the consultancy firm Mob Research Institute, the proportion of young Chinese consumers buying gold has surged from 16% in 2016 to 59% in 2022. The Group's HUÁ Collection, which reinterprets elements of traditional Chinese culture, successfully appeals to younger customers. Over 50% of the Group's members who purchased the HUÁ Collection are aged 35 or below in the year ended 31 March 2023. The Group has also bolstered its portfolio through high-profile collaborations with intellectual properties and brands such as Black Myth: Wukong, Demon Slayer: Kimetsu no Yaiba and Chiikawa, tapping into the trend of intellectual property derivative economy led by young consumers involving derivative products such as anime and games. These successful collaborations have driven purchases of the Group's jewellery products for personal use, thereby penetrating a previously untapped market segment and cultivating the next generation of the Group's jewellery customers. In particular, the Chiikawa collaboration garnered an overwhelming response from the market, with some items sold out within just two hours at the exclusive store on the launch day. By continuously adapting to the evolving preferences of consumers in the region, the Group continues to strengthen its position as a leading jewellery retailer in China.

Recognising the evolving demands of customers that prioritise authenticity and artisanal quality, the Group has recently enhanced its T·MARK diamonds, which was first unveiled in 2016. A disruptive innovation that deploys patented nano-inscription techniques to engrave a set of unique serial numbers, T·MARK enables customers to meticulously retrieve a diamond's life journey from procurement, cutting and polishing to marking, authentication, design and production along the Group's vertically integrated business model. With a mere 5 nanometres thickness (equivalent to 1/20000 of fingerprint thickness), the Group's nano-inscription technique marks exclusive ownership in stone while preserving the diamond's value and natural shimmer. The T·MARK personalisation service is integrated into the "CTF for YOU" customisation platform, allowing customers to customise unique serial codes for their T·MARK diamonds. Recently in February 2025, the Group further expanded its offerings by enabling customers to inscribe personalised handwritten messages onto T·MARK diamonds of 0.5 carats or above. This innovation imbues jewellery with deeper personal significance and helps to boost sales of diamonds weighing 0.5 carats or more. By turning a diamond's life journey into a reliable and unique marking, the Group's T·MARK diamond not only empowers its customers with the confidence of truly traceable natural diamonds to meet their expectations of authenticity but also ensures its diamonds originate from known and responsible sources in compliance with the Kimberley Process Certification Scheme, De Beers' Best Practice Principles and the Responsible Jewellery Council's Code of Practices. Eight years after its launch, the Group's T·MARK accounted for over 20% of its total diamond retail sales value in Mainland China, Hong Kong and Macau for the year ended 31 March 2025, showcasing the powerful fusion of the Group's craftsmanship and T·MARK's transparency.

Effective vertically integrated business model

The Group's vertically integrated business model combines its upstream, midstream and downstream operation, covering raw material procurement, design, production, marketing and sales, to closely monitor and control the quality of its products and to respond quickly to its customers' needs and preferences. The Group benefits from operational efficiencies and control over its entire value chain that often translate into more competitive pricing for its products, which attracts more customers to purchase its products.

In its upstream business, the Group has built robust and stable raw material procurement and processing capabilities to ensure that products are crafted on schedule and to perfection. As a pioneer of the 999.9 gold standard, the Group is dedicated to upholding the highest quality in precious metal by evaluating the purity of raw materials in accordance with GB11887-2012, a Chinese national standard for precious metal alloys and their fineness. As one of the largest diamond importers in Mainland China, the Group is equipped with a state-of-the-art polishing and manufacturing facility in Shunde, China. While traditional diamond processing by hand still plays a key role for high-value diamonds in particular, automation improves efficiency and accuracy in diamond cutting and polishing. To this end, the Group possesses hundreds of fully automated polishing machines as well as cutting-edge laser diamond cutting technology.

In its midstream business, the Group's operations are bolstered by innovations, applied technologies, and data-driven market insights. The Group's customer-focused innovations allow customers to enjoy more quality and personalised products and experiences. In early 2020, the Group introduced the use of CloudSales 365, a smart retailing mini-programme built upon the WeChat Work platform, to connect its eShop and customers, as well as to equip its staffs with a simple yet comprehensive customer management tool.

In its downstream business, the Group boasts a healthy retail network comprising both self-operated and franchised stores, enabling effective market penetration supported by a strong understanding of customer demand.

Extensive retail network with effective optimisation strategies

The Group's leadership is cemented by an extensive global retail network, fast-growing e-commerce platforms and customer-friendly omni-channel retailing. The Group's retail network consists of 6,644 stores, which spans across Mainland China as well as multiple locations globally as of 31 March 2025. As part of its brand transformation journey, the Group is setting a new standard for jewellery shopping experiences with the launch of new image stores, which has revolutionised its retail presence. Recent openings of new image stores in Hong Kong, Shenzhen, Wuhan, Xi'an and Shanghai offer customers an immersive and personalised experience, featuring interactive displays, bespoke customer service and stunning in-store environments. This new store segment which the Group unveiled during the year ended 31 March 2025, featuring a rebranded store image and a redefined retail experience, has successfully enhanced sales of higher average selling price ("ASP") products and improved the product mix, yielding higher store productivity than the average during the initial months post opening.

The Group's extensive retail network in Mainland China with 6,501 POS strongly positions it as a market leader to benefit from the expanding Mainland Chinese middle class with rising income and the surging demand for luxury goods. The Group's extensive footprint has given it direct, deep and strategic access to Mainland China market and created synergies with its POS in Hong Kong and Macau, both popular destinations for Mainland tourists.

The Group currently runs several official websites and more than 90 stores on e-commerce platforms worldwide, including marketplaces such as Tmall, JD.com, Douyin, Amazon and Shopee. The Group's e-commerce performance has grown significantly in recent years, contributing 5.8% in RSV and 13.8% in volume to its Mainland China business during the year ended 31 March 2025. The significant growth was driven by several key factors, including the establishment of the Group's in-house livestreaming studio and enhanced social media promotions. During Double 11 in 2024, the Group's in-house livestreaming studio ranked the first in livestreaming jewellery sales on the Tmall platform. The studio also took the Group's average sales per livestreaming session to new heights, marking a significant milestone in the Group's e-commerce success. The Group's e-commerce sales in Hong Kong and Macau also recorded a remarkable growth by approximately 91% surge in sales for the year ended 31 March 2025, driven by the positive customers' reception to the Group's revamped brand website and the successful launch of key IP collections.

Loyal, experienced and dynamic management team

The trust which the Group places on its core management team, the bond and comradeship built amongst the team members and their loyalty set important cultural tones and corporate values for the rest of its workforce. These inspire allegiance towards the Group amongst new and existing management members and employees. With a number of its core management team members having worked their way up through the ranks, they have built a deep knowledge and a thorough understanding of every facet of the Group's business and operations. As a result, the Group's core management team, which has cooperated for over 30 years, is able to work efficiently and seamlessly as a team and execute, using modern corporate management methods, many of its development and expansion plans successfully over the years.

The Group's management team spans three generations and by working closely together, and they have been the driver of the growth and success of the Group. The Group believes the unique dynamics of its core management team gives it a competitive edge in the management and continuing expansion of its business, allowing it to capture the growth of the jewellery market in the regions it operates in.

BUSINESS STRATEGIES

The Group is dedicated to future-proofing its business by strengthening its competitiveness, enhancing the quality of its earnings, and achieving sustainable value creation for all stakeholders in the long run. To this end, the Group has identified five key strategic priorities, being (i) brand transformation, (ii) product optimisation, (iii) accelerated digitalisation, (iv) operational efficiency and (v) talent cultivation. The Group's five core values – work collaboratively, act with integrity, be open-minded, take ownership and be passionate – serve as the foundation for executing its five strategic priorities and achieving its business goals. Through ongoing communication, reinforcement and the embodiment of these values in its daily work, the Group is building a stronger and more resilient organisation that is poised for long-term success.

Brand transformation

Since the beginning of the year ended 31 March 2025, the Group has been reshaping the jewellery shopping experience with the launch of its new image stores, coinciding with its 95th anniversary and the kick-off of its brand transformation journey. Recent openings of new image stores in Hong Kong, Shenzhen, Wuhan, Xi'an and Shanghai offer customers an immersive and personalised experience. This new store segment which the Group unveiled in the year ended 31 March 2025, featuring a rebranded store image and a redefined retail experience, has successfully enhanced sales of higher ASP products and improved the product mix, yielding higher store productivity than the average during the initial months post opening. These five new image stores also helped the Group leverage data insights to continue to create an enhanced in-store shopping experience tailored to the unique preferences and needs of customers across different regions.

Product optimisation

The Group observed that there has been a notable rise in interest in developing a deeper connection to Chinese history and cultural heritage among the young generation, which is reflected in their strong support for local brands that embody traditional values and designs. This trend highlights a growing appreciation for cultural heritage blended with contemporary design, which continues to capture positive attention in the market. One of the Group's competitive strengths is its ability to emotionally resonate with the young generation by blending traditional Chinese craftsmanship and cultural elements with contemporary designs.

For instance, the CTF Rouge Collection, launched in April 2024 to commemorate the brand's 95th anniversary, has been highly sought-after, generating approximately HK\$4 billion in RSV for the year ended 31 March 2025. Also, in collaboration with the Palace Museum in Beijing, the Chow Tai Fook Palace Museum Collection launched in August 2024 generated approximately HK\$4 billion in RSV for the year ended 31 March 2025. It exemplifies the

Group's ability to seamlessly fuse cultural heritage with contemporary design, transforming historical narratives into wearable art. The HUÁ Collection, which was launched in 2017, remains one of the Group's top-selling collections, showcasing traditional gold craftsmanship through design elements inspired by ancient Chinese symbols. The HUÁ Collection contributed to approximately 39% of the Group's gold jewellery and products RSV in Mainland China in the year ended 31 March 2025.

The Group has further tapped into the "Intellectual Properties (IPs) Derivative Economy", driven by young consumers. It strengthened its portfolio through recent high-profile collaborations with brands such as Black Myth: Wukong and Chiikawa in response to the younger generation's pursuit of emotional value.

Demonstrating its commitment to diversification and capturing emerging consumer trends, the Group also unveiled the exclusive CTF PET jewellery in March 2025, the first of its kind from a Chinese jeweller. The unique pieces tap into the booming pet economy, which has experienced significant growth in recent years. The pet jewellery features meaningful and innovative products that cater to a wider customer base while resonating with this fast-growing consumer trend.

In addition to its mass luxury offerings, the Group remains committed to develop its high jewellery products that feature exclusive creations from daily allure to one-of-a-kind statement jewellery and objects. Embodying its craftsmanship heritage, the Group's high jewellery is featured in international exhibits, showcasing its commitment to honouring Chinese tradition while fostering cross-cultural fusion and deep global connections via refined jewellery works.

Accelerated digitalisation

Over the past decade, technology has transformed the Group's end-to-end jewellery ecosystem by providing data-driven insights for design, as well as automating production and logistics processes. Building on the emergence of large language models, the Group developed a suite of internal artificial intelligence ("AI") agents for various functions, including sales training, digital supply chain and marketing insights. These AI tools connect the Group's teams to a vast repository of internal and external knowledge, enabling more informed decision-making and enhancing its operational efficiency.

The Group has recently introduced the "Real-time Store Performance Dashboard", a cutting-edge business intelligence application. This tool empowers frontline management by delivering real-time access to sales and inventory data, as well as insights into bestselling products. The dashboard provides valuable sales intelligence, enabling better strategic planning.

Operational efficiency

The Group's current priorities on retail network management are to sustain market leadership and enhance the overall financial health and resilience of its retail network by maximising store productivity and profitability. In order to do so, the Group continuously optimises its existing retail network strategically through a combination of selective store openings and streamlining underperforming stores to enhance operational efficiency and profitability, which is informed by a data-driven approach that also takes into consideration industry trends. The Group aims to maintain its disciplined cost management to ensure margin resilience in reaching a higher value growth. Meanwhile, the Group will stay vigilant in calibrating its financial and operational resources effectively.

Talent Cultivation

The Group has revitalised its vision and core values in anticipation for the transformation of the next stage of its journey. Through collaboration and making use of employee engagement events, the Group has effectively communicated these key messages to foster a purpose-driven culture. Its corporate culture and employee engagement initiatives include townhalls, online programmes, podcasts, cultural workshops, roadshows, as well as leisure and volunteering activities, engaging employees at all levels and promoting an open, cohesive, and friendly environment.

These initiatives aim to embed the Group’s refreshed vision and values into daily operations, strengthening its organisation’s resilience and laying the foundation for long-term success.

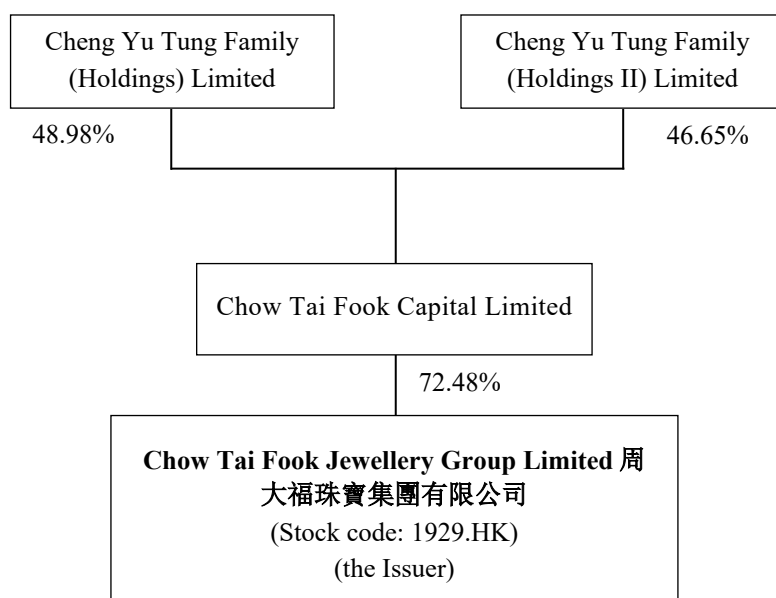
HISTORY AND DEVELOPMENT

The following table sets forth the key milestones of the Group:

Year	Events
1929	Established in Guangzhou, China.
1938	Expanded its business to Macau, China.
1939	Opened the first CHOW TAI FOOK JEWELLERY POS in Hong Kong, China.
1972	Pioneered and launched 999.9 gold jewellery products in Hong Kong and Macau of China.
1973	Became a De Beers’ Sightholder, a group of diamond dealers who are strictly selected to purchase rough diamonds directly from De Beers Group.
1988	Established the jewellery manufacturing factory in Shunde, China.
1990	Introduced the “Fixed Price” policy.
2009	Became a Select Diamantaire of Rio Tinto Diamonds.
2011	Listed on the Main Board of the Stock Exchange of Hong Kong.
2016	Became a reference price member of Shanghai Gold Benchmark Price in April 2016.
2016	Founded the T·MARK ingredient brand.
2022	Became a constituent stock of the Hang Seng Index.
2022	Became a constituent stock of MSCI China Index.
2023	Ranked 7 th in Deloitte’s Top 10 Global Powers of Luxury Goods.
2024	Celebrates 95 th Anniversary and embarks on a brand transformation journey.

GROUP STRUCTURE

The following chart sets forth the Group’s shareholding structure as at 31 March 2025:



Notes

- ¹ Based on the disclosure of interests of in the Company's shares available on the Stock Exchange's website as at 31 March 2025, the public float amounted to not more than approximately 27.3% of the total number of issued shares (excluding treasury shares) in the Company
- ² Percentages shown are approximate figures

JEWELLERY BUSINESS

The Group has a wide range of jewellery products, encompassing jewellery made from different raw materials and spanning mass luxury to high-end luxury. The Group's iconic product designs range from classic designs, such as gold dowry for weddings, to contemporary designs, such as jewellery that incorporates diamonds and gemstones in pure gold, platinum or 18k-gold setting, as well as gold charms and bracelets which are designed for elegant styling and daily wear. The Group also collaborates with various brands and IPs to launch exclusive products, providing discerning customers with innovative product offerings. Certain of the Group's products target the younger generation seeking culturally resonant jewellery to capture the growth in the jewellery market amongst its younger customers. As a result, the Group has made inroads into diverse customer segments by catering to a bespoke experience for different lifestyles and personalities, as well as customers' different life stages, which enables the Group to capitalise on the growth opportunities arising from a wide spectrum of products at different price levels and contributes to the overall resilience of the Group's business.

The Group's jewellery products are segmented into (i) gem-set, platinum and k-gold jewellery and (ii) gold jewellery and products. Raw materials used in the Group's jewellery products include diamonds, gemstones (which include coloured stones, jadeite and pearls), gold and platinum. All of the Group's jewellery products that include diamonds and gemstones are categorised as gem-set jewellery products. The Group's range of gem-set jewellery products includes earrings, rings, pendants, necklaces, bracelets and bangles. Diamonds and gemstones jewellery are usually inlaid and set in 18k-gold or platinum.

The following table provides an analysis of the revenue of the Group's jewellery products by product types for the years ended 31 March 2023, 2024 and 2025:

	Year ended 31 March					
	2023		2024		2025	
	HK\$ million	% of total	HK\$ million	% of total	HK\$ million	% of total
Gem-set, platinum and k-gold jewellery	16,705.3	18.8%	14,479.9	14.1%	12,477.5	15.0%
Gold jewellery and products	72,094.0	81.2%	88,322.1	85.9%	70,780.8	85.0%
Total	88,799.3	100%	102,802.0	100%	83,258.3	100%

Mass luxury jewellery business

Offering a wide variety of products, services and channels, the Group's brand portfolio comprises the CHOW TAI FOOK flagship brand with curated retail experiences, and other individual brands including HEARTS ON FIRE, ENZO and MONOLOGUE. For the year ended 31 March 2023, 2024 and 2025, the Group's CHOW TAI FOOK POS in Mainland China contributed to 90.8%, 91.0% and 89.8%, respectively, of the Group's Mainland RSV with the rest coming from other store brands (including CTF WATCH, HEARTS ON FIRE, ENZO and MONOLOGUE) and e-commerce platforms.

CHOW TAI FOOK flagship brand

The CHOW TAI FOOK flagship brand offers four core product categories, namely classic, fashion, wedding and exclusive, catering to customers' every need.

Key collections under the CHOW TAI FOOK flagship brand include products that are designed with cultural leanings towards Chinese aesthetics, such as the CTF Joie Collection, the CTF Rouge Collection, the HUÁ Collection and the Chow Tai Fook Palace Museum Collection. Building on the success of CTF Rouge Collection, the Group introduced the CTF Joie Collection in April 2025, which was debuted in the "Lin Lang – The Chinese Story of Jewellery Art: International Contemporary Jewellery Exhibition" in Germany held in April to May 2025, attracting wide recognition and praise from across the German jewellery industry. Joie, meaning happiness, embodies the tenacious spirit of Chow Tai Fook Jewellery in preserving and taking pride in Chinese traditions, transforming ancient wisdom into wearable art pieces for modern times.

Wedding jewellery collections are crafted using a range of materials including karat gold, platinum, silver, and pure gold, often adorned with diamonds, pearls and gemstones, featuring various product styles such as rings, earrings, pendants, charms, necklaces, bracelets, anklets, bangles, gold coins and ornaments. The Group launched the new CTF Bond Collection in September 2024, which contains a diverse range of wedding jewellery pieces. Inspired by the olive tree as a symbol of eternity, the CTF Bond Collection reimagines traditional Chinese motifs such as the Fang Ruyi (方如意) pattern with contemporary minimalism, symbolising unity, harmony and a marriage filled with joy and mutual support. A highlight of the CTF Bond Collection, the Two-Prong Bond Ring employs a two-claw frameless setting that intensifies the brilliance and transparency of the diamond, creating the illusion that it is floating in mid-air.

Other individual brands

Apart from the Group's flagship branch, the Group also offers jewellery products via other individual brands including HEARTS ON FIRE, ENZO and MONOLOGUE.

HEARTS ON FIRE

Founded in 1996 and acquired by the Group in 2014, HEARTS ON FIRE® is a modern diamond jewellery brand renowned for the beauty of its signature cut diamonds. The brand only uses the pinnacle of naturally mined diamonds that come from only the highest quality sources. Less than 1/10 of 1% of the world's optically pure rough crystals can qualify to become a HEARTS ON FIRE® diamond, placing them in a class of their own. The obsession with perfection ensures that every diamond is consistently cut to the highest standards in polish, proportion and symmetry,

far exceeding the industry benchmark of excellence. This results in the perfect hearts and arrows pattern to create a vibrant fire and radiant sparkle that can only be matched by the women who wear them.

For the year ended 31 March 2025, HEARTS ON FIRE relaunched its brand with the signature Barre Collection and the “Light, Unleashed” global campaign, reinforcing its leadership in design and craftsmanship. The Barre Collection contributed 13.8% to the brand’s global revenue for the year ended 31 March 2025. Strategic growth in Asia was accelerated with the launch of the first retail store in Central, Hong Kong in September, boosting brand visibility and capturing new clients.

ENZO

Founded in 2004 and acquired by the Group in 2020, ENZO is a coloured gem jewellery brand renowned for its exceptional craftsmanship and jewellery creations about nature and emotions, raised by ocean, stars, flowers, rainbow, birth and love – into stylish, contemporary fine jewels. Embracing the mission of presenting the beauty of coloured gems, ENZO strives to translate colourful jewellery into delight for customers luxuriating in every moment.

MONOLOGUE

Created for young millennials who love to articulate their feelings and thoughts through jewellery, MONOLOGUE promotes creativity and personal expression in the universal language of music. The brand’s theme draws heavily on the music culture. Customers are encouraged to mix and match jewellery items, which interpret different elements of music, to reveal their true personalities, attitudes and dreams.

The brand champions circular design by using recycled precious metals. In January 2025, MONOLOGUE debuted its first gold collection crafted entirely from 999.9 recycled gold. The Group believes that recycled gold resonates strongly with the values of younger consumers. The Group aims to encourage more customers to adopt the practice of recycling gold, thereby sharing the responsibility of preserving the planet’s resources.

High Jewellery Business

In June 2025, the Group officially launched its high jewellery collection, Timeless Harmony, marking a defining milestone in the brand’s nearly century-long history. This new collection pays tribute to the Group’s heritage while expressing its evolving design language. It represents a pivotal milestone in the Group’s pursuit of creative leadership and excellence in the realm of high jewellery. Rooted in Chinese cultural inspiration and crafted with a contemporary vision, it also affirms the Group’s commitment to elevating Chinese design and cultural expression on the world stage.

Crafted by the Group’s in-house High Jewellery Workshop and In-House Design Studio, the collection brings together the talents of nationally certified artisans with decades of experience. From bespoke stone-setting to intricate craftsmanship, each piece exemplifies the brand’s technical mastery and exacting standards. Coloured gemstones and diamonds are paired with materials rich in Chinese heritage, including jadeite and pure gold, precious elements rarely seen in traditional high jewellery – each handled with precision and reverence.

Product design and development

Design and development for retail products

Product design serves as the genesis of the Group’s jewellery products. The Group’s designers, comprised of a diverse group of artisans and trend forecasters with the requisite qualifications and training, seamlessly blend creativity with market insights to develop designs and product lines that capture the brand’s legacy while resonating with its customers’ evolving taste. They transform ideas into detailed designs, considering aesthetics, cultural relevance and customer appeal. This team is the creative vision behind the Group’s collections, working together with the award-winning master artisans in The Chow Tai Fook Master Studio to produce remarkable jewellery products.

Product development acts as the bridge between imaginative design and tangible products. This team turns design concepts into prototypes, working closely with craftsmen, factories and suppliers to ensure the jewellery product is manufacturable without comprising on design integrity. They collaborate with the Group's product design team to refine products and ensure that the final outcome meets its standards for quality and craftsmanship.

The Group adopts a structured 12-18 month product cycle in order to ensure its collections resonate with evolving consumer preferences. In order to predict future product needs and align them with production capabilities, the Group has expanded the use of AI in its operations and bolstered its data management capabilities by constructing a comprehensive data lake that seamlessly integrates diverse data sources. By building this centralised data repository, the Group is empowered to derive deeper insights in less time and make data-driven decisions across key areas, including product planning, supply chain and customer journey optimisation.

The Group selects certain products from its existing collections for promotional purposes, in particular, for special occasions such as the Chinese New Year, Christmas season, Chinese Valentine's Day and the National Day holiday, which helped secured strong festive demand in RSV during such periods. For certain festive season with special significance in Mainland China, such as the Chinese New Year, the Group rolls out specially designed items, such as new designs of the HUÁ Collection released in the year ended 31 March 2025, incorporating the snake zodiac and other traditional Chinese auspicious motifs to celebrate the Year of Snake.

Craftsmanship capabilities

Established in 2013, the Chow Tai Fook Master Studio features dozens of award-winning master artisans who have more than 30 years of gold and jewellery making experience under their belts, leading about 400 skilful craftsmen. The Chow Tai Fook Master Studio also aims to inherit and develop craftsmanship. Craftsmen of the Chow Tai Fook Master Studio are recognised not only as keepers of age-old jewellery-making traditions, but also as innovators in artistry and craft skills. They have been winning multiple awards and honours including the Gold Award in the Pure Gold Jewellery Design Competition of the Hong Kong International Jewellery Show in 2018, the 7th "Zhongjin Cup" in the National Gold Industry Vocational Skills Competition in 2017 and the Gold Award in the Baihua Cup Crafts Competition held by China Arts and Crafts Association in 2017. As a testament to its leadership in design and aesthetics excellence, the Group was appointed as the official designer and creator of the 15th National Games, a prestigious sporting event in Mainland China, to be held in November 2025.

The Group has contributed to academic research. Since 2014, the Art Museum of The Chinese University of Hong Kong, the Chow Tai Fook Master Studio and several other institutions have run a research project on ancient Chinese gold craftsmanship, which involves comprehensive multidisciplinary investigation. The research has entered its second phase since 2018, focusing on the major goldwork techniques. The project has published a book about its research, in the hope of sharing precious knowledge of ancient gold techniques.

Additionally, dedicated to Chinese culture and craftsmanship preservation, the Group has also collaborated with esteemed institutions such as the Beijing Palace Museum, Shaanxi History Museum and Northwestern Polytechnical University to blend contemporary designs with the essence of traditional Chinese culture. The unique jewellery designs are based on meticulous studies of historical records and artifacts, with approval sought from experts at various prestigious museums and institutions.

Procurement

The Group is able to secure a stable raw materials supply and procure raw materials at competitive market prices as its excellent trade reputation, significant retail presence and long-term relationships with its suppliers make it one of their preferred business counterparties. The Group's suppliers are promptly notified of any shortcomings in the raw materials they supply to it. The Group may return materials that do not meet industry standards and may also cease procuring from any supplier whose raw materials do not meet its requirements.

The Group has well-established relationships with its existing suppliers of diamonds, gemstones and precious metals, including the Diamond Trading Company (“DTC”), the rough diamond sales and distribution arm of the De Beers Group and Rio Tinto. Due to its large-scale operations, excellent relationships and reputation, the Group is able to make its selections from the available stock of a number of its suppliers. The Group evaluates potential new suppliers based on their operational scale and infrastructure, reputation, ethical business practices, capacity and their ability to meet its specific quality requirements. Prior to placing its orders with suppliers, the Group carefully inspects sample raw materials provided to it by the suppliers. The Group also conducts a quality control inspection upon delivery of its orders to ensure that they meet its quality standards. Before the raw materials enter the Group’s production line, they are re-inspected and graded according to their quality and attributes, such as colour, cut, weight and clarity.

Diamonds

The Group is a De Beers’ Sightholder since 1973 and a Rio Tinto Select Diamantaire since 2009. As one of the largest diamond importers in Mainland China, the Group is equipped with a state-of-the-art polishing and manufacturing facility in Shunde, China, which is also the largest and most advanced diamond polishing factory in Mainland China. All diamonds acquired by the Group are in compliance with the Kimberley Process Certification Scheme. The Group is renowned for its expertise and experience in transforming rough diamonds into brilliant gems, including T-MARK and HEARTS ON FIRE diamonds. In addition to polishing all types of fancy-shaped and fancy-coloured diamonds, the Group has the capability to handle very large stones. While traditional diamond hand processing still plays a key role for high-value diamonds, the Group also has a modern automated diamond cutting workshop, employing fully automated polishing machines and deploying advanced laser cutting technology to enhance efficiency and precision in diamond cutting and polishing. Additionally, the Group maintains its own grading facility, ensuring the highest standards of quality and consistency in its diamonds.

Gemstones

The Group purchases its coloured stones from various vendors, stone cutters and mine owners. Most of the Group’s jadeite is purchased from various jadeite suppliers in Mainland China and Hong Kong, while its freshwater pearls and South Sea pearls are purchased directly from pearl farms as well as through wholesalers or at major trade auctions.

Precious metals

The Group purchases its precious metals from companies in the precious metals business in Hong Kong and the Shanghai Gold Exchange in Mainland China.

Production

The Group develops, upgrades and expands its production facilities and recruits skilled craftsmen and technicians to keep pace with the rapid increase in the demand for its products and the expansion of its business. The Group runs two major production centres in Mainland China: Shunde Ingenuity Centre focuses on high-end precious jewellery for worldwide customers, requiring complicated production and craftsmanship; Wuhan Production Centre focuses on standardised jewellery production in large scale. Equipped with in-house production capabilities and the flexibility to outsource production and optimise its production through its product mix, the Group is well placed to meet consumer demand.

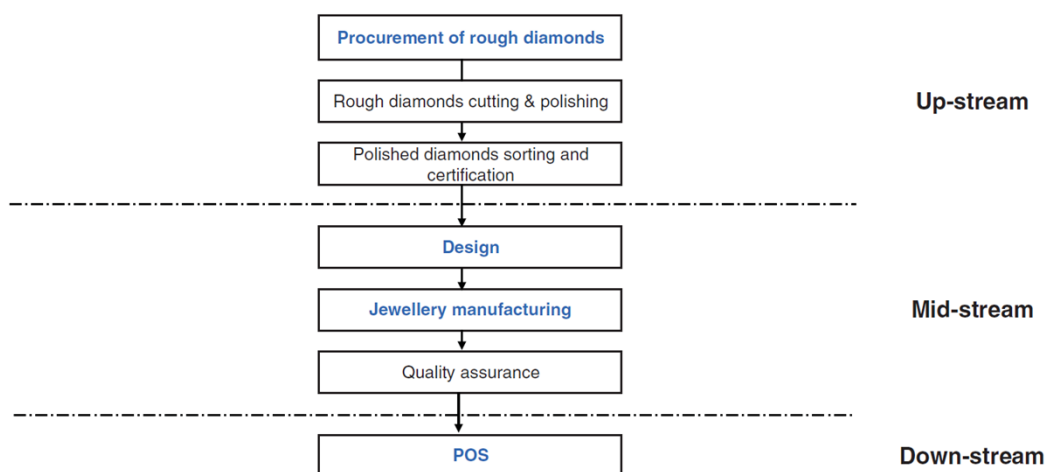
Jewellery production

The Group adopts a hybrid approach to jewellery production, leveraging both in-house and external capabilities. This strategy balances the preservation of brand craftsmanship with scalability and cost efficiency, all underpinned by strict quality control across the board. The proportion of production that the Group outsources may vary from time to time depending on the overall number and complexity of jewellery produced in-house by the Group and peak seasons such as Chinese New Year. Operating history, reputation and scale of operations are taken into account when

selecting contractors. Samples of the contractors' products are required to be submitted to the Group for assessment of their production quality. The finished products are subject to the Group's strict quality control standards and procedures including sample checking on physical characteristics and chemical composition. Defective products would be returned to the contractors for rectification. Payment would only be made upon receipt of finished products with satisfactory workmanship, and the Group typically does not place any deposit with or make any or advanced payment to the contractors. Site checking or audit is randomly conducted on their production facilities to ensure their production process complies with the Group's standards.

The Group's production management centre plans its production schedule by considering (i) anticipated sales, (ii) its POS expansion plans, (iii) production lead-time and (iv) raw material procurement plan. The ability of the Group's production management centre to take into consideration such factors is aided by its advanced intellectual technology system, which enables them to monitor the turnover of its raw materials and jewellery products. The Group's production is order-driven.

The production process of the Group's gem-set jewellery products is as follows:



Quality control

The Group's jewellery products are subject to strict in-house quality control monitoring. The Group conducts sample tests of the chemical composition of the finished products produced by outsourced producers to ensure that they meet its quality standards. The Group has also established certified testing centres to ensure only qualified products that meet its safety standards are sold to customers. Externally, the Group upholds third-party inspection standards advocated by industry associations, such as the Natural Diamond Quality Assurance Mark, the Natural Jade Quality Mark and the Quality Gold Mark, to further enhance customer confidence in its products.

The Group's diamonds that weigh over 0.3 carats are enclosed with grading reports issued by worldwide gemmological grading laboratories including but not limited to the Gemmological Institute of America (GIA), The Institute of Diamonds (IoD) and the American Gem Society (AGS), which assesses a diamond's cut, colour, clarity and carat weight, for customers to verify their authenticity and quality. The Group's jewellery products sold in Mainland China are enclosed with grading reports issued by one of the abovementioned laboratories, as well as the National Gem Testing Centre (NGTC) of Mainland China in accordance with applicable PRC rules and regulations.

Distribution of jewellery products

For the years ended 31 March 2023, 2024 and 2025, revenue attributable to the Group's jewellery business amounted to approximately HK\$88,799.3 million, HK\$102,802.0 million and HK\$83,258.3 million, respectively, representing approximately 94.7%, 95.4% and 95.1% of its total revenue (excluding jewellery trading and service income from

franchisees) for each of the corresponding year. The Group experiences seasonal fluctuations its revenue. The Group's sales for October and from December to February are usually higher than those for the remaining months of the year mainly due to the Golden Week, the Christmas holiday season, Chinese New Year holidays and Valentine's Day.

The following table shows an analysis of the Group's revenue by geographical locations for the years ended 31 March 2023, 2024 and 2025:

	Year ended 31 March					
	2023		2024		2025	
	<i>HK\$ million</i>	<i>% of total</i>	<i>HK\$ million</i>	<i>% of total</i>	<i>HK\$ million</i>	<i>% of total</i>
Mainland China..	81,623.0	86.2%	89,698.0	82.5%	74,555.5	83.2%
Hong Kong & Macau of						
China and other						
markets	13,061.4	13.8%	19,015.0	17.5%	15,100.5	16.8%
Total.....	94,684.4	100%	108,713.0	100%	89,656.0	100%

Jewellery POS

The Group has established and operates an extensive distribution network. The Group's jewellery POS network comprises both retail and wholesale channels through which the Group distributes its jewellery products. With a clear emphasis on improving earnings quality and ensuring margin resilience, the Group's retail network management remained focused on sustaining market leadership and enhancing the overall financial health and resilience of its retail network by maximising store productivity.

As at 31 March 2025, the Group operated 6,274 CHOW TAI FOOK JEWELLERY POS in Mainland China. The Group's CHOW TAI FOOK JEWELLERY POS in Tier I, II, III, and IV cities accounted for 12.1%, 42.3%, 22.2%, and 23.4%, respectively, of its total POS in Mainland China.

The Group maintained a total of 87 CHOW TAI FOOK JEWELLERY POS in Hong Kong and Macau as at 31 March 2025, positioning the Group favourably to drive quality earnings growth. In other markets, the Group has a total of 62 CHOW TAI FOOK JEWELLERY POS. The Group plans to kick off its strategic expansion in high-growth markets and prime locations and is initially targeting Southeast Asia markets and potentially growing beyond Asia to capture the rising local demand for Chinese gold jewellery and the spending of outbound Chinese tourists.

Franchisees

The Group's POS consist of self-operated stores and franchised stores. As at 31 March 2025, the Group had 4,711 franchised CHOW TAI FOOK JEWELLERY POS in Mainland China, representing around 75% of its CHOW TAI FOOK JEWELLERY POS in Mainland China as at 31 March 2025. The Group's sales to its franchisees are recorded as wholesale revenue in its financial statements. For the years ended 31 March 2023, 2024 and 2025, sales from franchised POS contributed to approximately 53.6%, 56.5% and 55.6%, respectively, of the Group's revenue in Mainland China.

The Group selects its franchisees carefully, and in considering their suitability, it takes into account a number of factors including their reputation, background, credibility, industry experience and the value of their local knowledge and expertise they are able to bring to the franchise arrangement. By adopting a franchise model, the Group is able to leverage on the local knowledge and premises of its franchisees, enabling a flexible and faster rollout strategy that requires minimal capital commitment from it.

Staff members at the franchised POS are subject to the same training programme as the Group's own employees and their salaries and incentive programmes are generally in line with its standards. The store design, storefront presentation, purchasing and sales activities and promotional materials of the franchised POS follow the Group's specifications, policies and guidelines. The Group's franchisees are required to operate the franchised POS according

to its standards and consistency with the perception of its brand, adhere to marketing guidelines to deliver the uniform “周大福” (CHOW TAI FOOK) brand characteristics and participate in promotional and marketing activities organised by it. The Group conducts routine checks and inspections at the franchised POS to ensure that it is being operated in accordance with its operation manual, standards and policies. The Group is able to monitor their inventory level through its information system and database. The Group also regularly communicates with the franchisee to ensure that it is kept abreast of the operation status of the franchised POS. This ensures that the Group’s customers enjoy the same “周大福” (CHOW TAI FOOK) experience whether they patronise its standalone stores and concessionaire counters operated by it or its franchised POS.

The Group’s franchisees are typically responsible for finding suitable store locations that meet its requirements and are responsible for paying rent, utilities and store management fees. The Group also requires its franchisees to maintain adequate insurance coverage.

The products sold at the Group’s franchised POS are supplied exclusively by the Group. For the majority of these POS, the Group retains inventory ownership until sales transactions are completed with retail customers, upon which wholesale revenue is recognised. The Group does not accept returns from its franchisees unless there are quality issues or unless the inventory requires its service capabilities such as maintenance care for jewellery products and polishing. Generally, the royalty fee the Group receives from its franchisees depends on the turnover of the franchised POS.

Self-operated POS

The Group’s self-operated POS consists of concessionaire counters, which are typically located within shopping malls, department stores, as well as self-operated stores occupying leased or self-owned properties. Compared to the franchising model, the Group’s self-operated POS enables greater operational control and access to its end customers.

The shopping malls and department stores where concessionaire counters are located provide the Group with convenient access to prime shopping districts, pedestrian traffic and shoppers. The shopping malls and department stores also allow the Group to leverage on their marketing activities.

WATCH BUSINESS

The Group’s watch business in Hong Kong and Macau started during the 1960s. The Group has well-established business relationships with reputable global watch suppliers. The watches retailed by the Group are mainly mid- to high-end luxury brands and target the middle to high income group of customers.

The Group has letters of authorisation and agreements with certain watch suppliers and watch brands which authorise it to retail their watches at selected POS and to purchase from these watch suppliers accordingly. As authorised dealers or retailers, the Group, under common market practice, complies with the pricing policies, discount policies and minimum stock levels stipulated by the watch suppliers from time to time.

For the years ended 31 March 2023, 2024 and 2025, revenue attributable to the Group’s watch business amounted to approximately HK\$4,929.2 million, HK\$4,955.2 million and HK\$4,287.6 million, respectively, representing approximately 5.3%, 4.6% and 4.9% of the Group’s total revenue (excluding jewellery trading and service income from franchisees) for each of the corresponding year. The Group experiences seasonal fluctuations in its turnover. The Group’s sales from December to February are usually higher than those of the remaining months during the year mainly due to the Christmas holiday season, Chinese New Year holidays and Valentine’s Day.

CUSTOMER SERVICES AND RELATIONSHIP

Customer service has always been important to the Group and is integral to the success of its business. As entrenched in its vision of becoming a leading global jewellery brand that is a trusted lifetime partner for every generation, the Group delivers personalised customer service to build on its relationship with its customers. The Group’s sales staff

are trained to handle all aspects of a shopping experience from the moment a customer enters a store to the eventual purchase of products by customers. The Group's sales staff are supported by its customer ambassadors in delivering personalised customer service.

The Group has recently revamped CTF Club, its brand loyalty programme, with new membership tiers and a multi-currency CTF Point Scheme, paving the way for One Global Membership across all markets. The revamp intended to provide the Group's customers with a consistent brand experience and member privileges wherever they shop with it, becoming their lifetime companion for jewellery and beyond. CTF Club members can also access a variety of personalised features and exclusive experiences through digital touchpoints, such as the CTF Club app and its mini-programme on WeChat. As at 31 March 2025, the Group's loyalty programme had reached a membership base of 53.7 million and its existing members remain its loyal brand advocates, contributing approximately 65% to its sales in the Mainland China, Hong Kong and Macau markets.

After-sales and maintenance service

Jewellery

For jewellery products, the Group offers a number of after-sales services such as resizing of rings and polishing of bracelets for a small fee (excluding any cost of additional materials), as well as complimentary cleaning services.

Watches

The warranties on the watches the Group sells are given by the relevant watch brands. Maintenance and repair services are provided by the official service centres of the relevant watch brands. The Group provides services such as delivery to the service centres and minor maintenance services such as basic cleaning and battery replacements.

INVENTORY TURNOVER MANAGEMENT

The Group's inventory comprises raw materials (which includes diamonds, gemstones and precious metals), finished jewellery products and watches. The Group makes provisions for obsolete and slow-moving inventory items when they are identified as no longer suitable for use in production or trading or when their underlying value significantly deteriorates. The Group's jewellery products are manufactured in response to market demand and inventory turnover, so it generally does not have a significant amount of slow-moving or obsolete stock. In the event that there is slow-moving merchandise, the Group is usually able to increase their sale through promotional events or other marketing efforts.

INFORMATION TECHNOLOGY

In order to predict future product needs and align them with production capabilities, the Group has expanded the use of AI in its operations and bolstered its data management capabilities by constructing a comprehensive data lake that seamlessly integrates diverse data sources. By building this centralised data repository, the Group is empowered to derive deeper insights in less time and make data-driven decisions across key areas, including product planning, supply chain and customer journey optimisation.

Over the past decade, technology has transformed the Group's end-to-end jewellery ecosystem by providing data-driven insights for design, as well as automating production and logistics processes. Building on the emergence of large language models, the Group developed a suite of internal AI agents for various functions, including sales training, digital supply chain, and marketing insights. These AI tools connect the Group's teams to a vast repository of internal and external knowledge, enabling more informed decision-making and enhancing its operational efficiency.

The Group has also recently introduced the "Real-time Store Performance Dashboard", a cutting-edge business intelligence application. This tool empowers frontline management by delivering real-time access to sales and

inventory data, as well as insights into best-selling products. The dashboard provides valuable sales intelligence, enabling better strategic planning.

The Group is able to manage effectively its POS through its ICS system which provides them with the performance of each POS and its inventory status on a real-time basis. The ICS system also enables the Group to keep track of the buying patterns and preferences of the customers readily which enables it to respond more swiftly to market demands.

COMPETITION

The jewellery retail industry in Mainland China is highly fragmented with numerous market participants. In comparison, in Hong Kong and Macau, the top 10 jewellers generated the majority of the sales. The Group is the leading jeweller by market share in Mainland China as well as in the Hong Kong and Macau jewellery markets. The Group's principal advantages over its competitors are its iconic and trusted brand and its long-standing presence in China. The Group's extensive retail network among jewellery retailers in China, its broad product portfolio and its commitment to delivering high quality products have helped to secure a large and loyal customer base.

INSURANCE

The Group maintains different types of insurance policies to cover its operations, including public liability, business interruption, marine cargo, property all risks, jeweller's block, directors and officers liability, employee compensation and group life and personal accident insurance. The Group reviews its insurance policies from time to time for adequacy of coverage.

CORPORATE SOCIAL RESPONSIBILITY

In December 2024, the Group announced its sustainability blueprint "Sustainability 2049", which focuses on three core pillars, being environment, people and industry, aiming to lead by example in shaping a sustainable transformation of the jewellery industry, pioneering new industry practices while preserving and cultivating an appreciation of Chinese culture.

Environment

Through conserving natural resources, preserving natural ecosystems and safeguarding biodiversity, the Group strives to leave a lasting and positive impact on both people and the planet with the jewellery it creates. With a focus on circularity and traceability, the Group is working to reduce its environmental footprint by prioritising recycled precious metals and ensuring these and other raw materials are traceable to responsible sources. The Group is also transitioning to low-impact operations in pursuit of its net-zero ambition, while continually elevating social and environmental standards in its operations. Starting with collections crafted entirely from 100% recycled gold, the Group is committed to steadily increasing the recycled gold content in its product portfolio, underscoring its dedication to reducing reliance on newly mined precious metals. Additionally, the Group is collaborating with industry associations and institutions to establish standards for recycled gold jewellery, promoting both environmental stewardship and sustainable, responsible sourcing practices.

People

Collaborating with communities, education and cultural institutions and charities worldwide, the Group celebrates and shares the rich heritage of Chinese culture and jewellery craftsmanship with diverse audiences, while nurturing, inspiring and empowering the designers and artisans of tomorrow. As part of this commitment, the Group aims to establish an international platform dedicated to preserving and cultivating an appreciation of Chinese culture, fostering talent development and encouraging industry innovation. Through scholarships, internships and incubation platforms, the Group supports aspiring designers and craftsmen to grow and realise their potential. The Group's

experienced artisans serve as mentors, passing on their knowledge, skills, and passion, ensuring that the artistry and techniques of Chinese jewellery craftsmanship continue to thrive.

As part of its enduring commitment to preserve Chinese culture and heritage, the Group announced a strategic partnership in October 2024 with the Hong Kong Palace Museum to launch the five-year “Chinese Gold Craftsmanship Heritage Education Programme”, which is designed to enhance recognition of the development, history, artistic features and cultural significance of Chinese gold craftsmanship among the younger generation.

Industry

As the Group approaches a century of heritage, it is dedicated to setting new standards that lead the industry toward a more sustainable and inclusive future. From increasing the recycled content in its product portfolio — beginning with the introduction of collections crafted from 100% recycled gold — to sharing its insights and best practices with peers and partners, the Group aims to inspire positive change and establish a new norm for sustainability within the jewellery sector. The Group works closely with industry associations and institutions to advocate for standards in recycled gold jewellery and traceability, ensuring that its sourcing practices are both transparent and environmentally responsible. Through collaboration with partners across the value chain, the Group strives to create a ripple effect that advances sustainable practices beyond its brand.

EMPLOYEES

The Group offers abundant support in its employees’ professional and personal development through internal training programmes and training subsidies, in addition to providing them with training in climate, labour practices and leadership skills. The Group’s compensation structure is designed to recognise and celebrate the hard work and contributions of its employees. The Group designs comprehensive compensation and benefits packages that are competitive, fair and aligned with its business objectives. The Group’s approach to total rewards extends beyond monetary compensation to encompass wellness, work-life balances and career progression opportunities. This holistic approach ensures the Groups’ employees feel valued and motivated to reach their full potential.

LEGAL PROCEEDINGS

As at the date of this Offering Circular, the Group was not involved in any litigation, arbitration or administrative proceedings that could have a material adverse effect on its financial conditions and results of operations, taken as a whole.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

The following table sets forth certain information with respect to the Company's directors as at 31 March 2025:

Name	Position
Dr. Cheng Kar-Shun, Henry, GBM, GBS (鄭家純博士)	Chairman and Executive Director
Mr. Cheng Chi-Heng, Conroy (鄭志恒先生)	Vice-chairman and Executive Director
Ms. Cheng Chi-Man, Sonia (鄭志雯女士)	Vice-chairman and Executive Director
Mr. Wong Siu-Kee, Kent (黃紹基先生)	Managing Director
Mr. Cheng Kam-Biu, Wilson (鄭錦標先生)	Executive Director
Mr. Cheng Ping-Hei, Hamilton (鄭炳熙先生)	Executive Director
Mr. Suen Chi-Keung, Peter (孫志強先生)	Executive Director
Mr. Liu Chun-Wai, Bobby (廖振為先生) ¹	Executive Director
Mr. Kwong Che-Keung, Gordon (鄺志強先生)	Independent Non-Executive Director
Mr. Lam Kin-Fung, Jeffrey, GBM, GBS, JP (林健鋒先生)	Independent Non-Executive Director
Dr. Or Ching-Fai, Raymond, SBS, JP (柯清輝博士)	Independent Non-Executive Director
Ms. Cheng Ka-Lai, Lily (鄭嘉麗女士)	Independent Non-Executive Director
Mr. Chia Pun-Kok, Herbert, JP (車品覺先生)	Independent Non-Executive Director
Ms. Fung Wing-Yee, Sabrina (馮詠儀女士)	Independent Non-Executive Director
Mr. Tang Ying-Cheung, Eric (鄧迎章先生)	Independent Non-Executive Director

Note:

¹ Mr. Liu has tendered his resignation as an executive director with effect from 30 June 2025.

Dr. Cheng Kar-Shun, Henry (鄭家純博士) GBM, GBS, aged 78, joined the Group in 1971, was appointed as chairman and an executive director in July 2011. He is also a member of the Nomination Committee, the Remuneration Committee and the Strategy and Transformation Committee of the Company. Dr. Henry Cheng is responsible for the strategic direction and overall performance of the Group.

Dr. Cheng is a director of certain subsidiaries of the Group. He is also a director of several substantial shareholders of the Company, including Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited.

In addition, Dr. Cheng is chairman and an executive director of New World Development Company Limited and CTF Services Limited (formerly known as NWS Holdings Limited), and also chairman and a non-executive director of FSE Lifestyle Services Limited and i-CABLE Communications Limited, all of which are listed public companies in Hong Kong.

Dr. Cheng is chairman of the Advisory Council for The Better Hong Kong Foundation. He was a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of the People's Republic of China.

Dr. Henry Cheng is the father of Ms. Cheng Chi-Man, Sonia, an uncle of Mr. Cheng Chi-Heng, Conroy and a cousin of Mr. Cheng Kam-Biu, Wilson.

Mr. Cheng Chi-Heng, Conroy (鄭志恒先生), aged 47, joined the Group in 2007, was appointed as an executive director in July 2011 and became vice-chairman and executive director in June 2022. Mr. Conroy Cheng is responsible for strategic direction, performance and corporate transformation of the Group. He is a member of the Nomination Committee and the Strategy and Transformation Committee of the Company. Mr. Cheng is also a director of certain subsidiaries of the Group.

Mr. Cheng has been in the jewellery industry for over 15 years, with extensive knowledge of the global diamond market. He is currently a member of the executive committee of the Diamond Federation of Hong Kong, China and a member of the World Diamond Council.

Mr. Cheng is a non-executive director of New World Development Company Limited, a listed public company in Hong Kong.

Mr. Cheng holds a Bachelor of Arts Degree in Economics from The Western University (formerly known as The University of Western Ontario). Prior to joining the Group, Mr. Cheng worked at a Hong Kong-based investment management company as a corporate finance executive.

Mr. Conroy Cheng is a nephew of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kam-Biu, Wilson, and a cousin of Ms. Cheng Chi-Man, Sonia.

Ms. Cheng Chi-Man, Sonia (鄭志雯女士), aged 44, joined the Group in April 2019 as a non-executive director, re-designated as an executive director in April 2021, and became vice-chairman and executive director in June 2022. Ms. Cheng is responsible for strategic direction, performance and corporate transformation of the Group. She is a member of the Remuneration Committee and the Strategy and Transformation Committee of the Company. She is also a director of certain subsidiaries of the Group.

Ms. Sonia Cheng is the chief executive officer of Rosewood Hotel Group. She is an executive director of New World Development Company Limited and a non-executive director of Giordano International Limited, both of which are listed public companies in Hong Kong. She is also an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited. Ms. Cheng was an independent director of Primavera Capital Acquisition Corporation, a company listed on the New York Stock Exchange, until her resignation in December 2022.

Ms. Cheng is a council member of The Chinese University of Hong Kong and a member of its Committee on Institutional Advancement and Community Relations as well as a member of The Standing Committee on Disciplined Services Salaries and Conditions of Service of the Hong Kong Special Administrative Region. She is also a member of the Thirteenth Guangdong Provincial Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and the Vice-Governor of Guangdong Youth Development Foundation. Ms. Cheng had served as a member of the Hong Kong Tourism Board and chairman of its Marketing and Business Development Committee until completion of the term in October 2024; and a member of Human Resources Planning Commission of the Hong Kong Special Administrative Region until completion of the term in December 2024.

Before joining Rosewood Hotel Group, Ms. Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. She holds a Bachelor of Arts Degree in Applied Mathematics with a concentration in Economics from Harvard University.

Ms. Sonia Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, a cousin of Mr. Cheng Chi-Heng, Conroy and a niece of Mr. Cheng Kam-Biu, Wilson.

Mr. Wong Siu-Kee, Kent (黃紹基先生), aged 69, joined the Group in 1977, was appointed as managing director of the Company in July 2011. He is responsible for the Group's overall corporate management, strategy and operations. He is a member of the Sustainability Committee and the Strategy and Transformation Committee of the Company. Mr. Wong is also a director of certain subsidiaries of the Group.

Mr. Wong has over 45 years' diverse experience in the jewellery industry with a proven track record in business development in China as well as in corporate operations and management. In October 2024, he was conferred Honorary Fellowship by the Vocational Training Council in recognition of his exceptional contributions to the development of vocational and professional education and training and the community. He has been feted with the highest accolade of the JNA Awards 2020, the "Lifetime Achievement Award", for his outstanding lifetime achievements and contributions to the global jewellery community. He also received "Extraordinary 40" Awards from Jewellery World Awards in 2023. Mr. Wong was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015. He was ranked the 1st place as the "Best CEO" by Institutional Investors in its Asia (Ex-Japan) Executive Team Rankings, Rest of Asia in the Consumer/ Discretionary sector, combined vote type, from 2021 to 2024; was recognised Best IR by Chairman/ CEO by Hong Kong Investor Relations Association in 2022 and 2023; and has also been named as "Asia's Best CEO" by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its Asian Excellence Awards in 2023 and 2024.

Mr. Wong is dedicated to giving back to the community and the industry through his participation in public or non-profit organisations. He serves as a member of the Fair Organising Committee of the Hong Kong Trade Development Council for its Hong Kong International Jewellery Show and Hong Kong International Diamond, Gem and Pearl Show, a council member of The Hong Kong Management Association ("HKMA") and chairman of the Advisory Board of HKMA Academy for Innovation and Management, chairman of the Jewellers' and Goldsmiths' Association of Hong Kong, chairman of the supervising committee of the Hong Kong & Kowloon Jewellers' & Goldsmiths' Employees' Association, a permanent honorary president of the Kowloon Gold Silver and Jewel Merchants' Staff Association, and a board member of CIBJO, the World Jewellery Confederation. He is also president of the executive committee 2024/2026 of Youth Outreach.

Mr. Wong is also an independent non-executive director of Crystal International Group Limited, which is a listed public company in Hong Kong.

Mr. Cheng Kam-Biu, Wilson (鄭錦標先生), aged 66, joined the Group in 1979, was appointed as a non-executive director in July 2011 and re-designated as an executive director in April 2019. Mr. Wilson Cheng is responsible for the Group's bank and landlord relationship management. He is also a director of certain subsidiaries of the Group.

Mr. Cheng is chairman of the supervisory committee of Hong Kong Gold Exchange. He has over 45 years' experience in administration and finance in jewellery retail business. He holds a Bachelor of Arts Degree in Economics from the University of Hawaii, Honolulu.

Mr. Wilson Cheng is a cousin of Dr. Cheng Kar-Shun, Henry, and an uncle of Mr. Cheng Chi-Heng, Conroy and Ms. Cheng Chi-Man, Sonia.

Mr. Cheng Ping-Hei, Hamilton (鄭炳熙先生), aged 50, joined the Group in 2004, was appointed as an executive director in July 2011. Mr. Hamilton Cheng is responsible for the Group's capital management strategy, investor relations and company secretary responsibilities. Mr. Cheng is a member of the Strategy and Transformation Committee of the Company. He also serves as a joint company secretary of the Company and a director of certain subsidiaries of the Group.

Mr. Cheng holds a Bachelor of Business Administration Degree in Professional Accountancy from The Chinese University of Hong Kong. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of The Association of Chartered Certified Accountants and a Chartered Financial Analyst. He completed The Prince of Wales's Business & Sustainability Programme designed by the University of Cambridge Institute for Sustainability Leadership and obtained Executive Diploma in Corporate Governance and Sustainability Directorship from The Hong Kong Institute of Directors in 2018.

Mr. Cheng is currently a council member of The Hong Kong Institute of Directors and a member of the Financial Reporting Review Panel of the Accounting and Financial Reporting Council in Hong Kong.

Mr. Cheng was ranked the 1st place in the "Best CFO" category in Institutional Investor's Asia (Ex-Japan) Executive Team Rankings, Rest of Asia in Consumer/ Discretionary sector, combined vote type, from 2021 to 2024. He was recognised Best IR by CFO by Hong Kong Investor Relations Association in 2022 and 2023. He has also been named as "Asia's Best CFO" by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its Asian Excellence Awards in 2023 and 2024. Mr. Cheng was awarded Director of The Year Awards 2015 by The Hong Kong Institute of Directors in December 2015.

Mr. Suen Chi-Keung, Peter (孫志強先生), aged 60, joined the Group in 1985, was appointed as an executive director in July 2011. Mr. Peter Suen is responsible for the Group's business in Hong Kong and Macau of China. He is also a director of certain subsidiaries of the Group.

Mr. Suen has been in the jewellery industry for almost 40 years. He is a member of the Jewellery Advisory Committee of the Hong Kong Trade Development Council, the executive committee of The Jewellers' and Goldsmiths' Association of Hong Kong, the executive committee of the Hong Kong Retail Management Association, Jewellery Industry Training Advisory Committee of Hong Kong Qualifications Framework and the committee on fundraising of Youth Outreach. Mr. Suen holds an Executive Master's Degree in Business Administration from The Chinese University of Hong Kong.

Mr. Liu Chun-Wai, Bobby (廖振為先生), aged 50, joined the Group in 1999, was appointed as an executive director in January 2016. Mr. Bobby Liu is responsible for the development of individual brands of the Group, including ENZO and MONOLOGUE, as well as that of the Group's watch business in Mainland China. He is also a director of certain subsidiaries of the Group.

Mr. Liu has over 25 years of experience in retail business and operational management. He is a member of the Yantian District Committee of the Chinese People's Political Consultative Conference in Shenzhen, executive committee member of the Shenzhen Federation of Industry & Commerce and vice chairman of the Federation of Industry and Commerce of Yantian District, Shenzhen Municipal, and vice chairman of the council of Shenzhen Performance Excellence Management Foundation.

Mr. Liu holds a Master of Business Administration Degree from The Western University (formerly known as The University of Western Ontario) and a Bachelor of Science Degree in Computer Mathematics from Carleton University.

Mr. Liu has tendered his resignation as an executive director with effect from 30 June 2025.

Independent Non-Executive Directors

Mr. Kwong Che-Keung, Gordon (鄭志強先生), aged 75, was appointed as an independent non-executive director in November 2011 and is chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr. Gordon Kwong is a Fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwong was a Partner of PriceWaterhouse from 1984 to

1998, an independent member of the Council of the Hong Kong Stock Exchange from 1992 to 1997, during which, he had acted as convener of both the Compliance Committee and the Listing Committee.

Mr. Kwong is an independent non-executive director of Agile Group Holdings Limited, Henderson Investment Limited, Henderson Land Development Company Limited, FSE Lifestyle Services Limited and COSCO Shipping International (Hong Kong) Company Limited, all of which are listed public companies in Hong Kong. He is also an independent non-executive director of Piraeus Port Authority SA (a company listed on the Athens Stock Exchange) and Shanghai Commercial Bank Limited. Mr. Kwong was an independent non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited), a listed public company in Hong Kong, until his retirement on 21 November 2022.

Mr. Lam Kin-Fung, Jeffrey, GBM, GBS, JP (林健鋒先生), aged 73, was appointed as an independent non-executive director in November 2011 and is chairman of the Nomination Committee and a member of the Remuneration Committee and the Audit Committee of the Company.

Mr. Jeffrey Lam is an independent non-executive director of C C Land Holdings Limited, China Overseas Grand Oceans Group Limited, Wynn Macau, Limited, CWT International Limited, i-CABLE Communications Limited, Wing Tai Properties Limited, Analogue Holdings Limited, CSC Holdings Limited, and Golden Resources Development International Limited, all of which are listed public companies in Hong Kong. He was an executive director of USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited), a listed public company in Hong Kong, until his resignation on 28 November 2023.

Mr. Lam is a non-official member of the Executive Council of the Hong Kong Special Administrative Region and a member of the Legislative Council in Hong Kong. He also holds several other public and community service positions, including being a general committee member of the Hong Kong General Chamber of Commerce, a member of the Hong Kong Tourism Board, an honorary member of the Court of The Hong Kong Polytechnic University, and a director of the board of Heifer Hong Kong. Mr. Lam was a member of the National Committee of the Chinese People's Political Consultative Conference, and a director of Hong Kong Mortgage Corporation Limited. Mr. Lam was awarded the Grand Bauhinia Medal by the HKSAR Government in 2023.

Mr. Lam holds a Bachelor Degree in Mechanical Engineering from Tufts University in the United States. He has over 40 years of experience in the commercial and industrial sectors, including manufacturing, business promotion, IT development, and investment. He is currently the managing director of Forward Winsome Industries Limited, which is engaged in toy manufacturing.

Dr. Or Ching-Fai, Raymond, SBS, JP (柯清輝博士), aged 75, was appointed as an independent non-executive director in November 2011 and is chairman of the Remuneration Committee and a member of the Nomination Committee and Audit Committee of the Company.

Dr. Raymond Or is also chairman and a non-executive director of CSC Holdings Limited, and an independent non-executive director of Regina Miracle International (Holdings) Limited and Playmates Holdings Limited, all of which are listed public companies in Hong Kong. He is also an independent non-executive director of Industrial and Commercial Bank of China (Asia) Limited and a non-executive director of South Asia Knitting Factory Limited.

Dr. Or holds a Bachelor of Social Sciences Degree in Economics and Psychology from the University of Hong Kong and was awarded Honorary University Fellow from The University of Hong Kong in 2009. Dr. Or was awarded an Honorary Doctor of Social Science from the City University of Hong Kong in 2014 and was conferred Honorary Fellowship by Hang Seng University of Hong Kong (formerly known as Hang Seng Management College) in May 2017.

Ms. Cheng Ka-Lai, Lily (鄭嘉麗女士), aged 46, was appointed as an independent non-executive director in April 2019 and is a member of the Nomination Committee, the Remuneration Committee and the Sustainability Committee of the Company.

Ms. Lily Cheng has served in the technology and internet industry for over 25 years, both as an entrepreneur and as a corporate executive. She is the founder and an executive director of Hubel Labs Limited, an AI lab focused on applied AI research, corporate advisory services and edtech applications. She served as the President of TripAdvisor, APAC from 2014 to 2016 and held various management roles at TripAdvisor, Inc. and Expedia, Inc. from 2008 to 2016. She was a management consultant with The Boston Consulting Group from 2006 to 2008.

Ms. Cheng holds a Bachelor of Arts Degree in Engineering and a Master of Engineering Degree from the University of Cambridge and a Graduate Certificate in Artificial Intelligence from Stanford University.

Ms. Cheng is an independent non-executive director of Cathay Pacific Airways Limited, a listed public company in Hong Kong. She is also a non-executive member of the Global Council of law firm Herbert Smith Freehills, LLC. and a member of Mars Petcare Digital Advisory Board. Ms. Cheng has been an independent non-executive director of Swire Properties Limited from 17 March 2017 to 7 May 2024; and Sunevision Holdings Limited from 31 October 2019 to 1 November 2024, both of which are listed public companies in Hong Kong.

Mr. Chia Pun-Kok, Herbert, JP, (車品覺先生), aged 59, was appointed as an independent non-executive director in April 2021 and is a member of the Nomination Committee, the Audit Committee and the Sustainability Committee of the Company.

Mr. Chia is an independent non-executive director of Hong Kong Exchanges and Clearing Limited, a listed public company in Hong Kong (appointed on 29 October 2024), a non-official director of Hong Kong Genome Institute and a senior advisor of Alibaba Cloud Intelligence (North APAC & SEA Region). He has around 15 years of practical experience in big data strategy and application with unique insights into the future trends of e-commerce. He joined Alibaba in 2010 and served as the Vice President of Alibaba (China) Co., Ltd. and the President of Data Committee. During his tenure with Alibaba, the data team of Alibaba was awarded “China Excellent IT Team” in the “Excellent Chinese CIO” selection in 2014. Mr. Herbert Chia was rated as “China Top 10 Most Influential Big Data Entrepreneurs” by the State Information Center of China in 2017 and garnered Outstanding Achievement Award in 2021 AI Golden Goose Awards of China. He is also a former Venture Partner of Sequoia Capital China and a former member of the board of director of Hong Kong Science and Technology Parks Corporation.

Mr. Chia has been making significant contributions in helping to bring China’s big data industry to a new level and has actively promoted Hong Kong to become the big data pilot city in The China Greater Bay Area and The Belt and Road. In Hong Kong, he serves as a co-opted member of the Information Technology Services Committee of the Hospital Authority of Hong Kong Special Administrative Region, a non-official member of the Education Commission and the Digital Economy Development Committee and Vice President of the Council of GBA International Information Technology Association.

Mr. Chia is the Adjunct Associate Professor of The University of Hong Kong (Institute for China Business) and Professor of Practice of the Hong Kong Management Association. He is also the author of various best-selling books including The Big Data and The Nature of Big Data. He holds an Executive Master of Business Administration (EMBA) Degree from Tsinghua University and an EMBA Degree from the Institut Européen d’Administration des Affaires (INSEAD).

Ms. Fung Wing-Yee, Sabrina (馮詠儀女士), aged 53, has been appointed as an independent non-executive director in December 2022, and is a member of the Nomination Committee and the Remuneration Committee of the Company.

Ms. Fung is the group managing director of Fung Retailing Group, a non-executive director of Convenience Retail Asia Limited, a listed public company in Hong Kong, and the chief executive officer of Asia Retail Company Limited, a company of the Fung Group (a Hong Kong based multinational group which comprises major operating groups engaging in trading, logistics, distribution and retailing) focusing on supporting and growing international brands in Asia. She also serves as the chair of Wellness Med Limited, a company under the Fung Group that serves the growing global health and wellness market.

Ms. Fung is also the investment director of Fung Investment Management Limited. She started working at the private investment arm of the Fung Group in 2000 as investment manager running the family's investments. Prior to joining the Fung Group, Ms. Fung worked for Brown Brothers Harriman & Co in New York and Hong Kong until 1999. Ms. Fung is experienced in the retail industry and had held positions in marketing and public relations for Salvatore Ferragamo Asia, as well as in merchandising, sourcing and branding for Li & Fung Group in Hong Kong and the USA. She was named in the Business of Fashion 500 in 2016, and Women's Wear Daily 10 of Tomorrow in 2017.

In Hong Kong, Ms. Fung is a member of the Major Sports Events Committee of HKSAR, a member of the board of Alibaba Hong Kong Entrepreneurs Fund, an advisor on Retailing and Fashion for NBA Greater China, a member of the International Advisory Council of the University of Hong Kong Business School, an honorary member of the Advisory Committee of the Roger King Center for Asian Family Business and Family Office at Hong Kong University of Science and Technology Business School, and the Advisory Committee of the Hong Kong-Europe Business Council and the Hong Kong-France Business Council of Hong Kong Trade Development Council, and a governor of the board of governors of the China-United States Exchange Foundation. Internationally, Ms. Fung is a member of McLaren Advisory Group, Harvard Global Advisory Council, Harvard Kennedy School Dean's Council and the board of trustees of The Carnegie Hall Corporation in New York.

Ms. Fung is also an independent non-executive director of China Eastern Airlines Corporation Limited, which is a listed public company in Hong Kong.

Ms. Fung graduated from Harvard University, with a Bachelor of Arts Degree in Economics. She attended Harvard Business School's Program for Global Leadership and its Business of Entertainment, Media and Sports program afterwards.

Mr. Tang Ying-Cheung, Eric (鄧迎章先生), aged 60, has been appointed as an independent non-executive director in December 2023, and is chairman of the Sustainability Committee and a member of the Audit Committee of the Company.

Mr. Tang has over 35 years of audit and assurance experience, with clientele covering listed companies in Hong Kong, state owned enterprises, MNCs and SEC registrants. He has in-depth experience in consumer business industry and capital market transactions including initial public offerings, re-organisations, and strategic acquisitions. Mr. Tang was a Partner of Deloitte Touche Tohmatsu from 1999 to 2022. He had held different leadership roles during his tenure which included National Leader of Consumer Business & Transportation Industry, National Leader of Audit Learning, National Audit Risk Leader, and National Professional Practice Director, and he had served as a member of Deloitte China Governing Board. Mr. Tang has been appointed as an advisor of Deloitte Touche Tohmatsu since his retirement from Deloitte Touche Tohmatsu in 2022.

Mr. Tang is a Fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants; a member of the Chinese Institute of Certified Public Accountants and the American Institute of Certified Public Accountants; and a Certified Internal Auditor of the Institute of Internal Auditors. He is a former member of the Financial Reporting Review Panel of the Hong Kong Accounting and Financial Reporting Council.

Mr. Tang holds a Master of Business Administration Degree from The Chinese University of Hong Kong, a Master of Science in Electronic Commerce Degree and a Professional Diploma in Professional Accounting from The Hong Kong Polytechnic University.

JOINT COMPANY SECRETARY

The following table sets forth certain information with respect to the Group's joint company secretaries as at 31 March 2025:

Name	Position
Mr. Cheng Ping-Hei, Hamilton (鄭炳熙先生)	Executive Director and Joint Company Secretary
Mr. Lai Sau-Cheong, Simon (黎壽昌先生)	Joint Company Secretary

Mr. Cheng Ping-Hei, Hamilton (鄭炳熙先生) Mr. Cheng Ping-Hei, Hamilton is an executive director and Joint Company Secretary. His profile is set out under the sub-section of "Directors" above.

Mr. Lai Sau-Cheong, Simon (黎壽昌先生), aged 64, joined the Group in 2017, is Joint Company Secretary of the Group. Mr. Simon Lai is also the Chief Legal Officer of Chow Tai Fook Enterprises Limited, a subsidiary of a substantial shareholder of the Company.

Mr. Lai is admitted as a solicitor in Hong Kong, England and Wales, and New South Wales, Australia and has over 30 years of experience in corporate, commercial and related regulatory practice. He was a long-standing partner and later on, consultant, of a leading law firm before joining the Group and has extensive experience on corporate finance matters. Mr. Lai has also served on a number of public appointments.

SENIOR MANAGEMENT

The following table sets forth certain information with respect to the Group's senior management as at 31 March 2025:

Name	Position
Ms. Wong Yin-King, Annie (黃燕琮女士)	Chief Operating Officer
Mr. Chan Yee-Pong, Alan (陳義邦先生)	Chief Brand Officer
Ms. Lui Yin-Ming, Theresa (呂燕明女士)	Chief People Officer
Mr. Cheung Wang-Kwong, Patrick (張宏光先生)	Chief Digital Officer
Ms. Karen Yih (葉家盈女士)	Chief Financial Officer
Ms. Danita On (安殷霖女士)	Senior Director of Investor Relations and Corporate Communications
Ms. Gabriela Bibi Dos Santos Ferreira (范嘉碧女士)	General Manager, International
Ms. Catherine Yu (余培女士)	General Manager, High Jewellery
Mr. Shi Kai (石開先生)	Regional General Manager – East

Mr. Xie Hao-Ran (謝浩然先生)	Regional General Manager – South
Mr. Sun Xiao-Dong (孫曉東先生)	Regional General Manager – West
Ms. Kong Qing-Hua (孔慶華女士)	General Manager of Sales Management Department and Wholesale Operations of Mainland China and the Regional General Manager – North
Ms. Yuan Jie (袁捷女士)	Executive General Manager

Ms. Wong Yin-King, Annie (黃燕琮女士), aged 61, joined the Group in 2023, is the Chief Operating Officer responsible for enhancing the Group's end-to-end value chain efficiencies, encompassing strategic planning, product and inventory management. Ms. Wong has over 30 years of experience in luxury retail operations, and an impressive range of expertise in management consulting, operations, and executive leadership. She holds an Executive Master's Degree in Business Administration from The Chinese University of Hong Kong. She is also a Graduate Diamonds Gemologist of the Gemological Institute of America.

Mr. Chan Yee-Pong, Alan (陳義邦先生), aged 53, joined the Group in 2010, is the Chief Brand Officer responsible for the branding and marketing management of the Group. Mr. Chan has around 30 years of experience in luxury brand management and marketing.

Ms. Lui Yin-Ming, Theresa (呂燕明女士), aged 53, joined the Group in 2022, is the Chief People Officer responsible for the strategic direction of the Group's human resources function, to ensure that right people strategies are in place to support the long-term development of the Group. Ms. Lui is a seasoned HR veteran in the retail industry and has over 25 years of experience.

Mr. Cheung Wang-Kwong, Patrick (張宏光先生), aged 36, joined the Group in 2022, is the Chief Digital Officer responsible for the Group's Digital & IT, E-Commerce, Loyalty and Data Governance. He steers the Group's digital strategy to drive omni-channel sales growth across markets, customer experience enhancement, retail efficiencies, digital supply chain and data analytics. Mr. Cheung has extensive experience in deriving transformation roadmap and delivering operational excellence across China and globally.

Ms. Karen Yih (葉家盈女士), aged 53, joined the Group in 2025, is the Chief Financial Officer responsible for the Group's financial management including financial planning and analysis, financial accounting, finance systems and process optimisation, risk management and legal affairs. Ms. Yih has over 25 years of experience in finance leadership, digital transformation, corporate developments and international expansion across diverse industries.

Ms. Danita On (安殷霖女士), aged 48, joined the Group in 2012, is the Senior Director of Investor Relations and Corporate Communications of the Group, responsible for maintaining effective communications with investors and media. Ms. On has over 25 years of experience in auditing, management consulting, equity research, asset management and investor relations. She is a member of Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.

Ms. Gabriela Bibi Dos Santos Ferreira (范嘉碧女士), aged 43, joined the Group in 2024, is the General Manager, International, responsible for spearheading the Group's global expansion strategy and driving the international growth of the brand. Ms. Ferreira is a seasoned business executive with over 17 years of experience in managing operations across wholesale, retail and logistics industries.

Ms. Catherine Yu (余培女士), aged 55, joined the Group in 2024, is the General Manager, High Jewellery, responsible for the strategic development of the Group's high jewellery business to drive its vision and ensure sustained commercial success. Ms. Yu has over 20 years of experience in luxury branding and high jewellery in Paris and Hong Kong.

Mr. Shi Kai (石開先生), aged 47, joined the Group in 2001, is the Regional General Manager – East, being the head of business of Mainland China Eastern Region, responsible for the retail business operations and back-office management in the Eastern Cluster. Mr. Shi has extensive front-line management experience in market expansion, operational efficiency optimisation and business innovation. He holds an Executive MBA degree from China Europe International Business School and is a Fellow of the Gemological Association of Great Britain.

Mr. Xie Hao-Ran (謝浩然先生), aged 42, joined the Group in 2004, is the Regional General Manager – South, being the head of business of Mainland China Southern Region, responsible for the retail business operations and back-office management in the Southern Cluster. Mr. Xie has extensive experience in business operations, performance growth, channel expansion and back-office supporting system construction in regional markets. He holds an Executive MBA degree from China Europe International Business School.

Mr. Sun Xiao-Dong (孫曉東先生), aged 57, joined the Group in 2001, is the Regional General Manager – West, being the head of business of Mainland China Western Region, responsible for the retail business operations and back-office management in the Western Cluster. Mr. Sun has extensive front-line management experience in market expansion and efficiency optimisation. He holds an Executive MBA degree from China Europe International Business School.

Ms. Kong Qing-Hua (孔慶華女士), aged 45, joined the Group in 1999, is the General Manager of Sales Management Department and Wholesale Operations of Mainland China and the Regional General Manager – North, being the head of business of Mainland China Northern Region. Ms. Kong is responsible for the overall business operations in Mainland China, including sales strategy formulation, sales target planning, retail operations, wholesale process standardisation and implementation. She is also responsible for the retail business operations and back-office management in the Northern Cluster. Ms. Kong has extensive experience in market expansion and business management.

Ms. Yuan Jie (袁捷女士), aged 48, joined the Group in 2002, is the Executive General Manager responsible for the Group's overall enterprise management in Mainland China. Ms. Yuan has over 20 years of experience in change management, process efficiency optimisation, risk control, corporate culture building and talent development.

PRC LAWS AND REGULATION

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations and the overseas financing. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations or the overseas financing.

Foreign Exchange Administration

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely convertible into foreign exchange at this time. The State Administration of Foreign Exchange (國家外匯管理局, the “SAFE”), under the authority of the People's Bank of China (中國人民銀行, the “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The principal law governing foreign exchange in the PRC is the PRC Administrative Regulations on Foreign Exchange (《中華人民共和國外匯管理條例》, the “**Foreign Exchange Regulations**”). The Foreign Exchange Regulations was enacted by the State Council on 29 January 1996 and implemented on 1 April 1996. On 14 January 1997 and 5 August 2008, the State Council amended the Foreign Exchange Regulations. According to the Foreign Exchange Regulations, the RMB is freely convertible for “current account transactions”, which refers to any transaction account for international receipts and payments involving goods, services, earnings and frequent transfers. For “capital account transactions” which refers to any transaction account for international receipts and payments that result in any change in external assets and liabilities, including, inter alia, capital transfers, direct investments, securities investments, derivatives and loans, prior approval of and registration with the SAFE or its local branches is generally required.

Pursuant to the Administrative Regulation of Foreign Exchange Settlement, Sale and Payment (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on 20 June 1996 and came into effect on 1 July 1996, foreign-invested enterprises may only buy, sell and/or remit foreign currencies at banks authorised to conduct foreign exchange business after providing valid commercial documents and, in the case of capital account transactions, obtaining approval from SAFE or its local branches.

On 9 June 2016, the SAFE promulgated the Notice on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement (《關於改革和規範資本項目結匯管理政策的通知》, the “**SAFE Circular 16**”) which took effect on the same day. According to the SAFE Circular 16, enterprises registered in PRC could settle the external debts in foreign currencies to Renminbi at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital, external debts and repatriated funds raised through overseas listing), which is applicable to all enterprises registered in PRC. It reiterated that the Renminbi funds obtained from the settlement of foreign currencies shall not be used directly or indirectly for purposes beyond the company's scope of business, and shall not be used for domestic securities investment or investments and wealth management products other than principal-protected products issued by banks, unless otherwise expressly prescribed. Furthermore, such Renminbi funds shall not be used for disbursing loans to non-affiliated enterprises, unless the scope of business expressly provides so; and shall not be used to construct or purchase real estate not for self-use (except for real estate enterprises).

The Notice of the State Administration of Foreign Exchange on Matters concerning the Issuance of Foreign Exchange Administration Rules for Trade in Goods (《國家外匯管理局關於印發貨物貿易外匯管理法規有關問題的通知》), which was promulgated by the SAFE on 27 June 2012 and took effect on 1 August 2012, allows the loans made by domestic financial institutions and funds transferred back from overseas under the export trade financing account to be directly transferred to enterprises' current foreign exchange accounts.

PRC Currency Controls

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

Current Account Items

Under the PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers into and outside the PRC.

Pursuant to the Measures on the Trial Administration of Settling Cross-Border Transactions in Renminbi (跨境貿易人民幣結算試點管理辦法) which was promulgated on 1 July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in certain pilot regions. On 17 June 2010, 27 July 2011, 3 February 2012 and 13 March 2014, respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement (關於擴大跨境貿易人民幣結算地區的通知), the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知) and the Notice on Simplifying Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於簡化出口貨物貿易人民幣結算企業管理有關事項的通知) (together as “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have reviewed and approved such list (the “**Supervision List**”).

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

On 5 July 2013, PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions on a need basis (noting that verification of underlying transactions is usually a precondition for cross border remittance).

According to the Notice of the People’s Bank of China on Further Improving Policies for Cross-border RMB Business to Facilitate Trade and Investment (中國人民銀行關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知) promulgated by PBOC on 5 January 2018, any cross-border transaction that may legally be settled in foreign exchange can also be settled in RMB by enterprises.

On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, inter alia, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises within a pilot free trade zone in the PRC, such as the China (Shanghai) Pilot Free Trade Zone (“**Shanghai FTZ**”) may establish an additional cash pool in the local scheme in such pilot free trade zone, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circulars and the 2013 PBOC Circular and impose conditions for settlement of current account items.

Capital Account Items

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

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

On 7 April 2011, SAFE promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (關於規範跨境人民幣資本項目業務操作有關問題的通知) (“**SAFE RMB Circular**”), which became effective on 1 May 2011. According to the SAFE RMB Circular in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contributions to an onshore enterprise or make payments for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the MOFCOM or the relevant local counterparts to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE RMB Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

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

Pursuant to the PBOC Circular on Clarifying the Detailed Operating Rules for RMB Settlement Business in Relation to Foreign Direct Investment (《中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知》)(the “**PBOC RMB FDI Detailed Rules**”) which was promulgated on 14 June 2012 and the Announcement on Revising Certain Articles of Two Departmental Rules Including the Administrative Provisions on Overseas Foreign Exchange Accounts and Five Regulatory Documents Including the Interim Provisions on the Administration of Domestic Foreign Exchange Transfer (關於對《境外外匯賬戶管理規定》等2件部門規章和《境內外匯劃轉管理暫行規定》等5件規範性文件予以修改的公告) which was promulgated on 5 June 2015, a foreign-invested enterprise shall not use RMB funds in its RMB special deposit account for registered capital purposes, nor shall it use RMB funds in its RMB general offshore loan deposit account for the purchase of financial products or properties not for its own use. Further, foreign-invested enterprises that are not investment companies must not use such RMB funds for reinvestment within the territory of the PRC.

On 10 May 2013, SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》)(the “**SAFE Provisions**”), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise held by a PRC resident. Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

On 3 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 Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

To support the development of the Shanghai FTZ, the Shanghai Head Office of the PBOC issued the Circular on Supporting the Expanded Cross-border Utilisation of Renminbi in the Shanghai FTZ (關於支持中國(上海)自由貿易試驗區擴大人民幣跨境使用的通知) (the “**PBOC Shanghai FTZ Circular**”) on 20 February 2014, which allows banks in Shanghai to directly handle the cross-border RMB settlement under recurring items and direct investment items by presenting the collection and payment instructions submitted by the institutions in Shanghai (except for those in the list of enterprises subject to key regulation for RMB settlement of exports trade) and individuals, based on the principles of “knowing your client”, “knowing your business” and “due diligence”. When handling the settlement under direct investment items for the above subjects, banks shall, according to the requirements of the negative list approach for investment admission of the Shanghai FTZ, require the presenting of the approval documents issued by the approval authority for cross-border RMB settlement under direct investment items within the scope of the negative list approach. However, the application of the Shanghai FTZ Circular is limited to the Shanghai FTZ.

According to the Notice on Further Optimizing Cross-Border RMB Policies to Support Stabilizing Foreign Trade and 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) (Yin Fa [2020] No. 330) promulgated by PBOC, MOFCOM, SAFE and three other governmental authorities on 31 December 2020, enterprises are no longer required to provide approvals issued by MOFCOM when handling RMB settlement related to FDI. Further, RMB income in capital account of domestic enterprises (including foreign direct investment capital, cross-border financing proceeds, and repatriated funds raised through overseas listings) may be used within the business scope approved by relevant governmental authorities, which shall not be directly or indirectly used for (i)

expenditures outside the enterprise's business scope or expenditures prohibited by national laws and regulations; (ii) securities investments, unless otherwise explicitly specified; (iii) granting loans to non-affiliated enterprises, unless explicitly permitted within the business scope; or (iv) constructing or purchasing non self-use real estate (unless the enterprise is a real estate enterprise). Besides, non-investment foreign-invested enterprises may conduct domestic re-investment using RMB capital, provided that the domestic investment projects are genuine and the applicable laws and regulations are complied with.

The SAFE Provisions, the MOFCOM Circular and the PBOC FDI Measures, which are new regulations, have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulations will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Cross-border Security Laws

On 19 May 2014, SAFE promulgated the "Notice concerning the Foreign Exchange Administration Rules on Cross-Border Security and the relating implementation guidelines" (《國家外匯管理局關於發布《跨境擔保外匯管理規定》的通知》) (collectively the "**New Regulations**"). The New Regulations, which come into force on 1 June 2014, replace 12 other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration for two specific types of cross border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing or any other SAFE administrative requirements; (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

Nei Bao Wai Dai(內保外貸) ("**NBWD**"): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.

Wai Bao Nei Dai(外保內貸) ("**WBND**"): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.

Other Types of Cross-border Security(其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. The onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore note issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore note issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC Laws. On 26 January 2017, the SAFE promulgated the "Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3)" (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (匯發〔2017〕3號) (the "**Notice 3**"), pursuant to the Notice 3, the funds borrowed offshore under a NBWD are permitted to be directly or indirectly

repatriated to or used onshore by means of loans and equity investments. However, according to the Policy Questions and Answers (second batch) of the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知(匯發〔2017〕3號)政策問答(第二期)) (the “**Questions and Answers**”) promulgated by the SAFE on 27 April 2017, the use of proceeds raised by overseas bonds issuance shall still comply with the provisions of the SAFE Regulations, which means such proceeds shall be only used for overseas investment projects in which the domestic guarantor has equity interests and the relevant overseas issuer or projects have been approved, registered, recorded or confirmed by the domestic and overseas investment authorities. To sum up, according to the SAFE Regulations, the Notice 3 and the Questions and Answers mentioned above, the proceeds from any such offshore bonds issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws, unless otherwise permitted by SAFE.

The PRC Legal System

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws and laws resulting from international treaties entered into by the PRC government. In general, only limited volumes of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases.

The National People’s Congress of the PRC (“**NPC**”) and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC and the Standing Committee of the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul administrative regulations which contradict the PRC Constitution and the national laws, while the State Council has the power to alter or annul any inappropriate rules of the ministries under the State Council. The people’s congresses or their standing committees of the provinces, autonomous regions and municipalities directly under the Central Government may, in light of the specific conditions and actual needs of their respective administrative areas, enact local regulations, provided that such regulations do not contradict the PRC Constitution, the national laws and the administrative regulations. The People’s Congresses or their standing committees of certain large cities may, in light of the specific local conditions and actual needs, enact local regulations, provided that they do not contradict the PRC Constitution, the national laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and they shall submit the regulations to the standing committees of the people’s congresses of the provinces or autonomous regions for approval before implementation.

The people’s governments of the provinces, autonomous regions, municipalities directly under the Central Government and certain large cities may, in accordance with the national laws and administrative regulations and the local regulations of their respective province, autonomous regions or municipalities, enact rules.

In relation to certain matters except the coercive measures and punishment in respect to crime and criminal penalty, deprivation of political rights and restriction of personal liberty, and to judicial system, the State Council can enact administrative regulations under the authorisation from the NPC and the Standing Committee of NPC. After such

administrative regulations have been tested in practice and when the conditions are mature for enacting a law on the aforementioned matters, the State Council shall propose to the NPC and the Standing Committee of NPC in a timely manner for enacting the law.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court has the power to give general interpretation on the application of laws in judicial proceedings, according to Resolution of the Standing Committee of the NPC providing an Improved Interpretation of the Law. (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》). The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

The PRC Judicial System

Under the PRC Constitution and the Law of Organisation of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts.

The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The judicial work of the courts at lower levels is subject to supervision by the courts at higher levels. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts. The courts employ a two-tier appellate system. A party may appeal against a judgement or order of a local court to the court at the next higher level. Second judgements or orders given at the next higher level and the first judgements or orders given by the Supreme People's Court are final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgement which has been given by any court at a lower level, or the president of a court finds an error in a judgement which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, secondly amended on 31 August 2012 and thirdly amended on 1 July 2017, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If the courts of a foreign country impose restrictions on the civil procedural rights of PRC citizens, legal persons and other organisations, the PRC courts shall apply the principle of reciprocity to the civil procedural rights of citizens, legal persons and organisations of such a foreign country. If any party to a civil action refuses to comply with a judgement or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgement, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, mandatorily enforce the judgment.

Where a party applies for enforcement of an effective judgment or ruling of a court, if the party against whom enforcement is sought or the property thereof is not within the territory of the PRC, the applicant may apply directly to the foreign court having jurisdiction for recognition and enforcement, or apply to a PRC court for such court to request recognition and enforcement by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. Where a valid and effective judgment or ruling of a foreign court requires recognition and enforcement by a court of the PRC, a party may apply directly to the intermediate court of the PRC having jurisdiction for recognition and enforcement, or apply to the foreign court for the foreign court to request recognition and enforcement by the PRC court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. After examining an application or request for recognition and enforcement of a valid and effective judgment or ruling of a foreign court in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity, a PRC court shall issue a ruling to recognise the legal force of the judgment or ruling and issue an order for enforcement as needed to enforce the judgment or ruling according to the relevant provisions of the Civil Procedure Law of the PRC if the PRC court deems that the judgment or ruling does not violate the basic principles of the laws of the PRC and the sovereignty, security and public interest of the PRC. If the judgment or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the PRC court shall not grant recognition and enforcement.

EIT Law

According to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”) and the Implementation Regulations for the EIT Law of the PRC that both took effect on 1 January 2008, a company which is identified as a resident enterprise by relevant PRC tax authorities, the dividends (not including investment income from stocks issued publicly by other PRC resident enterprises and traded on PRC stock exchanges where the holding period is less than 12 months consecutively) received by the company from its direct equity investment in other PRC resident enterprises shall be exempt from enterprise income tax, and furthermore, the company would be obligated to withhold PRC income tax of up to 10%, or a lower rate if tax treaty benefits are available, on the payments of interest and certain other amounts to the creditors that are non-resident enterprises, because the interest and other amounts would be regarded as being derived from sources within the PRC.

Value-added Tax

The Ministry of Finance and the State Administration of Taxation of PRC has implemented the pilot program of replacing business tax with value-added tax since 2016. According to Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (Caishui No. [2016] 36), which is promulgated in March 2016 and became effective in May 2016, (i) entities and individuals engaging in the sale of services, intangible assets or real property within the territory of the People’s Republic of China shall be the taxpayers of value-added tax (“**VAT**”) and shall, instead of business tax, pay VAT in accordance with these Measures; (ii) sale of services refers to the provisions of transportation services, postal services, telecommunication services, construction services, financial services, modern services and consumer services; and (iii) financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments.

Intellectual Property Laws and Regulations

China has adopted legislation related to intellectual property rights, including trademarks, patents and copyrights. China is a signatory to all major intellectual property conventions, including the Paris Convention for the Protection of Industrial Property, Madrid Agreement on the International Registration of Marks and Madrid Protocol, Patent Cooperation Treaty, Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the

Purposes of Patent Procedure and the Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPs”).

Regulations on Patents

Under the revised Patent Law of the PRC promulgated on 17 October 2020 and effective on 1 June 2021, there are three types of patents, including invention patents, design patents and utility model patents. Invention patents are valid for twenty years, while design patents and utility model patents are valid for ten years, in each case commencing on their respective application dates. Persons or entities who use patents without the consent of the patent owners, make counterfeits of patented products, or engage in activities that infringe upon patent rights are held liable to the patent owner for compensation and may be subject to fines and even criminal punishment.

According to the Patent Law of the PRC, the “first to file” principle is adopted for the patent application, which means when more than one person files a patent application for the same invention, the patent will be granted to the person who files the application first. In addition, China requires absolute novelty for the sake of an invention to be patentable. Therefore, in general, a patent will be denied if it is publicly known in or outside of China. Furthermore, patents issued in China are not enforceable in Hong Kong, Taiwan or Macau, each of which has an independent patent system.

According to the Patent Cooperation Treaty (the “PCT”) to which China is a signatory, applications for the protection of inventions in any of the contracting states of the PCT may be filed as international applications.

Regulations on Trademarks

Both Trademark Law of the PRC promulgated by the National People’s Congress Standing Committee in 1982 and amended in 2001, 2013 and 2019, and the Regulation on Implementation of Trademark Law of the PRC promulgated by the State Council in 2002 and amended in 2014 provide protection to the holders of registered trademarks. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks.

The Trademark Office under the State Administration for Industry and Commerce handles trademark registrations and grants a term of ten years to registered trademarks, renewable every ten years where a registered trademark needs to be used after the expiration of its validity term, a registration renewal application shall be filed within six months prior to the expiration of the term.

Under the Trademark Law of the PRC, any of the following acts may be regarded as an infringement upon the right to exclusive use of a registered trademark, including (i) using a trademark which is identical with or similar to the registered trademark on the same or similar commodities without authorisation; (ii) selling the commodities that infringe upon the right to exclusive use of a registered trademark; (iii) forging, manufacturing the marks of a registered trademark of others without authorisation, or selling the marks of a registered trademark forged or manufactured without authorisation; and (iv) causing other damage to the right to exclusive use of a registered trademark of another person. Violation of the Trademark Law of the PRC may result in the imposition of fines, confiscation and destruction of the infringing commodities.

Trademark license agreements must be filed with the Trademark Office under the State Administration for Industry and Commerce or its regional counterparts. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

Regulations on Domain Names

The Measures for the Administration of Domain Names for the Chinese Internet, which were promulgated by the Ministry of Industry and Information on 24 August 2017 and effective on 1 November 2017, regulate registrations of domain names with the Internet country code “.cn” and domain names in Chinese.

The Measures on Domain Name Dispute Resolution (2012 Edition), which were promulgated by the Chinese Internet Network Information Centre on 28 May 2012 and became effective on 28 June 2012, require domain name disputes to be submitted to institutions authorised by the Chinese Internet Network Information Centre for resolution.

Regulations on Labour Protection

Enterprises in China are mainly subject to the following PRC labour laws and regulations: Labour Law of the PRC, PRC Employment Contracts Law (the “**Employment Contracts Law**”), the Regulation of Insurance for Work-Related Injury, the Regulations on Unemployment Insurance, the Provisional Measures on Insurance for Maternity of Employees, the Interim Provisions on Registration of Social Insurance, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, the Administrative Regulation on Housing Fund and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

Pursuant to Labour Law of the PRC companies must enter into employment contracts with their employees, based on the principles of equality, consent and agreement through consultation. Companies must establish and effectively implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, preventing work-related accidents and reducing occupational hazards. Companies must also pay for their employees’ social insurance premium.

The principal regulations governing the employment contract is the PRC Employment Contracts Law, which was promulgated by the Standing Committee of the NPC on 29 June 2007 and came into effect on 1 January 2008, and was amended on 28 December 2012. Pursuant to the Employment Contracts Law, employers shall establish employment relationship with employees on the date that they start employing the employees. To establish employment, a written employment contract shall be concluded, or employers will be liable for the illegal actions. Furthermore, the probation period and liquidated damages shall be restricted by the law to safeguard employees’ rights and interests.

As required under the Regulation of Insurance for Work-Related Injury, the Provisional Measures on Insurance for Maternity of Employees, the Interim Provisions on Registration of Social Insurance and the Administrative Regulation on Housing Fund, enterprises in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance, medical insurance and housing accumulation fund.

Dividend Distributions

Under the Company Law, before dividends can be paid, a company shall set aside a minimum of 10% of its after-tax profit as a statutory surplus reserve fund. A company is not required to do so if the reserve balance reaches 50% of its registered capital. If a company’s statutory reserve fund is not sufficient to cover its losses in previous years, a company shall use its profit of the current year to cover losses before retaining the statutory reserve fund. After a company has retained the statutory reserve fund as required, it may retain discretionary reserve fund from the after-tax profit (as approved by shareholders’ meeting). After losses are covered and the reserve fund is retained, a company may distribute dividends to its shareholders.

SUBSTANTIAL SHAREHOLDERS AND DIRECTORS' INTERESTS AND SHARE AWARDS

Save as disclosed in the two tables below, the Company is not aware of any person who had an interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as at 31 March 2025 which should be disclosed pursuant to Part XV of the SFO or the Listing Rules or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Directors' Interests in Securities

Long position in shares and underlying shares (the Company's register recorded pursuant to Section 352 of the SFO as at 31 March 2025)

Name of Director	Ordinary shares held			Underlying shares		% of issued share capital ⁽²⁾
	Personal interests	Spouse interests	Total	Unvested share awards/options ⁽¹⁾	Total	
The Company						
Dr. Cheng Kar-Shun, Henry	21,635,200	420,000	22,055,200	1,190,000	23,245,200	0.23%
Mr. Cheng Chi-Heng, Conroy	-	-	-	901,600	901,600	0.01%
Ms. Cheng Chi-Man, Sonia	-	-	-	865,200	865,200	0.01%
Mr. Wong Siu-Kee, Kent	12,000	-	12,000	1,374,000	1,386,000	0.01%
Mr. Cheng Kam-Biu, Wilson	-	-	-	337,600	337,600	0.00%
Mr. Cheng Ping-Hei, Hamilton	4,800	-	4,800	798,200	803,000	0.01%
Mr. Suen Chi-Keung, Peter	23,600	-	23,600	628,800	652,400	0.01%
Mr. Liu Chun-Wai, Bobby	-	12,000	12,000	587,600	599,600	0.01%
CTF Services Limited						
Dr. Cheng Kar-Shun, Henry	-	-	-	12,375,800	12,375,800	0.31%

Notes:

- (1) Underlying shares are (i) in relation to the Company, shares which may be issued or transferred to the directors of the Company upon vesting of the awards granted by the Company under its share award scheme; and (ii) in relation to CTF Services Limited (an associated corporation of the Company), shares which may be issued to the directors of CTF Services Limited upon vesting of the options granted by CTF Services Limited under its share option scheme.
- (2) As at 31 March 2025, the total number of issued shares (including treasury shares) of the Company was 9,987,736,800.

Substantial Shareholders' Interests in Securities

Long position in shares (the Company's register recorded pursuant to Section 336 of the SFO as at 31 March 2025)

Name of Shareholder	Number of ordinary shares held			% of issued share capital ⁽¹⁾
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited	-	7,239,320,185 ⁽²⁾	7,239,320,185	72.48%
Cheng Yu Tung Family (Holdings II) Limited	-	7,239,320,185 ⁽²⁾	7,239,320,185	72.48%
Chow Tai Fook Capital Limited	7,239,320,185	-	7,239,320,185	72.48%
Cheng Kam Chiu, Stewart	402,000	506,860,572 ⁽³⁾	507,262,572	5.08%
Cheng Yu Wai	506,541,354	-	506,541,354	5.07%
Yueford Corporation	506,541,354	-	506,541,354	5.07%

Notes:

- (1) As at 31 March 2025, the total number of issued shares (including treasury shares) of the Company was 9,987,736,800.
- (2) As at 31 March 2025, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 48.98% and 46.65% interest in Chow Tai Fook Capital Limited respectively and accordingly each of them is deemed to have an interest in 7,239,320,185 shares of the Company held by Chow Tai Fook Capital Limited.
- (3) As at 31 March 2025, Mr. Cheng Kam Chiu, Stewart held more than one-third of the total shares in each of Yueford Corporation and Manor Investment Holdings Ltd and accordingly he is deemed to have an interest in the 506,541,354 shares of the Company held by Yueford Corporation and the 319,218 shares of the Company held by Manor Investment Holdings Ltd.

Share Award Scheme

At the annual general meeting held on 7 July 2023, the Company's shareholders approved the adoption of a share award scheme ("Share Award Scheme") for a term of 10 years. The Share Award Scheme is designed to (i) recognise and reward the contributions of grantees to the growth and development of the Group and to incentivise and motivate them to further contribute to the Group's expansion; and (ii) attract suitable personnel for the Group's future development.

Eligible participants under the Share Award Scheme include (i) directors and employees of the Group; and (ii) any other person who is granted share awards as an inducement to enter into an employment or engagement contract with the Group. The maximum number of ordinary shares that may be issued under the Share Award Scheme is 500,000,000. The maximum entitlement of any individual participant within any 12-month period is limited to 1.00% of the issued ordinary shares of the Company (excluding treasury shares, if any) as at the date of grant. The vesting period for share awards shall be a minimum of 12 months from the date of grant, except under prescribed circumstances. Grantees are not required to pay any grant or purchase price for accepting the share awards. Performance targets may be imposed and are determined with reference to financial and non-financial parameters of the Group and/or individual performance indicators, as specified in the notice of grant to each grantee. A clawback mechanism is in place and may be triggered in the event of any misconduct by the grantee or any material misstatement(s) in the consolidated financial statements of the Company. Details of the Share Award Scheme are set out in the Company's circular dated 15 June 2023.

Details of movements of the share awards granted pursuant to the Share Award Scheme during the financial year ended 31 March 2025 are set out below:

Name of grantees	Note	Number of share awards during the financial year ended 31 March 2025				Unvested at 31 March 2025
		Unvested at 1 April 2024	Granted	Vested	Lapsed/cancelled	
Directors						
Dr. Cheng Kar-Shun, Henry	(1)	335,600	—	—	—	335,600
	(2)	—	854,400	—	—	854,400
Mr. Cheng Chi-Heng, Conroy	(1)	244,800	—	—	—	244,800
	(2)	—	656,800	—	—	656,800
Ms. Cheng Chi-Man, Sonia	(1)	208,400	—	—	—	208,400
	(2)	—	656,800	—	—	656,800
Mr. Wong Siu-Kee, Kent	(1)	391,200	—	—	—	391,200
	(2)	—	982,800	—	—	982,800
Mr. Cheng Kam-Biu, Wilson	(1)	95,200	—	—	—	95,200
	(2)	—	242,400	—	—	242,400
Mr. Cheng Ping-Hei, Hamilton	(1)	227,200	—	—	—	227,200
	(2)	—	571,000	—	—	571,000
Mr. Suen Chi-Keung, Peter	(1)	173,600	—	—	—	173,600
	(2)	—	455,200	—	—	455,200
Mr. Liu Chun-Wai, Bobby	(1)	165,800	—	—	—	165,800
	(2)	—	421,800	—	—	421,800
Dr. Cheng Chi-Kong, Adrian	(1)(3)	109,800	—	—	(109,800)	—
		1,951,600	4,841,200	—	(109,800)	6,683,000
Employees						
Senior management members	(1)	166,600	—	—	—	166,600
	(2)	—	597,400	—	—	597,400
Total		2,118,200	5,438,600	—	(109,800)	7,447,000

Notes:

- (1) Date of grant: 10 August 2023, at nil consideration
Date of vesting: 1 July 2026, subject to fulfilment of performance targets and other requirements
- (2) Date of grant: 7 October 2024, at nil consideration
Date of vesting: 1 July 2027, subject to fulfilment of performance targets and other requirements
Fair value of share awards as at the date of grant: HK\$8.590 each
Closing price immediately before the date of grant: HK\$8.290 per share

Fair value of share awards is determined based on the closing price of the shares of the Company on the date of grant without taking into consideration the vesting conditions of the share awards. The Group has adopted the accounting standard in accordance with IFRS 2 — Share-based Payment, details of which are set out in note 36 to the consolidated financial statements for the year ended 31 March 2025. Performance targets are related to financial, non-financial parameters of the Group and/ or individual performance indicators.

- (3) Dr. Cheng Chi-Kong, Adrian resigned as an executive director of the Company with effect from 26 September 2024 and these share awards lapsed on the same date accordingly.
- (4) The percentage of the number of shares that may be issued under the share awards granted during the reporting period, divided by the weighted average number of shares in issue (excluding treasury shares, if any) for this reporting period was 0.05%.
- (5) The number of options and awards available for grant under the scheme mandate was 497,881,800 as at 1 April 2024 and 492,553,000 as at 31 March 2025.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to completion and amendment and other than the words in italics, is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the HK\$8,800,000,000 aggregate principal amount of 0.375 per cent. convertible bonds due 2030 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 17 and consolidated and forming a single series therewith) of Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司 (the “**Issuer**”) and the right of conversion into Shares (as defined in Condition 6(A)(iv)) was authorised by the Board of Directors of the Issuer on 12 June 2025 and the strategic and transformation committee of the Issuer (as established by a resolution of the Board of Directors of the Issuer on 24 November 2022) on 16 June 2025. The Bonds are constituted by the trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 30 June 2025 (the “**Issue Date**”) between the Issuer and The Hongkong and Shanghai Banking Corporation Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the agency agreement dated 30 June 2025 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee, The Hongkong and Shanghai Banking Corporation Limited as principal paying agent and principal conversion agent (collectively in such capacities, the “**Principal Agent**”) and as transfer agent (the “**Transfer Agent**”), The Hongkong and Shanghai Banking Corporation Limited as registrar (the “**Registrar**”) and the other paying agents, conversion agents and transfer agents appointed under it (each a “**Paying Agent**”, a “**Conversion Agent**” or a “**Transfer Agent**”, as the case may be, and, together with the Registrar, the Transfer Agent and the Principal Agent, the “**Agents**”, which expressions shall include their successors and all persons for the time being Agents under the Agency Agreement) relating to the Bonds. References to “**Paying Agent**” and to “**Conversion Agent**” each include the Principal Agent. References to the “**Principal Agent**”, the “**Registrar**”, the “**Transfer Agent**” and “**Agents**” below are references to the principal agent, the registrar, the transfer agent and the agents for the time being for the Bonds.

Copies of the Trust Deed and of the Agency Agreement (i) are available for inspection by Bondholders at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) at the principal office for the time being of the Trustee (being on the Issue Date at Level 26, HSBC Main Building, 1 Queen’s Road Central, Hong Kong) following prior written request and proof of holding and identity to the satisfaction of the Trustee or (ii) may be provided by email to any Bondholder following written request and proof of holding and identity to the satisfaction of the Trustee.

Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed. In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” mean the person in whose name a Bond is registered.

1 Form, Denomination and Title

(A) Form and Denomination

The Bonds are in registered form in the denomination of HK\$2,000,000 and integral multiples thereof (an “**Authorised Denomination**”). A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). The Conditions are modified by certain provisions contained in the Global Certificate. See “Description of the Global Certificate”.

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(B) Title

Title to the Bonds will pass only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

2 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(A)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(A), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

3 Transfers of Bonds; Issue of Certificates

(A) Register

The Issuer will cause the Register to be kept at the specified office of the Registrar outside of Hong Kong and the United Kingdom in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(B) Transfer

Bonds may, subject to Conditions 3(E), 3(F) and the terms of the Agency Agreement, be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. In the case of a transfer of part only of a holding of Bonds (being that of one or more Bonds) represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(C) Delivery of New Certificates

Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer.

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates. See "Description of the Global Certificate".

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or, as the case may be, any other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3 and Condition 6, "**business day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the relevant Transfer Agent, with whom a Certificate is deposited in connection with a transfer or conversion, is located.

(D) Formalities Free of Charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, subject to (i) payment of any tax, duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require), (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the regulations concerning the transfers of Bonds as referred to in Condition 3(F) have been complied with.

(E) Restricted Transfer Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 6(B)(i)) has been delivered with respect to such Bond; (iii) after a Relevant Event Put Exercise Notice (as defined in Condition 8(D)) or an Optional Put Exercise Notice (as defined in Condition 8(E)) has been deposited in respect of such Bond pursuant to Condition 8(D) or, as the case may be, Condition 8(E); or (iv) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7(A)), each such period a "**Restricted Transfer Period**".

(F) Regulations

All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available by the

Registrar to any Bondholder following prior written request and proof of holding and identity to the satisfaction of the Registrar.

4 Covenants

(A) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Material Subsidiaries (other than the Listed Material Subsidiaries, if applicable) will, create or permit to subsist any Security Interest, other than Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution of the Bondholders.

In these Conditions:

“**Extraordinary Resolution**” has the meaning given in the Trust Deed;

“**Listed Material Subsidiary**” means any Material Subsidiary, the shares of which are at the relevant time listed on the HKSE or any other stock exchange;

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

- (i) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 10 per cent. of the consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Issuer, *provided that*:
 - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Issuer;
 - (B) if at any relevant time in relation to the Issuer or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
 - (C) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Issuer; or

- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, *provided that* on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above.

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

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

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

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

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

(B) CSRC Post-Issuance Filings

So long as any Bond remains outstanding, the Issuer undertakes to file or cause to be filed with the CSRC within the relevant prescribed timeframes after the Issue Date the requisite information and documents

in respect of the Bonds and comply with the continuing obligations in accordance with the CSRC Filing Rules and any implementation rules, reports, certificates, approvals or guidelines as issued by the CSRC from time to time, including but not limited to the Initial CSRC Post-Issuance Filing (as defined below).

(C) Notification of Submission of the Initial CSRC Post-Issuance Filing

The Issuer shall:

- (i) file or cause to be filed with the CSRC the CSRC Filing Report and other requisite information and documents within three PRC Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”); and
- (i) within 15 PRC Business Days after the submission of the Initial CSRC Post-Issuance Filing, provide the Trustee with a certificate in English signed by any authorised signatory of the Issuer substantially in the form scheduled to the Trust Deed, confirming the submission of Initial CSRC Post-Issuance Filing. In addition, the Issuer shall at the same time as certificate is delivered to the Trustee, give notice to the Bondholders in accordance with Condition 11 confirming the submission of the Initial CSRC Post-Issuance Filing.

The Trustee and the Agents may rely conclusively on the Registration Documents and shall have no obligation or duty to monitor, assist or ensure the completion of Initial CSRC Post-Issuance Filing within the timeframe referred to above or to verify the accuracy, validity and/or genuineness of any certificate, confirmation or other documents in relation to or in connection with the Initial CSRC Post-Issuance Filing or to translate or procure the translation into English of the documents in relation to or in connection with the Initial CSRC Post-Issuance Filing or to give notice to the Bondholders confirming the submission of the Initial CSRC Post-Issuance Filing, and shall not be liable to the Issuer, any Bondholder or any other person for not doing so.

In these Conditions:

“**CSRC**” means the China Securities Regulatory Commission of the PRC;

“**CSRC Filing Rules**” means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023 (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time;

“**CSRC Filing Report**” means the filing report of the Issuer in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules;

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

“**PRC**” means the People’s Republic of China, which, for the purposes of these Conditions, shall not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan; and

“**PRC Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Beijing.

5 Interest

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 0.375 per cent. per annum, payable semi-annually in arrear in equal instalments of HK\$3,750 per

Calculation Amount (as defined below) on 30 June and 30 December of each year (each an “**Interest Payment Date**”), beginning on 30 December 2025.

Each Bond will cease to bear interest (A) (subject to Condition 6(B)(iv)) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined in Condition 6(B)(i)), or if none, the Issue Date (subject in any case as provided in Condition 6(B)(iv)), or (B) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal or premium (if any) is improperly withheld or refused. In such event, it will continue to bear interest at 2.875 per cent. per annum (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (ii) the day falling seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest in respect of any Bond shall be calculated per HK\$2,000,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each such successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

6 Conversion

(A) Conversion Right

- (i) *Conversion Period:* Subject as provided in these Conditions, each Bond shall entitle the holder to convert such Bond into Shares (as defined in Condition 6(A)(iv)) credited as fully paid at any time during the Conversion Period referred to below (the “**Conversion Right**”).

Subject to and upon compliance with these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after 30 June 2028 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in Condition 6(A)(iii), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) or Condition 8(E), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice requiring redemption (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period (commencing on or before the final day of the Conversion Period) in which the register of shareholders of the Issuer is closed generally or for the purpose of establishing

entitlement to any distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(B)) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period, such Conversion Date shall be deemed to be the final day of such Conversion Period.

The price at which Shares will be issued upon the conversion of any Bond (the “**Conversion Price**”) will initially be HK\$17.32 per Share, but will be subject to adjustment in the manner described in Condition 6(C).

The number of Shares to be issued on the conversion of any Bond shall be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date (as defined in Condition 6(B)(i) below). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

- (ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 16 June 2025 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in Hong Kong dollars) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(A)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100. Any such sum shall be paid not later than seven Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date by a Hong Kong dollar denominated cheque or by transfer to a Hong Kong dollar account maintained by the payee in accordance with instructions given by the relevant Bondholder in the Conversion Notice.
- (iii) *Revival and/or survival after Default:* Notwithstanding the provisions of Condition 6(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof; (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10; or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(A), the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders in accordance with Condition 11 and notwithstanding the provisions of Condition 6(A)(i), any Bond in respect of which the Certificate and Conversion Notice (as defined in Condition 6(B)(i)) are deposited for conversion prior to such date shall be converted on the relevant

Conversion Date (as defined in Condition 6(B)(i)) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

- (iv) *Meaning of "Shares"*: As used in these Conditions, the expression "**Shares**" means ordinary shares of par value HK\$1.00 each of the Issuer (ISIN: KYG211461085) or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(B) Conversion Procedure

- (i) **Conversion Notice**: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during the Conversion Period at the specified office of any Conversion Agent during its usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any business day (being any day from Monday to Friday other than public holidays) a duly completed and signed notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the specified office of each Conversion Agent, together with the relevant Certificate in respect of such Bond and confirmation that any amounts required to be paid by the Bondholder under Condition 6(B)(ii) have been so paid. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such deposit is made after the end of usual business hours (being 3:00 p.m. in the place of specified office of the relevant Conversion Agent) or on a day which is not a business day in the place of the specified office of the relevant Conversion Agent, such deposit shall be deemed for all purposes of these Conditions to have been made on the next following business day. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the other Conversion Agents and the relevant Bondholder.

Conversion Rights may only be exercised in respect of an Authorised Denomination.

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when a Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(A)(iii)) and shall be deemed to be the Stock Exchange Business Day (as defined below) immediately following the later of the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice to the Conversion Agent and, if applicable, any payment to be made or indemnity and/or security and/or pre-funding given under these Conditions in connection with the exercise of such Conversion Right.

"**Stock Exchange Business Day**" means any day (other than a Saturday, Sunday or public holiday) on which the Relevant Stock Exchange (as defined in Condition 6(F) below), as the case may be, is open for the business of dealing in securities.

- (ii) **Stamp Duty etc.:** A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any and all taxes and/or capital, stamp, issue and registration and transfer taxes and duties (“**Duties**”) arising on such exercise (other than any Duties payable in the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange (as defined in Condition 6(F) below) by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Relevant Stock Exchange on conversion, being the “**Issuer Duties**”) (such Duties and such Issuer Duties are collectively referred to as the “**Taxes**”). The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities in settlement of Duties payable pursuant to this Condition 6(B)(ii) have been, or (where permitted by law) will be, paid.

If the Issuer shall fail to pay any amount payable for which it is responsible as provided above in this Condition 6(B)(ii), the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Conversion Rights by it.

Neither the Trustee nor any of the Agents shall be responsible to Bondholders, the Issuer or any other person for paying any Taxes or any expenses or other amounts referred to in this Condition 6(B)(ii) or for determining whether such Taxes, expenses or other amounts are payable or the amount thereof and none of them shall be responsible or liable for any failure by the Issuer or any Bondholder to pay such Taxes, expenses or other amounts.

- (iii) **Registration:** Upon exercise by a Bondholder of its Conversion Right and compliance with Conditions 6(B)(i) and 6(B)(ii), the Issuer will, as soon as practicable, and in any event not later than seven Stock Exchange Business Days after the Conversion Date, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer’s share register in Hong Kong and will, if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (“**CCASS**”) effective from time to time, take all necessary actions to procure that Shares are delivered through CCASS for so long as the Shares are listed on the HKSE (as defined in Condition 6(F) below); or will make such share certificate or certificates available for collection at the office of the Issuer’s share registrar in Hong Kong (currently Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) notified to Bondholders in accordance with Condition 11 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion of the Bonds and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

The delivery of the Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated above in this Condition 6(B)(iii)

will be deemed to satisfy the Issuer's obligation to pay the principal and premium (if any) and (unless otherwise specified in these Conditions) any other amount on such converted Bonds.

If (A) the Registration Date (as defined below) in relation to the conversion of any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(C), and (B) the Conversion Date in relation to such exercise shall be before the date on which such adjustment to the Conversion Price becomes effective under the relevant Condition (any such adjustment, a "**Retroactive Adjustment**"), upon the relevant adjustment to the Conversion Price becoming effective under the relevant Condition, the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares ("**Additional Shares**") as is, together with Shares to be issued on conversion of the Bond(s), equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately prior to the relevant Conversion Date and in such event and in respect of such Additional Shares references in this Condition 6(B)(iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**").

The Shares issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights, the record date for which precedes the relevant Registration Date.

- (iv) **Interest Accrual:** If any notice requiring the redemption of any Bonds is given pursuant to Conditions 8(B) or 8(C) on or after the 15th Hong Kong business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) in respect of any dividend or distribution payable in respect of the Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Conversion Date; provided that no such interest shall accrue on any Bond in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such dividend or distribution. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by transfer to a Hong Kong dollar account maintained by the payee in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

(C) Adjustments to Conversion Price

The Conversion Price will be subject to adjustment as follows:

(1) **Consolidation, Reclassification or Subdivision:**

Adjustment: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, reclassification or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share in issue immediately before such alteration.

Effective Date of Adjustment: Such adjustment shall become effective on the date the alteration takes effect.

(2) **Capitalisation of Profits or Reserves:**

- (i) *Adjustment:* If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves (including, Shares paid up out of distributable profits or reserves and/or share premium account) (except any Scrip Dividend) and which would not have constituted a Distribution (as defined in Condition 6(F)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares, or if a record date is fixed therefor, immediately after such record date.

- (ii) *Adjustment:* In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in Condition 6(F)) on the date of announcement of the terms of the issue of such Shares issued by way of Scrip Dividend multiplied by the number of such Shares issued exceeds the amount of the Relevant Cash Dividend (as defined in Condition 6(F)) or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such issue of Scrip Dividend;

B is the aggregate number of Shares which the Relevant Cash Dividend would purchase at such Current Market Price; and

C is the aggregate number of Shares issued pursuant to such Scrip Dividend.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(3) Distributions:

Adjustment: If and whenever the Issuer shall pay or make any Distribution to Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Distribution in Hong Kong dollars attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the date that such Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

(4) Rights Issues of Shares or Options over Shares:

Adjustment: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate consideration (if any) receivable for the Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

(5) Rights Issues of Other Securities:

Adjustment: If and whenever the Issuer shall issue securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares

or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of the securities, or issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Relevant Stock Exchange.

(6) Issues at Less than Current Market Price:

Adjustment: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(4)) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, or purchase of Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(4)) any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(7) Other Issues at Less than Current Market Price:

Adjustment: If and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with

the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any Securities (other than the Bonds, which term shall for this purpose exclude any further bonds issued pursuant to Condition 17) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue of such securities or, as the case may be, the grant of such rights.

(8) *Modification of Rights of Conversion etc.:*

Adjustment: If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities (other than the Bonds) as are mentioned in Condition 6(C)(7) (other than in accordance with the terms (including terms as to adjustment) applicable to such securities upon issue) so that following such modification the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

Effective Date of Adjustment: Such adjustment shall become effective on the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such securities.

(9) Other Offers to Shareholders:

Adjustment: If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall offer any securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6(C)(2), 6(C)(3), 6(C)(4), 6(C)(5), 6(C)(6) or 6(C)(7)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the date on which such issue is first publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Effective Date of Adjustment: Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

(10) Other Events:

Adjustment: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6(C) (even if the relevant circumstance is specifically excluded from the operation of Conditions 6(C)(1) to 6(C)(9) (both inclusive)), the Issuer shall, at its own expense, request an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment (if any) should take effect and upon such determination by the Independent Investment Bank, such adjustment (if any) shall be made and shall take effect in accordance with such determination, *provided that* where the circumstances giving rise to any adjustment pursuant to this Condition 6(C) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(C) as may be advised by the Independent Investment Bank to be in their opinion appropriate to give the intended result.

(D) Undertakings

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders:

- (i) it will use all its reasonable endeavours (a) to maintain a listing for all the issued Shares on the HKSE, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the HKSE, and (c) if the Issuer is unable to obtain or maintain such listing, to use all reasonable endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time determine (and notify in writing to the Trustee and the Principal Agent) and will forthwith give

notice to the Bondholders in accordance with Condition 11 of the listing or delisting of the Shares (as a class) by any of such stock exchange;

- (ii) it will use all its reasonable endeavours to maintain the listing of the Bonds on the HKSE and if the Issuer is unable to maintain such listing or such listing is unduly onerous, to use all reasonable endeavours to obtain and maintain a listing on another internationally recognised stock exchange as the Issuer may from time to time determine and it will forthwith give notice to the Bondholders in accordance with Condition 11 (which notice shall be copied to the Trustee) of the listing or de-listing of the Bonds by any such stock exchange;
- (iii) it will pay the expenses of the issue and delivery of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds (save for any Duties payable by the relevant Bondholder as specified in Condition 6(B)(ii)); and
- (iv) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the reduction is permitted by applicable law and all or any part of the corporate action(s) comprising the redemption or reduction results in (or would, but for the application of any provisos, carve-outs or conditions set forth or imposed in any of Condition 6, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made pursuant to Condition 6, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding:

- (a) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid; and
- (b) it will not make any offer, issue, grant or distribute or take any action the effect of which would be to reduce the Conversion Price below the nominal value of the Shares, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(E) Provisions Relating to Changes in Conversion Price

- (i) *Employee Share Scheme*: Notwithstanding any provision in Condition 6(C), when Shares or other securities (including rights or options) are issued, offered, allotted or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any share option, share award, restricted share or employee incentive scheme or plan which is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEx Listing Rules**”) or, if applicable, the listing rules of an Alternative Stock Exchange (“**Share Scheme/Options**”), no adjustment will be made to the Conversion Price, unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to 6(C) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period up to and including the date of such grant representing, in aggregate, over 2.0 per cent. of the average number of issued and outstanding Shares during such 12-month period, in which case

only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 2.0 per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining any adjustment of the Conversion Price pursuant to Condition 6(C).

- (ii) *Minor Adjustments*: On any adjustment, the resultant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount that has been rounded down in accordance with this Condition 6(F)(ii), shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to Bondholders in accordance with Condition 11 and to the Trustee and the Principal Agent in writing promptly after the determination thereof.
- (iii) *Decision of an Independent Investment Bank*: If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Investment Bank, a written opinion of such Independent Investment Bank in respect thereof shall be conclusive and binding on the Issuer, the Bondholders and the Trustee, save in the case of manifest error. Notwithstanding the foregoing, the per Share value of any such adjustment shall not exceed the per Share value of the dilution in a Shareholder's interest in the Issuer's equity caused by such events or circumstances.
- (iv) *Minimum Conversion Price*: Notwithstanding the provisions of this Condition 6, the Issuer undertakes that the Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws (including without limitation the HKEx Listing Rules) then in force in Hong Kong and the Cayman Islands..
- (v) *Multiple Events*: Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in its opinion appropriate in order to give such intended result.
- (vi) *Upward/downward Adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or re-classification of the Shares as referred to in Condition 6(C)(1) above. The Issuer may at any time and for a specified period of time only, following notice being given to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11, reduce the Conversion Price, subject to Condition 6(F)(iv).
- (vii) *Trustee and Agents Not Obligated to Monitor or Make Calculation*: Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation (or verification thereof) in connection with the Conversion Price and neither the Trustee nor any Agent will be responsible or liable to Bondholders or any other person for any

loss arising from any failure by it to do so or for any calculation or determination made by the Issuer or any Independent Investment Bank in connection with the Conversion Price or generally as contemplated in this Condition 6 or for any delay by the Issuer or any Independent Investment Bank in making a determination or any erroneous determination in connection with the Conversion Price.

- (viii) *Notice of Change in Conversion Price*: The Issuer shall give notice to the Bondholders in accordance with Condition 11 (with a copy to the Trustee and the Principal Agent) and, if and for so long as the Bonds are listed on the HKSE and the rules of the HKSE so require, the Issuer shall also give notice to the HKSE of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

(F) Definitions

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the HKSE, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;

“**Closing Price**” for the Shares for any Trading Day shall be the price published in the daily quotation sheet published by the HKSE or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;

“**Current Market Price**” means, in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; *provided that* if at any time during the said 20 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share.

and *provided further that* if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

- (x) if such Closing Prices are not available on each of the 20 Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and
- (y) if only one or no such Closing Price is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Investment Bank;

“Distribution” means (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(2)(i) and a Scrip Dividend adjusted for under Condition 6(C)(2)(ii)); and (ii) any cash dividend or distribution (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Issuer for any financial period (whenever paid and however described) translated into Hong Kong dollars at (A) the exchange rate between Renminbi and Hong Kong dollars expressed to be used in respect of such cash dividend or distribution (where applicable) or (B) in all other cases, the Prevailing Rate as at the date such distribution under (i) and/or (ii) of this definition is announced, *provided that* a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer) shall not constitute a Distribution unless the weighted average price or consideration per Share (before expenses) on any one day in respect of such purchases or redemptions exceeds the Closing Price of a Share by more than five per cent. either (a) on that date, or (b) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (a) or (b) of this proviso, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Distribution in an amount by which the aggregate consideration paid (before expenses) in respect of such Shares purchased or redeemed exceeds the product of (I) 105 per cent. of such Closing Price and (II) the number of Shares so purchased or redeemed;

“Fair Market Value” means, with respect to any Security on any date, the fair market value of that Security as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend (in which case no determination by an Independent Investment Bank would be required); (ii) the fair market value of any other cash amount shall be equal to such cash amount (in which case no determination by an Independent Investment Bank would be required); and (iii) where Securities are or will be publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such Securities shall equal the arithmetic mean of the daily closing prices of such Securities during the period of five Trading Days on the relevant market commencing on the first such Trading Day as such Securities are publicly traded;

“HKSE” means The Stock Exchange of Hong Kong Limited or any successor thereto;

“Independent Investment Bank” means an independent investment bank of international repute selected and appointed by the Issuer (at the cost of the Issuer), and notified in writing to the Trustee and the Principal Agent in writing. If the Issuer fails to select an Independent Investment Bank when required by these Conditions, the Trustee may in its absolute discretion (but shall not be obliged to) select the Independent Investment Bank, provided the Trustee shall have no liability to the Issuer, Bondholders or any other person in respect of such selection or non-selection;

“Prevailing Rate” means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined;

“Relevant Cash Dividend” means the aggregate cash dividend or distribution declared by the Issuer;

“**Relevant Page**” means the relevant Bloomberg BFIX page (or its successor page) or, if there is no such page, on the relevant Reuters page or such other information service provider that displays the relevant information;

“**Relevant Stock Exchange**” means at any time, in respect of the Shares, the HKSE or the Alternative Stock Exchange;

“**Scrip Dividend**” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received (and for the avoidance of doubt, no adjustment is to be made under Condition 6(C)(3) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 6(C)(2));

“**Securities**” or “**Security**” means any securities including, without limitation, shares, options, warrants or other rights to subscribe for or purchase or acquire securities; and

“**Trading Day**” means a day on which the Relevant Stock Exchange (or in respect of any other security, relevant securities market) is open for business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time) provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

References to any issue or offer or grant to Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

7 Payments

(A) Method of Payment

Payment of principal, premium (if any) and interest (if any), and any other amounts due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or, but only in the case of any amount payable by the Issuer pursuant to Condition 6, by Hong Kong dollar cheque mailed to the registered address of the Bondholder if it does not have a registered account. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th Business Day (as defined in Condition 7(F)) before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

*So long as the Global Certificate is held on behalf of Euroclear and/or Clearstream and/or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(B) Registered Accounts

For the purposes of this Condition 7, a Bondholder's "**registered account**" means the Hong Kong dollar account maintained by or on behalf of it, details of which appear on the Register at the close of business on the Interest Record Date, and a Bondholder's registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (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. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day (as defined below in Condition 7(F)), for value on the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

(E) Delay in Payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(F) Business Day

In this Condition 7, "**Business Day**" means a day other than a Saturday, Sunday or public holiday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

(G) Agents

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that it will maintain (i) a Principal Agent, (ii) a Transfer Agent, and (iii) a Registrar with a specified office outside the United Kingdom. Notice of any changes in any Agent or their specified offices will be given by the Issuer to the Bondholders in accordance with Condition 11.

8 Redemption, Purchase and Cancellation

(A) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 102.55 per cent. of its principal amount together with accrued and unpaid interest thereon

on 30 June 2030 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Conditions 8(B) or 8(C) (but without prejudice to Condition 10).

(B) Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days’ notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 11 (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to Condition 17) has already been converted, redeemed or purchased and cancelled.

For the purposes of these Conditions: the “**Early Redemption Amount**” of a Bond, for each HK\$2,000,000 principal amount of the Bonds, is the amount determined to represent for the Bondholder on the relevant date for determination of the Early Redemption Amount (the “**Determination Date**”) a gross yield of 0.875 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each HK\$2,000,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-annual Date (being each of the dates set out in the left hand column in the table below), such Early Redemption Amount shall be as set out in the right hand column in the table below in respect of such Semi-annual Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount} \times (1 + r/2)^{d/p} - AI$$

where

Previous Redemption Amount = the Early Redemption Amount for each HK\$2,000,000 principal amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to the first Semi-annual Date, HK\$2,000,000):

Semi-annual Date	Early Redemption Amount (HK\$)
30 December 2025	2,005,000.00
30 June 2026	2,010,021.88
30 December 2026	2,015,065.72
30 June 2027	2,020,131.63
30 December 2027	2,025,219.71
30 June 2028	2,030,330.05
30 December 2028	2,035,462.74
30 June 2029	2,040,617.89
30 December 2029	2,045,795.59

r = 0.875 per cent. expressed as a fraction;

d = number of days from and including the immediately preceding Semi-annual Date (or if the Bonds are to be redeemed on or before the first

Semi-annual Date, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed;

p = 180; and

AI = the accrued interest on the principal amount of HK\$2,000,000 of a Bond determined in accordance with and pursuant to Condition 5 from and including the immediately preceding Interest Payment Date (or if the Determination Date is before the first Interest Payment Date, from and including the Issue Date) to but excluding the Determination Date; and

(C) Redemption for Taxation Reasons

- (i) The Issuer may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (a) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 June 2025, and (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(C), the Issuer shall deliver to the Trustee (1) a certificate in English signed by an Authorised Signatory of the Issuer stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking reasonable measures available to it and (2) an opinion of independent legal or tax advisers of recognised standing issued to the effect that the Issuer has, or would become obligated to pay such Additional Tax Amounts as a result of such change or amendment referred to above in this Condition 8(C). The Trustee shall be entitled (without further investigation or query and without liability to Bondholders or any other person) to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (a) and (b) above of this Condition 8(C), in which event the same shall be conclusive and binding on the Bondholders.

On the Tax Redemption Date, the Issuer (subject to Condition 8(C)(i)) shall redeem the Bonds at the Early Redemption Amount together with interest accrued but unpaid up to but excluding the Tax Redemption Date (if any).

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(C)(i), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal, premium (if any) or interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 and payment of all amounts by the Issuer to such holder in respect of such Bond(s)

shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(C), the holder of the relevant Bond must complete, sign and deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the Certificate evidencing the relevant Bond(s) on or before the day falling 10 days prior to the Tax Redemption Date. Such notice of exercise from the Bondholder, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's written consent.

(D) Redemption for Delisting or Change of Control

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Put Date at the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such date (if any) (the "**Relevant Event Put Right**"). To exercise such right, the holder of the relevant Bond must deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Relevant Event Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 11. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. The Issuer shall redeem the Bonds the subject of the Relevant Event Put Exercise Notice (subject to delivery of the relevant Certificate as aforesaid) on the Relevant Event Put Date.

Within 14 days after it becomes aware of the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 11. Such notice regarding the Relevant Event shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to this Condition 8(D). Such notice shall also specify: (a) the date of such Relevant Event and, all information material to Bondholders concerning the Relevant Event; (b) the Relevant Event Put Date; (c) the last date by which a Relevant Event Put Exercise Notice must be given; (d) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and (e) the information required by Condition 8(H).

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur, and none of them shall be liable to the Bondholders or any other person for not doing so.

For the purposes of this Condition 8(D):

A "**Change of Control**" occurs when:

- (i) any Person or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;

- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (iii) one or more Persons acquires the beneficial ownership of all or substantially all of the Issuer's issued share capital;

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

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include members of the board of directors of the Issuer (or their respective heirs, executors or assigns) or any other governing board and does not include the wholly owned direct or indirect Subsidiaries of the Issuer; and

“**Relevant Event**” occurs (i) when the Shares cease to be listed or admitted to trading or are suspended on the Main Board of the HKSE for a period equal to or exceeding 30 consecutive Trading Days; or (ii) when there is a Change of Control.

(E) Redemption at the option of the Bondholders

On 30 June 2028 (the “**Optional Put Date**”), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Optional Put Date at 101.52 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding such Optional Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Optional Put Exercise Notice**”) together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Optional Put Date.

An Optional Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of Optional Put Exercise Notices delivered as aforesaid on the Optional Put Date.

(F) Purchase

The Issuer or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the holders of the Bonds and shall be deemed not to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 10, Condition 14(A) and Condition 15.

(G) Cancellation

All Bonds which are redeemed, converted or purchased by the Issuer or any of its Subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(H) Redemption Notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 will be irrevocable and will be given in accordance with Condition 11 specifying: (i) the Conversion Price as at the date of the relevant notice; (ii) the last day on which Conversion Rights may be exercised; (iii) the Closing Price of the Shares on the latest practicable date prior to the publication of the notice; (iv) the date for redemption; (v) the manner in which redemption will be effected; (vi) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice; (vii) the Early Redemption Amount, together with interest accrued but unpaid up to but excluding such redemption date; and (viii) such other information as the Trustee may require.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition 8), the first in time shall prevail.

Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions, and none of them shall be liable to the Bondholders or any other person for not doing so.

9 Taxation

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law. In that event the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bonds:

- (a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bonds by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bonds; or
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of:

- (i) the date on which the payment in question first becomes due; and
- (ii) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 9.

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

The Trustee and the Agents shall not be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Holder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or to any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

10 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in any such case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that the Bonds are, and they shall immediately become, due and repayable at the Early Redemption Amount, together with any accrued and unpaid interest (if any), to but excluding the date of payment (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if:

- (A) *Non-Payment*: the Issuer fails to pay any amount of principal in respect of the Bonds within seven (7) days after the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds within 14 days of the due date for payment thereof; or
- (B) *Breach of Other Obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by the Trustee, has been delivered to the Issuer; or
- (C) *Failure to deliver Shares*: any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following conversion of Bonds and such failure continues for a period of seven Stock Exchange Business Days; or
- (D) *Cross-Default*:
 - (i) any indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any indebtedness of the Issuer or any of its Material Subsidiaries becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or any person entitled to such indebtedness; or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any guarantee of any indebtedness;

provided that the amount of indebtedness referred to in sub paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any guarantee referred to in sub paragraph (iii) above, individually or in the aggregate, exceeds HK\$785,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the

Hong Kong dollar as quoted by any leading bank on the day on which a calculation is made under this Condition 10(D)); or

- (E) *Unsatisfied judgment*: exceeding HK\$785,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Hong Kong dollar as quoted by any leading bank on the day on which a calculation is made under this Condition 10(E)) is rendered against a material part of the property, assets or turnover of the Issuer, or any of its Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (F) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiary and such possession or appointment continues for a period of 30 days after the date thereof; or
- (G) *Insolvency etc*: (i) the Issuer or any of its Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the Issuer or any Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any Material Subsidiaries is appointed; or (iii) the Issuer or any Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its indebtedness or any guarantee of any indebtedness given by it; or
- (H) *Winding up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Material Subsidiary (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) or the Issuer or any of the Material Subsidiaries ceases to carry on all or the substantial part of its business (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or as a result of disposal on arm's length terms or as approved by an Extraordinary Resolution of the Bondholders); or
- (I) *Analogous event*: any event occurs which under the laws of the Cayman Islands or Hong Kong has an analogous effect to any of the events referred to in Conditions 10(E) to 10(H); or
- (J) *Failure to take action etc*: any action, condition or thing at any time required to be taken fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds and the Trust Deed; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of the Cayman Islands and Hong Kong is not taken, fulfilled or done; or
- (K) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed.

11 Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register or published in a leading newspaper having general circulation in Hong Kong or, if such publication is not practicable, in an English language newspaper having general circulation in Asia (which is expected to

be the *Asian Wall Street Journal* or the *South China Morning Post*). Any such notice shall be deemed to have been given on the later of the date of such publication (and if published more than once, on the first date on which publication is made) and the seventh day after being so mailed, as the case may be.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Bondholders shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to Euroclear or Clearstream or the Alternative Clearing System.

12 Prescription

Claims in respect of amounts due in respect of the Bonds shall be prescribed and become void unless made as required by Condition 7 within five years (in the case of interest) and 10 years (in the case of principal or other sums payable hereunder) from the appropriate Relevant Date.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity and/or security as the Issuer and the Registrar or such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Bondholders, Modification, Waiver and Substitution

(A) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests in relation to the Bonds, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the aggregate principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change any date fixed for payment of principal or interest in respect of the Bonds, (ii) to reduce the amount of principal, interest or any other amount payable on any date in respect of the Bonds, (iii) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to change the currency of payments under the Bonds, (iv) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”), in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on the Bondholders (whether or not they were present at the meeting at which such resolution was passed).

In addition, the Trust Deed provides that (a) a resolution in writing signed by or on behalf of Bondholders of not less than 90 per cent. of the aggregate principal amount of Bonds for the time being outstanding will take effect as if it were an Extraordinary Resolution, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders (a **“Written Resolution”**); and (b) a resolution passed by way of electronic consents through the clearing systems by or on behalf of Bondholders of not less than 90 per cent. in aggregate principal amount of Bonds for the time being outstanding (an **“Electronic Consent”**) will take effect as if it were an Extraordinary Resolution, in each case whether or not relating to a Reserved Matter. A Written Resolution and/or an Electronic Consent will be binding on all Holders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(B) *Modification and Waiver*

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement, the Bonds or these Conditions (together the **“Documentation”**) which in the Trustee’s opinion is of a formal, minor or technical nature, or is made to correct a manifest error, or to comply with mandatory provisions of law, and (ii) any other modification to the Documentation (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Documentation which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 11.

(C) *Entitlement of the Trustee*

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

15 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice to the Issuer, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it needs not take any such steps and/or actions and/or proceedings unless (A) it shall have been so directed by an Extraordinary Resolution or shall have been so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

16 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including from taking proceedings or other action unless indemnified and/or secured and/or pre-funded of its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

The Trustee may rely without liability to Bondholders, the Issuer or any other person on any report, confirmation, certificate from or any opinion or any advice of any accountants, lawyers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. Any such report, confirmation, certificate, opinion or advice, on which the Trustee relies shall be binding on the Issuer and the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on its part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or whether an Event of Default or a Potential Event of Default has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed or by way of written resolution or Electronic Consent.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions or clarification of any directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or clarification of any direction or in the event that no such directions are received.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

Notwithstanding the deposit of any Bond with any Agent, such Agent acts solely as the agent of the Issuer and/or the Trustee in accordance with the Agency Agreement and will not assume any obligation or responsibility towards, or relationship of agency or trust for or with, any of the owners or holders of the Bond or any other third party.

17 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them and the timing for the making of and complying with the requirements set out in these Conditions in relation to the Initial CSRC Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any such further bonds issued pursuant to this Condition 17 and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single

series with the Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 15.

19 Governing Law and Submission to Jurisdiction

(A) Governing Law

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(B) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. Pursuant to the Trust Deed, the Issuer (i) has irrevocably submitted to the jurisdiction of such courts for the benefit of the Trustee and the Bondholders; (ii) waived any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum; and (iii) has designated a company in England to accept service of any process on its behalf.

DESCRIPTION OF THE GLOBAL CERTIFICATE

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

Payment

The Issuer, for value received, promises to pay to the registered holder (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Bonds) on such date or dates as the same may become repayable in accordance with the Conditions, the amount payable upon redemption under the Conditions in respect of the Bonds represented by the Global Certificate and (unless the Bonds represented by the Global Certificate do not bear interest) to pay interest in respect of such Bonds in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions. Each payment will be made to, or to the order of, the person whose name is entered on the Register (as defined in the Conditions) at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the due date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Exchange of Bonds Represented by Global Certificate

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent (as defined in the Conditions) and the Registrar (an “**Alternative Clearing System**”) through which the Bonds are cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates, printed in accordance with any applicable legal and stock exchange requirements and in, or substantially in, the form set out in the Trust Deed, to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates. The Conditions are modified as follows in so far as they apply to the Bonds in respect of which the Global Certificate is issued.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each HK\$2,000,000 in principal amount of the Bonds.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System, notices to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds rather than by publication as required by the Conditions and shall be deemed to have been given on the date of delivery to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System.

Issuer's Redemption

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Bondholders and to Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Certificates drawn in the case of a partial exercise of an option and accordingly no drawing of Certificates shall be required. In the case of a partial exercise of an option, the rights of accountholders with a clearing system in respect of the Bonds will be governed by the standard procedures of Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System). Following the exercise of any such option, the Issuer shall procure that the principal amount of the Bonds recorded in the records of Euroclear or Clearstream (or, as the case may be, any Alternative Clearing System) and represented by the Global Certificate shall be reduced accordingly.

Bondholder's Redemption

The Bondholder's redemption options in Condition 8(D) and Condition 8(E), as the case may be, may be exercised by the holder of the Global Certificate giving notice to any Paying Agent (as defined in the Conditions) of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Conditions.

Notice of exercise received within the time limits specified in the Conditions by such Paying Agent from or on behalf of a holder of a book-entry interest in the relevant Bonds will be accepted by the Issuer as having been given by the holder as to the principal amount of Bonds in respect of which it is given (but without double counting), and whether or not the Global Certificate is presented for endorsement therewith.

Conversion

Subject to the requirements of Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System), the Conversion Rights attaching to the Bonds in respect of which the Global Certificate is issued may be exercised by the presentation thereof to or to the order of the Principal Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Agent together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

Transfers

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

Cancellation

On cancellation of any Bond represented by the Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption), the Issuer acknowledges that details of such cancellation shall be entered in the records of the relevant Clearing Systems in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System, as the case may be) and, upon any such entry being made, the principal amount of the Bonds recorded in the records of the relevant Clearing Systems and represented by the Global Certificate shall be reduced by the aggregate principal amount of the Bonds so cancelled.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system or clearing systems, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made

available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

TAXATION

The following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds.

Cayman Islands

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

No stamp duty is payable in respect of the issue of the Bonds, provided that they are issued, executed and remain outside the jurisdiction of the Cayman Islands. The holder of any Bonds (or a legal personal representative of such holder) whose Bonds are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Bonds. An instrument transferring title to a registered Bond, if brought to or executed in the Cayman Islands, would be subject to nominal Cayman Islands stamp duty. Stamp duty may be payable if any original documents are brought to or executed in the Cayman Islands.

Hong Kong

Withholding tax

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

Profits tax

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

Interest on the Bonds 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 Bonds 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 Bonds 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 Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “IRO”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

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

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

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

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

The PRC

Taxation on Interest and dividend

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions whose “de facto management bodies” are within the territory of the PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay enterprise income tax at the rate of 25% in respect of their income sourced from both within and outside China. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management bodies” of the Issuer are within the territory of the PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25% on its income from sources both within and outside PRC.

The EIT Law, its implementation regulations impose withholding tax at the rate of 10%, or a lower rate if tax treaty benefits are available, on PRC-source income paid to a “non-resident enterprise” that does not have an establishment or place of business in China or that has an establishment or place of business in China but the relevant income is not effectively connected therewith. Pursuant to these provisions of the EIT Law, in the event the Issuer is considered a PRC resident enterprise by the PRC tax authorities in the future, interest payable to non-resident enterprise holders of the Bonds and, in the event the Issuer is considered a PRC resident by the PRC tax authorities, dividends payable to non-resident enterprise holders of Shares may be treated as income derived from sources within China and be subject to such PRC withholding tax. Further, in accordance with the Individual Income Tax Law of the PRC which was amended on 31 August 2018 and its implementation regulations which was amended on 18 December 2018, if the Issuer is considered a PRC tax resident enterprise, interest payable to non-resident individual holders of the Bonds and dividends payable to non-resident individual holders of Shares may be treated as income derived from sources within China and be subject to a 20% individual income tax; accordingly, if the Issuer is treated as a PRC

tax resident enterprise, the Issuer would be obliged to withhold such individual income tax on payments of interests to non-resident individual holders of the Bonds and payment of dividends to non-resident individual holders of Shares. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified holders of the Bonds or Shares. It is also unclear whether non-resident holder would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that the Issuer is treated as a PRC resident enterprise.

As of the date of this Offering Circular, the Issuer has not been given notice or informed by the PRC tax authorities that they are considered as a PRC tax resident enterprise for the purpose of the EIT Law. On that basis, non-resident holders of the Bonds or Shares will not be subject to income tax imposed by any governmental authority in the PRC in respect of the holding of the Bonds or Shares or any repayment of principal and payment of interest or dividends made thereon. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

Taxation on Capital Gains

The EIT Law and its implementation regulations impose a tax at the rate of 10%, or a lower rate if tax treaty benefits are available, on income derived from sources within the PRC realised by a “non-resident enterprise” that does not have an establishment or place of business in China or that has an establishment or place of business in China but the relevant gain is not effectively connected therewith. The Individual Income Tax Law and its implementation regulations impose a tax at the rate of 20% on income derived from sources within the PRC realised by non-resident individuals. If the Issuer is considered a PRC resident enterprise by the PRC tax authorities in the future, and if the capital gains realised by holders of the Bonds or Shares are treated as income derived from sources within China, such gains will be subject to PRC tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified non-resident holders of the Bonds, if both the Issuer and the investors qualify for benefits under the applicable tax treaty.

VAT

On 23 March 2016, the MOF and the SAT issued the Notice on Adjustment of Transfer Business Tax to Appreciation Tax (關於全面推開營業稅改徵增值稅試點的通知) (the “**Circular 36**”) which stipulates that the business tax will be completely replaced with VAT from 1 May 2016 onwards. Therefore, income derived from the provision of financial services, which previously incurred business tax, will now be subject to VAT. According to Circular 36, entities and individuals providing services within the PRC are subject to VAT. The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services potentially subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds may be treated as the holders of the Bonds providing financial services in the form of loans to the Issuer for VAT purposes. In the event the Issuer is deemed to be a PRC resident enterprise by the PRC tax authorities, and the holders of the Bonds is regarded as providing financial services within the PRC, the amount of interest payable by the Issuer to any non-resident holders of the Bonds may subject to withholding VAT at the rate of 6% plus related surcharges.

Stamp Duty

No PRC stamp tax will be chargeable upon the issue or transfer of a Bond to the extent that the register of holders of the Bonds is maintained outside Mainland China. The Issuer intends to maintain the register of holders of the Bonds outside Mainland China.

DESCRIPTION OF THE SHARES

Set out below is certain information concerning the Shares and a summary of certain provisions of the Company's Second Amended and Restated Articles of Association (the "Articles") and certain other information concerning the Company. Such summary does not purport to be complete and is qualified in its entirety by reference to the full Articles.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 20 July 2011 under the Companies Act (as revised) of the Cayman Islands (the "**Cayman Companies Act**") and, therefore, operates subject to Cayman Islands law.

Alteration of Capital

The Company may by ordinary resolution of its shareholders (the "**Shareholders**", each a "**Shareholder**"):

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution, subject to any confirmation or consent required by the Cayman Companies Act.

Special Resolution – Majority Required

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such Shareholders as, being entitled so to do, vote in person or, in the case of such Shareholders being corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

In contrast, an ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, in the case of such Shareholders being corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Notices of Meetings

An annual general meeting must be called by notice of not less than twenty-one (21) clear days. All other general meetings including an extraordinary general meeting must be called by notice of not less than fourteen (14) clear days. Notwithstanding the foregoing, if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Cayman Companies Act, if it is so agreed: (a) in the case of a meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat; and (b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority

together representing not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to the Articles, the principal place of the meeting, (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting (which electronic facilities or electronic platform may vary from time to time and from meeting to meeting as the directors, in their absolute discretion, see fit) or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business.

Voting Rights (Generally, On a Poll and Right to Demand a Poll)

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. On a poll, a Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

In the case of joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

If a clearing house (or its nominee(s)), being a corporation, is a Shareholder, it may authorise such person or persons (being a natural person) as it thinks fit to act as its proxies or representatives at any meeting of the Company or at any meeting of any class of Shareholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such proxy or representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and must enjoy rights equivalent to the rights of other Shareholders, including the right to speak and vote, and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorization, including, the right to vote on a poll or, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

No Shareholder shall, unless the directors otherwise determine, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll, save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Shareholder present

in person or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

Annual General Meeting

The Company must hold an annual general meeting of the Company in each financial year and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any).

Transfer of Share

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in any other form (including but not limited to by way of electronic means) as the directors may approve and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution (including but not limited to by way of electronic means) as the directors may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the directors may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The directors may, so far as permitted by any applicable law, in its absolute discretion, at any time and from time to time transfer any share upon the principal register of members to any branch register of members or any share on any branch register of members to the principal register of members or any other branch register of members.

The directors may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Designated Stock Exchange (as defined in the Articles) may determine to be payable) determined by the directors is paid to the Company, the instrument of transfer is duly and properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles) to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the directors may determine. The period of thirty (30) days may be extended in respect of any year if approved by the Shareholders by ordinary resolution.

The register of members may be closed after giving notice in accordance with applicable law and the Listing Rules including, where applicable, by advertisement in an appointed newspaper or any other newspapers or by any electronic means in such manner as may be accepted by the Designated Stock Exchange (as defined in the Articles) to that effect, for periods not exceeding in the whole thirty (30) days in each year as the directors may determine and either generally or in respect of any class of shares and on such other terms equivalent to the relevant section of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

Power of the Company to Purchase Its Own Shares

The Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the directors may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Hong Kong Stock Exchange.

Power of Any Subsidiary of the Company to Own Shares

There are no provisions in the Articles relating to the ownership of Shares by a subsidiary.

Dividends and Other Methods of Distributions

The Company in general meeting may declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the directors.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The directors may deduct from any dividend or other monies payable to any Shareholder or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the directors or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the directors may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the directors may think fit.

The Company may also upon the recommendation of the directors by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of members of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the directors or the Company in general meeting has resolved that a dividend be paid or declared the directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the directors and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

Inspection of Register of Members

The register of members shall contain such particulars as required by Section 40 of the Cayman Companies Act. Pursuant to the Articles, the principal register and branch register of members shall be open to inspection for at least two (2) hours every business day by Shareholders without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the directors, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the directors, at the registration office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

Quorum for Meetings and Separate Class Meetings

No business shall be transacted at any general meeting unless a quorum is present at the commencement of the business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be (a) two Shareholders entitled to vote and present in person or by proxy; and (b) the Shareholders present in person or representing by proxy holding not less than one-third of the voting rights of the issued shares of that class.

A corporation being a Shareholder shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of Shareholders.

Procedure on Liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares: (a) if the Company is wound up and the assets available for distribution amongst the Shareholders shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such Shareholders in proportion to the amount paid up on the shares held by them respectively; and (b) if the Company is wound up and the assets available for distribution amongst the Shareholders as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property and may

determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

MARKET PRICE INFORMATION

The following table sets out the high, low and average closing prices and the average daily trading volume of the Shares for the periods indicated.

2022

First Quarter	14.35	10.87	12.71	7,277,270
Second Quarter	13.00	10.78	11.68	4,768,620
Third Quarter	14.63	12.83	13.66	5,228,235
Fourth Quarter	14.77	11.65	13.32	11,425,377

2023

First Quarter	15.70	12.24	14.13	8,660,734
Second Quarter	14.34	12.15	13.38	6,259,137
Third Quarter	12.76	10.00	11.23	5,697,083
Fourth Quarter	10.96	9.52	10.23	6,038,995

2024

First Quarter	11.94	9.67	10.71	5,696,440
Second Quarter	11.33	7.87	9.59	9,811,098
Third Quarter	8.51	5.70	6.75	9,897,550
Fourth Quarter	8.47	6.58	7.07	11,650,014

2025

First Quarter	9.74	6.51	7.80	13,413,987
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Source: Bloomberg

DIVIDENDS

The Board has absolute discretion as to whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare, subject to the Cayman Companies Act and its articles of association, including the approval of its shareholders. The amount of any dividends to be declared or paid in the future will depend on, among other things, the Group's results of operations, cash flows and financial condition, operating and capital requirements and other applicable laws and regulations and other relevant factors.

As the Company is a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from its subsidiaries. PRC laws require that dividends from the Company's PRC subsidiaries be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in certain aspects from the generally accepted accounting principles in other jurisdictions.

The Company has declared a final dividend of HK\$0.32 per share for the year ended 31 March 2025, amounting to approximately HK\$3,195.9 million. Together with the interim dividend of HK\$0.20 per share paid in December 2024, the total distribution of dividend by the Company for the year ended 31 March 2025 will be HK\$0.52 per share. Such payment of dividend will be subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on 23 July 2025 and is payable to shareholders whose names appear on the register of members of the Company at the close of business on 7 August 2025. The payment date of the final dividend is expected to be on or about 20 August 2025.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement dated 16 June 2025 (the “**Subscription Agreement**”) with the Manager, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and the Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below.

	Principal amount of the Bonds to be subscribed
	<hr/> <i>(HK\$)</i>
UBS AG Hong Kong Branch.....	8,800,000,000
Total	<hr/> 8,800,000,000 <hr/>

The Issuer has agreed in the Subscription Agreement that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the issuance of the Bonds and the New Shares issued on conversion of the Bonds; (ii) the entering into of any transaction, or the announcing or otherwise making public an intention to enter into a transaction, with respect to the issuance of any Shares as consideration for any acquisition in relation to the Group’s business *provided that* the issuance of any Shares pursuant to any such acquisition occurs after the date which is 90 days after the Closing Date; and (iii) the issuance of any Shares or rights or options to subscribe for or acquire Shares pursuant to the Share Scheme.

The Subscription Agreement provides that the Issuer will indemnify the Manager against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Manager are subject to certain conditions precedent and entitles the Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Issuer will pay the Manager’s customary commissions in connection with the offering and will reimburse the Manager for certain fees and expenses incurred in connection with the offering.

In connection with the proposed issue of the Bonds, the Borrower has entered into Stock Borrowing and Lending Agreement with the Lender dated 16 June 2025, pursuant to which the Lender will lend 320,000,000 Shares to the Borrower upon and subject to the terms and conditions stated in the Stock Borrowing and Lending Agreement.

Additionally, Chow Tai Fook Capital Limited undertakes that, for a period commencing from the date of the Lock-up Undertaking to 90 days after the Closing Date, without the prior written consent of the Manager,

except for (i) the 320,000,000 Lock-up Shares which are subject to the Stock Borrowing and Lending Agreement and (ii) any arrangements in relation to securities of Chow Tai Fook Capital Limited or the Issuer pursuant to any agreement entered into between the Manager (or its affiliates) and Chow Tai Fook Capital Limited prior to the date of the Lock-up Undertaking, it will not (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise, or (d) announce or otherwise make public an intention to do any of the foregoing.

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

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

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

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

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – 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 this offering and are subject to additional requirements under the SFC Code.

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

CMIs are informed that the marketing and investor targeting strategy for this 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 set out elsewhere in this Offering Circular.

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 Bonds (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. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

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, the Manager should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, 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.

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: ol-asia-syndicate-core@ubs.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it 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, 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 this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Manager 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 Manager with such evidence within the timeline requested.

SELLING RESTRICTIONS

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken in any jurisdiction by the Issuer or the Manager that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Manager, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Manager.

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

United States

The Bond and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds or Shares to be issued upon conversion of the Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Manager has represented and agreed that:

- (i) 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 Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

The Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bond which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

The Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (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 EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Cayman Islands

The Manager has represented and agreed that no invitation whether directly or indirectly has been or will be made to the public in the Cayman Islands to subscribe for any Bonds .

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, the Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

PRC

The Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including Hong Kong, Macau or Taiwan) or for the benefit of, legal or natural persons of the PRC (for such purposes, not including Hong Kong, Macau or Taiwan)), except as permitted by applicable laws of the People's Republic of China.

Hong Kong

The Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance) (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, 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 Bonds 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.

Singapore

The Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds 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 Bonds, 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 INFORMATION

Consents

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds. The entering into the Trust Deed governing the Bonds and the issue of the Bonds have been authorised by a resolution of the Issuer's board of directors passed on 12 June 2025 and a resolution of the strategy and transformation committee of the Issuer passed on 16 June 2025.

Litigation

There are no legal or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of its assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Bonds.

No material adverse change

Except as may be otherwise disclosed in this Offering Circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer's general affairs since 31 March 2025 that is material in the context of the issue of the Bonds.

Documents available

Copies of the latest annual reports and interim reports of the Group may be downloaded free of charge from the website of <http://www.hkexnews.hk>. Copies of the memorandum and articles of association of the Issuer, the Trust Deed and the Agency Agreement will be made available for inspection by the Bondholders at the Issuer's principal office in Hong Kong (being 38/F, New World Tower, 16-18 Queen's Road Central, Hong Kong) during normal business hours. Copies of the Trust Deed and the Agency Agreement (i) will be made available for inspection by the Bondholders at the principal place of business of the Trustee, being at the date of this Offering Circular at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong, at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays) or (ii) may be provided by email to any Bondholder, in each case, following prior written request and proof of identity and holding to the satisfaction of the Trustee, so long as any of the Bonds is outstanding.

Clearing system and settlement

The Bonds have been accepted for clearance through the facilities of Euroclear and Clearstream with the ISIN of XS3101384447 and Common Code of 310138444.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 254900VXRL7SRSF44G79.

Listing of the Bonds

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. It is expected that listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange will commence on 2 July 2025.

Listing of the Shares

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares arising on conversion of the Bonds. It is expected that dealing in, and listing of, such Shares on the Hong Kong Stock Exchange will commence when they are issued.

Consolidated Financial Statements

The Issuer's audited consolidated financial statements as at and for the years ended 31 March 2024 and 2025, which are incorporated by reference in this Offering Circular, have been audited by PricewaterhouseCoopers, the independent auditors of the Issuer.

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