

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before the Ex-Rights Date of Monday, 9th March 2015 (in respect of Ordinary Shares listed on the Singapore Exchange) or Tuesday, 17th March 2015 (in respect of Ordinary Shares listed on the London Stock Exchange and the Bermuda Stock Exchange), please forward this document and the accompanying documents as soon as possible to the purchaser or the transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the United States or the other Restricted Territories. If you have sold or otherwise transferred only part of your holding of Existing Ordinary Shares before the Ex-Rights Date, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



## **Mandarin Oriental International Limited**

*(Incorporated and registered in Bermuda under number EC12510)*

### **1 for 4 Rights Issue of up to 250,930,919 New Ordinary Shares at US\$1.26 per New Ordinary Share**

This document comprises a prospectus relating to a rights issue by Mandarin Oriental International Limited prepared in accordance with the Prospectus Rules of the FCA made under section 73A of the FSMA. A copy of this document has been filed with the Financial Conduct Authority and has been made available to the public in accordance with Rule 3.2.1 of the Prospectus Rules. The Existing Ordinary Shares are listed on the standard listing segment of the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, the Bermuda Stock Exchange and the Singapore Exchange, respectively.

Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to the standard listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. Application has also been made to list the New Ordinary Shares (fully paid) on the Bermuda Stock Exchange and will be made to list the New Ordinary Shares (fully paid) on the Singapore Exchange.

The Ordinary Shares were marked ex-rights on the Singapore Exchange on Monday, 9th March 2015 and will be marked ex-rights on the London Stock Exchange and the Bermuda Stock Exchange on Tuesday, 17th March 2015. It is expected that UK Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. (London time) on Tuesday, 17th March 2015, and that dealings in the New Ordinary Shares (fully paid) will commence at 8.00 a.m. (London time) on Wednesday, 8th April 2015. It is expected that dealings on the Singapore Exchange in the Nil Paid Rights Allocations will commence at 9.00 a.m. (Singapore time) on Tuesday, 17th March 2015, and that Singapore Admission and dealings in the New Ordinary Shares (fully paid) will commence at 9.00 a.m. (Singapore time) on Wednesday, 8th April 2015. It is expected that Bermuda Admission will become effective and that dealings on the Bermuda Stock Exchange in the New Ordinary Shares (fully paid) will commence at 8.00 a.m. (Bermuda time) on Wednesday, 8th April 2015.

The latest time for acceptance and payment in full for the New Ordinary Shares by holders of the Nil Paid Rights Allocations who are Entitled Depositors holding their Ordinary Shares through CDP is expected to be (i) 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made through CDP by way of US dollar cashier's order or demand draft drawn on a bank in Singapore, or (ii) 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made by way of Electronic Application through

an ATM of a Participating Bank. The latest time and date for acceptance and payment in full for the New Ordinary Shares by holders of the Nil Paid Rights who are not Depositors by banker's draft is expected to be 11.00 a.m. (Singapore or London time, as the case may be) on Tuesday, 7th April 2015. The procedures for delivery of the Nil Paid Rights and Nil Paid Rights Allocations, as well as acceptance and payment are set out in Part II (*Terms and Conditions of the Rights Issue*) of this document.

**Your attention is drawn to the letter from the Chairman which is set out in Part I (*Letter from the Chairman of Mandarin Oriental International Limited*) of this document. Your attention is also drawn to the section headed "Risk Factors" at the beginning of this document which sets out certain risks and other factors that should be considered by Qualifying Shareholders and Entitled Depositors when deciding on what action to take in relation to the Rights Issue, and by others when deciding whether or not to purchase Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares.**

J.P. Morgan Cazenove is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. J.P. Morgan Cazenove is acting as corporate broker for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

UBS is authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. UBS is acting as corporate broker for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

The Rights Issue is being underwritten by Jardine Strategic.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jardine Strategic, J.P. Morgan Cazenove and UBS by the FSMA or the regulatory regime established thereunder or any other applicable regulatory regime, neither Jardine Strategic, J.P. Morgan Cazenove nor UBS accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Nil Paid Rights Allocations, the New Ordinary Shares or the Rights Issue. Jardine Strategic, J.P. Morgan Cazenove and UBS accordingly disclaim, to the maximum extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this document or any such statement.

A copy of this document has been received or otherwise accepted by the Bermuda Stock Exchange, being an appointed stock exchange. Accordingly, a copy of this document has not been delivered to the Registrar of Companies in Bermuda for filing as such action is not necessary under the Bermuda Companies Act. The Registrar of Companies in Bermuda accepts no responsibility for the financial soundness of the Company or for the accuracy of the statements made or opinions expressed in this document.

The consent of the Bermuda Monetary Authority has been granted pursuant to the general permissions given under the Notice to the Public issued by the Bermuda Monetary Authority on 1st June 2005 for the issue and free transferability of the New Ordinary Shares provided that the shares remain listed on an appointed stock exchange, which includes the London Stock Exchange, the Singapore Exchange and the Bermuda Stock Exchange. In granting such consent or permission the Bermuda Monetary Authority accepts no responsibility for the contents of this document or any of the other documents involved. Certain issues and transfers of shares involving persons deemed resident in Bermuda for exchange control purposes may require the specific consent of the Bermuda Monetary Authority.

The Bermuda Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document. This document includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries

that to the best of their knowledge and belief there are no other facts the omission of which would make any statements therein misleading.

The Singapore Exchange assumes no responsibility for the accuracy of any statement made or opinions expressed herein. Admission to the Official List of the Singapore Exchange and the listing of, and quotation for, the New Ordinary Shares (fully paid) on the Singapore Exchange are in no way reflective of the merits of the Rights Issue, the New Ordinary Shares, the Company and/or its subsidiaries.

As the Ordinary Shares are primary listed on the London Stock Exchange, with secondary listings on the Singapore Exchange and the Bermuda Stock Exchange, the Company is required to comply with the listing rules of the London Stock Exchange. The Company is not required to comply with the continuing listing obligations of the Singapore Exchange as set out in the Listing Manual of the Singapore Exchange that would be otherwise applicable to a company with a primary listing on the Singapore Exchange (in accordance with Rule 217 of the Listing Manual of the Singapore Exchange), other than to provide the same disclosures as are made to the London Stock Exchange. As under the Bermuda Stock Exchange regulations the London Stock Exchange is elected as the Company's primary exchange, the Company, by complying with the London Stock Exchange's continuing obligations rules, will also meet the continuing obligations requirements of the Bermuda Stock Exchange, provided that all disclosures made to the London Stock Exchange are also made to the Bermuda Stock Exchange.

A copy of each of this document, the Provisional Allotment Letter and the RAF, having attached thereto the documents specified in paragraph 24.3 of Part VII (*Additional Information*) of this document, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

For Entitled Depositors, acceptances of the New Ordinary Shares may be made through CDP. In addition, acceptances of the New Ordinary Shares by Entitled Depositors in Singapore may be made by way of Electronic Application through an ATM of one of the Participating Banks.

## **NOTICE TO OVERSEAS SHAREHOLDERS**

The distribution of this document, the Provisional Allotment Letters and/or the RAFs and/or the issue or transfer of the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares into jurisdictions other than Australia, Bermuda, Hong Kong, Singapore and the UK may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain limited exceptions, such documents should not be distributed, forwarded to or transmitted in or into the United States or the other Restricted Territories. The Nil Paid Rights, the Nil Paid Rights Allocations, the New Ordinary Shares, the Provisional Allotment Letters and the RAFs are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 8 of Part II (*Terms and Conditions of the Rights Issue*) of this document. No action has been taken by the Company that would permit an offer of the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letters or the RAFs in any jurisdiction where action for that purpose is required, other than in Australia, Bermuda, Hong Kong, Singapore and the UK.

Subject to certain limited exceptions, this document does not constitute an offer of Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares in the United States or the other Restricted Territories or in any other jurisdiction in which such an offer or solicitation is unlawful. The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares have not been and will not be registered or qualified for distribution to the public under the Securities Act or under any securities laws of any State or other jurisdiction of the United States or under the relevant laws of any of the other Restricted Territories and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States or any other Restricted Territory except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any State or other jurisdiction of the United States or any relevant laws of any of the other Restricted Territories and with any specific procedures which are adopted by the Company with respect to a particular Restricted Territory. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of the Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares in the United States.

The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares are being offered outside the United States in reliance on Regulation S. Each purchaser of the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser is acquiring the Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares in offshore transactions meeting the requirements of Regulation S.

**The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

## **GENERAL NOTICE**

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares is prohibited. By accepting delivery of this document, each offeree of the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares agrees to the foregoing.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, Jardine Strategic, J.P. Morgan Cazenove or UBS. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as at any time subsequent to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Without limitation, the contents of the websites of the Group do not form part of this document.

Capitalised terms have the meanings ascribed to them in Part IX (*Definitions*) of this document.

The date of this document is 12th March 2015.

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## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

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### Section A – Introduction and warnings

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#### A.1 **Warning**

This summary should be read as an introduction to this document.

Any decision to invest in the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating this document before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.

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#### A.2 **Consent for Intermediaries**

Not applicable. No consent has been given by the Company or any person responsible for drawing up this document to use this document for subsequent sale or placement of securities by financial intermediaries.

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### Section B – Issuer

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#### B.1 **Legal and commercial name**

Mandarin Oriental International Limited

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#### B.2 **Domicile and legal form**

The Company is a company limited by shares incorporated in Bermuda, which operates under the Bermuda Companies Act. The Company is domiciled in Bermuda.

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#### B.3 **Current operations and principal activities**

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels, resorts and residences in Asia, Europe and the Americas. The Group operates, or has under development, 44 hotels representing almost 11,000 rooms in 24 countries, with 20 hotels in Asia (including three in Hong Kong which is an important contributor to the Group’s results), 10 in The Americas and 14 in Europe, Middle East and North Africa. In addition, the Group operates, or has under development, 15 *Residences at Mandarin Oriental* connected to its properties worldwide. The Group has equity interests in a number of its properties and net assets worth approximately US\$3.2 billion as at 31st December 2014. Capitalising on the strength of its brand, the Group also operates hotels on behalf of third party owners that require no equity investment by the Group.

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#### B.4a **Significant recent trends affecting the Company and the industry in which it operates**

Against the background of challenging conditions in some markets, the Group did well to achieve an improvement in underlying profit in 2014. The Group benefited from resilient demand from the leisure sector, the geographic diversification of its portfolio and the receipt of branding fees related to

its *Residences* projects. While trading conditions in a number of markets are expected to remain challenging, the Group is in a strong competitive position. Over the longer term, the Group expects to benefit from the strength of its brand, the increasing number of travellers from emerging markets, particularly mainland China, the limited new supply of luxury hotels in its key mature markets, and the phased opening of new hotels and *Residences* under development.

#### B.5 *Group structure*

The Company is the holding company of the Group comprised of the Company and its subsidiaries.

#### B.6 *Major shareholders*

As at 10th March 2015 (being the latest practicable date prior to the publication of this document), the Company had been notified of or was otherwise aware of the following Shareholders who were directly or indirectly interested in 5 per cent. or more of the Company's issued share capital:

Name	Shares	
	No.	%
Jardine Strategic Holdings Limited	737,275,281 <sup>(1)</sup>	73.45

**Note:**

(1) By virtue of its interest in Jardine Strategic, Jardine Matheson is deemed to be interested in the same number of Ordinary Shares.

As at 10th March 2015 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person, save for Jardine Strategic and, through Jardine Strategic, Jardine Matheson, who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company nor is it aware of any arrangements, save for the holding of shares by Jardine Strategic, the operation of which may, at a subsequent date, result in a change in control of the Company. Jardine Strategic does not have different voting rights from other Shareholders.

Following the Rights Issue, assuming no Share Options are exercised and no Share Awards become vested between 10th March 2015 (being the latest practicable date prior to the publication of this document) and completion of the Rights Issue:

- (i) to the extent all Qualifying Shareholders and Entitled Depositors take up their respective rights under the Rights Issue in full, the proportionate shareholdings in the Company's issued share capital will remain unchanged; and
- (ii) if no Qualifying Shareholder or Entitled Depositor (other than Jardine Strategic) takes up rights under the Rights Issue and if no places for the New Ordinary Shares which are not taken up are procured in accordance with the Placing Agreement, the proportionate shareholding of Jardine Strategic (and, through Jardine Strategic, Jardine Matheson) in the Company's issued share capital would increase from 73.45 per cent. to 78.76 per cent., and the proportionate shareholding of existing Shareholders would be diluted by 20.0 per cent., as a result of the underwriting by Jardine Strategic.

#### B.7 *Historical financial information of Mandarin Oriental*

The tables below set out the Group's summary financial information for the periods indicated reported in accordance with IFRS. The consolidated financial information for the Group for each of the four years ended 31st December 2014, 2013, 2012 and 2011 has been extracted without material adjustment from the 2014 Preliminary Results (in respect of the financial year ended 31st December 2014), the Annual Report and Accounts 2013 (in respect of the financial years ended 31st December 2013 and 31st December 2012) and the Annual Report and Accounts 2012 (in respect of the financial years ended 31st December 2012 and 31st December 2011):

##### **Group Summary Consolidated Income Statements for the financial years ended 31st December 2014, 2013, 2012 and 2011**

	2014	2013	2012	2011
	(unaudited)			
	US\$m	US\$m	US\$m (restated) <sup>(1)</sup>	US\$m
Revenue	679.9	668.6	648.3	614.2
Operating profit	120.8	111.8	83.9	89.1
Net financing charges	(17.3)	(15.8)	(11.1)	(12.0)
Share of results of associates	12.3	20.6	15.5	9.8
Profit before tax	115.8	116.6	88.3	86.9
Profit after tax	96.8	96.8	71.0	67.9

	<b>2014</b>	2013	2012	2011
	<b>US\$m</b>	US\$m	US\$m (restated) <sup>(1)</sup>	US\$m
Attributable to:				
Shareholders of the Company	97.0	96.3	70.7	67.5
Non-controlling Interests	<u>(0.2)</u>	<u>0.5</u>	<u>0.3</u>	<u>0.4</u>
	<u>96.8</u>	<u>96.8</u>	<u>71.0</u>	<u>67.9</u>
	<b>US¢</b>	US¢	US¢	US¢
Earnings per share				
– Basic	9.67	9.61	7.08	6.78
– Diluted	<u>9.63</u>	<u>9.59</u>	<u>7.06</u>	<u>6.73</u>

**Group Summary Consolidated Statements of Comprehensive Income for the financial years ended 31st December 2014, 2013, 2012 and 2011**

	<b>2014</b> <b>(unaudited)</b>	2013	2012	2011
	<b>US\$m</b>	US\$m	US\$m (restated) <sup>(1)</sup>	US\$m
<b>Profit for the year</b>	96.8	96.8	71.0	67.9
Other comprehensive income for the year, net of tax	(62.5)	11.4	19.3	(10.6)
<b>Total comprehensive income for the year</b>	34.3	108.2	90.3	57.3
Attributable to:				
Shareholders of the Company	35.0	107.8	89.9	57.0
Non-controlling Interests	<u>(0.7)</u>	<u>0.4</u>	<u>0.4</u>	<u>0.3</u>
	<u>34.3</u>	<u>108.2</u>	<u>90.3</u>	<u>57.3</u>

**Group Summary Consolidated Balance Sheets as at 31st December 2014, 2013, 2012 and 2011**

	<b>2014</b> <b>(unaudited)</b>	2013	2012	2011
	<b>US\$m</b>	US\$m	US\$m	US\$m
<b>Non-current assets</b>				
Tangible assets	1,315.1	1,440.5	1,055.5	1,038.0
Associates	101.6	110.8	108.6	78.4
Other non-current assets	<u>65.6</u>	<u>69.4</u>	<u>65.2</u>	<u>67.1</u>
	<u>1,482.3</u>	<u>1,620.7</u>	<u>1,229.3</u>	<u>1,183.5</u>
<b>Current assets</b>				
Cash at bank	324.6	316.4	453.7	470.1
Other current assets	<u>101.7</u>	<u>81.2</u>	<u>85.2</u>	<u>67.9</u>
	<u>426.3</u>	<u>397.6</u>	<u>538.9</u>	<u>538.0</u>
<b>Total assets</b>	<u>1,908.6</u>	<u>2,018.3</u>	<u>1,768.2</u>	<u>1,721.5</u>
<b>Current liabilities</b>				
Current borrowings	(217.0)	(556.2)	(9.7)	(4.0)
Other current liabilities	<u>(154.2)</u>	<u>(159.1)</u>	<u>(146.4)</u>	<u>(139.1)</u>
	<u>(371.2)</u>	<u>(715.3)</u>	<u>(156.1)</u>	<u>(143.1)</u>
<b>Non-current liabilities</b>				
Long-term borrowings	(510.7)	(238.7)	(580.5)	(578.5)
Other non-current liabilities	<u>(65.3)</u>	<u>(69.6)</u>	<u>(80.4)</u>	<u>(84.3)</u>
	<u>(576.0)</u>	<u>(308.3)</u>	<u>(660.9)</u>	<u>(662.8)</u>
<b>Total liabilities</b>	<u>(947.2)</u>	<u>(1,023.6)</u>	<u>(817.0)</u>	<u>(805.9)</u>
<b>Net assets</b>	<u>961.4</u>	<u>994.7</u>	<u>951.2</u>	<u>915.6</u>
<b>Total equity</b>				
Share capital	50.2	50.2	50.0	49.8
Share premium	188.2	186.6	182.1	179.7
Revenue and other reserves	<u>718.0</u>	<u>752.2</u>	<u>713.8</u>	<u>681.2</u>
Shareholders' funds	956.4	989.0	945.9	910.7
Non-controlling interests	<u>5.0</u>	<u>5.7</u>	<u>5.3</u>	<u>4.9</u>
	<u>961.4</u>	<u>994.7</u>	<u>951.2</u>	<u>915.6</u>

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**Group Summary Consolidated Cash Flow Statements for the financial years ended 31 December 2014, 2013, 2012 and 2011**

	<b>2014</b>	2013	2012	2011
	(unaudited)		US\$m	
	US\$m	US\$m	(restated) <sup>(1)</sup>	US\$m
<b>Cash flows from operating activities</b>	159.5	156.9	126.0	146.3
<b>Cash flows from investing activities</b>	(45.6)	(422.3)	(87.0)	(65.0)
<b>Cash flows from financing activities</b>	(98.5)	132.0	(54.4)	(45.4)
Net (decrease)/increase in cash and cash equivalents	15.4	(133.4)	(15.4)	35.9
Cash and cash equivalents at 1st January	315.7	453.4	469.1	433.1
Effect of exchange rate changes	(6.8)	(4.3)	(0.3)	0.1
Cash and cash equivalents at 31st December	<u>324.3</u>	<u>315.7</u>	<u>453.4</u>	<u>469.1</u>

**Note:**

(1) Amounts restated to reflect a change in accounting policy upon adoption of IAS19 (amended 2011) 'Employee Benefits'.

The Group's profit for the years ended 31st December 2014, 2013, 2012 and 2011 was US\$96.8 million, US\$96.8 million, US\$71.0 million and US\$67.9 million respectively. The Group's revenue and profit have steadily increased through this period with improved performance and expansion of the portfolio.

The Group's net assets for the years ended 31st December 2014, 2013, 2012 and 2011 were US\$961.4 million, US\$994.7 million, US\$951.2 million and US\$915.6 million respectively.

Cash and cash equivalents for the years ended 31st December 2014, 2013, 2012 and 2011 were US\$324.3 million, US\$315.7 million, US\$453.4 million and US\$469.1 million respectively. The decrease in cash in 2013 was driven by the acquisition of the freehold interest in the property housing Mandarin Oriental Paris and two retail units. Total consideration paid was US\$395 million dollars, with US\$382 million paid in 2013. The investment was funded by US\$201 million of new debt facilities, and US\$194 million from existing cash reserves.

The Group's cash flows from operations for the years ended 31st December 2014, 2013, 2012 and 2011 were a cash inflow of US\$159.5 million, US\$156.9 million, US\$126.0 million and US\$146.3 million respectively.

There has been no significant change in the financial condition or operating results of the Group since 31st December 2014, the date to which the 2014 Preliminary Results were prepared.

PricewaterhouseCoopers LLP, the auditors of the Company, issued unqualified audit opinions in respect of financial years ended 31st December 2013, 2012 and 2011.

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**B.8 *Pro forma financial information***

Not applicable. No pro forma financial information has been included in this document.

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**B.9 *Profit forecast***

There is no profit forecast included in this document. The 2014 Preliminary Results constitute a profit estimate. The Directors of the Company are responsible for the 2014 Preliminary Results. The Company's auditors PricewaterhouseCoopers LLP have agreed that such information is substantially consistent with the final figures to be published in the 2014 annual audited consolidated financial statements of the Company. As stated in Note 1 to the 2014 Preliminary Results, the financial information contained in the 2014 Preliminary Results has not been audited.

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**B.10 *Qualifications in the audit report on the historical financial information***

Not applicable. There are no qualifications in the audit reports on the consolidated financial statements of the Company for the financial years ended 31st December 2013, 2012 and 2011.

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**B.11 *Insufficient working capital***

Not applicable. The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the bank and other facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least 12 months from the date of publication of this document.

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## Section C – Securities

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### C.1 *Type and class of securities*

Ordinary Shares of US\$0.05 each in the capital of the Company to be issued in connection with the Rights Issue. The Ordinary Shares have, and the New Ordinary Shares will have, an ISIN of BMG578481068. The ISIN for the Nil Paid Rights is BMG578481555.

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### C.2 *Currency*

US dollars.

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### C.3 *Issued share capital*

On 10th March 2015 (being the latest practicable date prior to the publication of this document), the issued share capital of the Company was US\$50,186,183.85 divided into 1,003,723,677 Ordinary Shares with a par value of US\$0.05 each.

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### C.4 *Rights attaching to the Ordinary Shares*

Subject to any special rights or restrictions as to voting attached by or in accordance with the Bye-laws of the Company, on a show of hands every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy except in the case of a proxy who is a director or other officer of the Company or any of its subsidiaries (provided that no proxy may be required by a Shareholder to vote on a show of hands) shall have one vote and on a poll every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy or by attorney shall have one vote for every share of which he is the holder.

Subject to the Bermuda Companies Act and the Bye-laws, Shareholders are entitled to receive a dividend in proportion to the number of Ordinary Shares they hold and such dividend may be paid in cash or by distribution of specific assets.

Except as provided by the rights and restrictions attached to any class of shares, upon the winding up of the Company, the liquidator may, with the authority of a special resolution of the Shareholders, divide amongst the Shareholders *in specie* or in kind the whole or any part of the assets of the Company.

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### C.5 *Restrictions on transfer*

There are no restrictions on the free transferability of the Ordinary Shares. However, the making of the Rights Issue to persons located or resident in, or who are citizens of, or who have a registered address in, countries other than Australia, Bermuda, Hong Kong, Singapore and the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of the New Ordinary Shares.

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### C.6 *Admission*

Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to the standard listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. Application has also been made to list the New Ordinary Shares (fully paid) on the Bermuda Stock Exchange and will be made to list the New Ordinary Shares (fully paid) on the Singapore Exchange.

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### C.7 *Dividend policy*

Subject to the provisions of the Bye-laws and in accordance with the Bermuda Companies Act, the Board intends to continue with its current practice on dividends, taking into account the results of the Company's operations, financial condition, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. Although the New Ordinary Shares will not be entitled to the final dividend in respect of 2014, the Board considers that, had the share capital as enlarged as a result of the Rights Issue been in place during 2014, the Board would have recommended the same level of dividend per share.

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## Section D – Risks

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### D.1 *Key information on the key risks specific to the Group*

The Group is subject to business, financial and operating risks inherent in the hospitality industry, and macroeconomic and other factors beyond the Group's control such as general economic conditions, war, terrorism, political conditions, civil unrest, natural disasters, or pandemic. The Group's hotels and business operations are distributed in numerous countries around the world, but the adverse impact or business interruption in Hong Kong could be particularly material because a substantial portion of the Group's revenues are derived from Hong Kong, primarily due to its equity interests in two hotels. The Group is also exposed to risks inherent in its own real estate interests and property investments, as well as reliance on the financial condition and performance of third party owners, developers, partners and suppliers. Other significant factors are the reputation of the Group's brand in relation to industry competition, and the integrity and attraction of its sales and marketing and technology infrastructure.

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### D.3 *Key information on the key risks specific to the Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations*

The price of the Ordinary Shares, the Nil Paid Rights and the Nil Paid Rights Allocations are prone to market fluctuation, and the level of any future dividends depends on the level of available reserves and a range of other factors. It is possible that an active trading market in the Nil Paid Rights and the Nil Paid Rights Allocations may not develop. Shareholders who do not subscribe to the New Ordinary Shares will face dilution to their shareholdings, and some Shareholders may be excluded from subscription under the terms of the Rights Issue.

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## Section E – Offer

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### E.1 *Net proceeds and costs*

The net proceeds of the Rights Issue (assuming take-up in full of all New Ordinary Shares) are expected to be approximately US\$312.6 million (net of expenses). The total costs, charges and expenses payable by the Company in connection with the Rights Issue are estimated to be approximately US\$3.6 million (excluding VAT). No expenses will be charged by the Company to Qualifying Shareholders and Entitled Depositors who take up their rights in the Rights Issue.

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### E.2a *Reasons for the Rights Issue and use of proceeds*

The development strategy of Mandarin Oriental includes the holding of equity interests in selected landmark properties. The Group believes that a strong balance sheet is important for the execution of this strategy, enabling it to maintain the quality of its properties and take advantage of further investment opportunities.

The additional capital being raised through the Rights Issue will enable Mandarin Oriental to retire debt and reduce gearing towards the levels that prevailed before the acquisition of the freehold of the Paris hotel. Specifically, the funds will be used to fully repay the MOFINCO Facilities Agreements and part repay the MOHP Facilities Agreement, providing the Group with the capacity to finance the £85 million (US\$130 million) renovation of Mandarin Oriental Hyde Park, London. This major renovation, which is due to start in 2016, will significantly re-position this flagship property and enhance the Mandarin Oriental brand in a key market.

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### E.3 *Terms and conditions of the Rights Issue*

The Rights Issue will be made on the basis of:

**1 New Ordinary Share at US\$1.26 per New Ordinary Share for every 4 Existing Ordinary Shares**  
held by Qualifying Shareholders at the close of business on the Record Date.

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Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractional entitlements will be disregarded and will not be allotted to Qualifying Shareholders.

The Rights Issue is underwritten by Jardine Strategic pursuant to the Underwriting Agreement.

The Rights Issue will result in up to 250,930,919 New Ordinary Shares being issued (representing approximately 25.0 per cent. of the existing issued share capital and 20.0 per cent. of the Enlarged Share Capital).

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects save for the condition relating to UK Admission;
- (ii) UK Admission becoming effective by no later than Tuesday, 17th March 2015 (or such later date as Jardine Strategic and the Company may agree); and
- (iii) dealings in the Nil Paid Rights Allocations commencing on the Singapore Exchange no later than Tuesday, 17th March 2015 (or such later date as Jardine Strategic and the Company may agree).

The offer price of US\$1.26 per New Ordinary Share is payable in full on acceptance:

- by holders of the Nil Paid Rights Allocations who are Entitled Depositors holding their Ordinary Shares through CDP, by no later than (i) 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made through CDP by way of US dollar cashier's order or demand draft drawn on a bank in Singapore, or (ii) 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made by way of Electronic Application through an ATM of a Participating Bank; and
- by holders of the Nil Paid Rights who are not Depositors by banker's draft by no later than 11.00 a.m. (Singapore or London time, as the case may be) on Tuesday, 7th April 2015.

The Issue Price represents a 24.1 per cent. discount to the theoretical ex-rights price based on the closing price of US\$1.76 per Ordinary Share on Wednesday, 4th March 2015 (being the last business day before the announcement of the terms of the Rights Issue).

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares, except that they will not rank for the final dividend of US\$5.00 per Ordinary Share to be paid in respect of the year ended 31st December 2014 to Shareholders on the Register at the close of business on 20th March 2015.

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**E.4 *Material interests***

The Company considers that Jardine Strategic (and, through Jardine Strategic, Jardine Matheson) has interests that are material to the Rights Issue by virtue of the size of its existing shareholding in the Company and its role as the underwriter of the Rights Issue. The Company does not consider that this is a conflicting interest, or that there are other interests, including conflicting interests, that are material to the Rights Issue.

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**E.5 *Name of person offering securities/lock-up arrangements***

Not applicable. There are no Shareholders offering to sell their Ordinary Shares as part of the Rights Issue. There are no lock-up arrangements.

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**E.6 *Dilution***

Qualifying Shareholders and Entitled Depositors who do not take up their entitlements to New Ordinary Shares and Non-Entitled Depositors will have their proportionate shareholdings in the Company diluted by approximately 20.0 per cent. as a consequence of the Rights Issue.

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**E.7 *Expenses charged to the investor***

Shareholders will not be charged expenses by the Company in respect of the Rights Issue.

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## RISK FACTORS

*The Rights Issue and any investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares are subject to a number of risks. Accordingly, Shareholders and prospective investors should carefully consider the factors and risks associated with any investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this document and all of the information incorporated by reference into this document, including, in particular, the risk factors described below, and their personal circumstances prior to making any investment decision. Some of the following factors relate principally to the Group's businesses. Other factors relate principally to the Rights Issue and an investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares. The Group's businesses, operating results, financial condition and prospects could be materially and adversely affected by any of the risks described below. In such case, the market price of the Nil Paid Rights, the Nil Paid Rights Allocations and/or New Ordinary Shares may decline and investors may lose all or part of their investment.*

*Prospective investors should note that the risks relating to the Group, its industry, the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, operating results and financial position and, if any such risk should occur, the price of the Nil Paid Rights, the Nil Paid Rights Allocations and/or the New Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Nil Paid Rights, the Nil Paid Rights Allocations and/or New Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.*

### **A. RISKS RELATING TO THE BUSINESS AND INDUSTRY OF MANDARIN ORIENTAL AND THE GROUP**

#### **A.1 *The Group is subject to the business, financial and operating risks inherent to the hospitality industry, any of which could reduce the Group's revenues and profitability and limit opportunities for growth.***

The Group's business is subject to a number of business, financial and operating risks inherent to the hospitality industry, including:

- significant competition from multiple hospitality providers in all parts of the world in quality of product, levels of service and price, and the oversupply of hotel rooms or services in some markets;
- changes in operating costs, including energy, food, compensation, benefits and insurance;
- increases in costs due to inflation that may not be fully offset by price and fee increases in the Group's business;
- changes in tax and governmental regulations that influence or set wages, prices, interest rates or construction and maintenance procedures and costs;
- the costs and administrative burdens associated with complying with applicable laws and regulations;
- the costs or desirability of complying with local practices and customs;
- significant increases in cost for health care coverage for employees and potential government regulation with respect to health care coverage;
- shortages of labour or labour disruptions;
- the availability and cost of capital necessary for the Group and third-party hotel owners to fund investments, capital expenditures and service debt obligations;
- delays in or cancellations of planned or future development or refurbishment projects, which in the case of third-party owned hotels and residences are generally not within the Group's control;

- the financial condition of third-party property owners, developers and joint venture partners;
- agreements and relationships with third-party property owners, developers, joint venture partners, licensees, service providers or other key contract parties, including the risk of cancellation, expiry, termination, non-renewal, or the renegotiation of any of the Group's management, joint venture or other key agreements;
- changes in desirability of geographic regions of the hotels and residences in the Group's business, geographic concentration of the Group's operations and customers, and shortages of desirable locations for development;
- changes in the supply and demand for hotel services (including rooms, food and beverage, and other products and services), branded residences and other products;
- the ability of third-party internet and other travel intermediaries to attract and retain customers; and
- decreases that may result in the frequency of business travel as a result of alternatives to in person meetings, including virtual meetings hosted on-line or over private teleconferencing networks.

Any of these factors could increase the Group's costs or limit or reduce the prices the Group is able to charge for hospitality or branded residence services, or otherwise affect the Group's ability to maintain existing properties or develop new properties. As a result, any of these factors can reduce the Group's revenues and profitability and limit opportunities for growth.

#### ***A.2 Macroeconomic and other factors beyond the Group's control can adversely affect and reduce demand for the Group's products and services.***

Macroeconomic and other factors beyond the Group's control can reduce demand for hospitality products and services, including demand for rooms or services at properties that the Group manages, owns, leases or develops. These factors include:

- changes in general economic conditions, including low consumer confidence, unemployment levels, depressed real estate prices resulting from the severity and duration of any downturn in the global or regional economies;
- war, political conditions or civil unrest, terrorist activities or threats and heightened travel security measures instituted in response to these events;
- decreased corporate or government travel-related budgets and spending, as well as cancellations, deferrals or renegotiations of group business such as industry conventions;
- statements, actions, or interventions by governmental officials related to travel and corporate travel-related activities and the resulting negative public perception of such travel and activities;
- the financial and general business condition of the airline, automotive and other transportation-related industries and its impact on travel, including decreased airline capacity and routes;
- conditions which negatively shape public perception of travel, including travel-related accidents and outbreaks of pandemic or contagious diseases, such as ebola, avian flu, severe acute respiratory syndrome (SARS) and H1N1 (swine flu);
- natural or man-made disasters, such as earthquakes, tsunamis, tornadoes, hurricanes, typhoons, floods, volcanic eruptions, oil spills and nuclear incidents;
- changes in the desirability of particular locations or travel patterns of customers;
- cyclical over-building in the hotel and branded residence industries; and
- organised labour activities, which could cause a diversion of business from hotels involved in labour negotiations and loss of business for the Group's hotels generally as a result of certain labour tactics.

Any one or more of these factors could limit or reduce overall demand for the Group's products and services or could negatively impact the Group's revenue sources, which could adversely affect the Group's business, financial condition and results of operations.

***A.3 Because the Group derives a substantial portion of its revenues from operations in Hong Kong, the risks of any event which might have a material adverse impact upon or interruption to business in Hong Kong could lower the Group's revenues, increase the Group's costs, reduce the Group's profits or disrupt the Group's business.***

The Group currently manages three hotels in Hong Kong, including two owned under long-term leases expiring in 2842 and 2895, respectively, which together represented approximately 37 per cent. and 37 per cent. of its revenues for the years ended 31st December 2013 and 31st December 2014, respectively. The Group expects that revenues from its operations in Hong Kong will continue to account for a substantial portion of its total revenues.

As a result, in addition to the risks of doing business in any country or internationally, the Group is subject to larger exposure for any such risks or event which might have an adverse impact upon or interruption to business in Hong Kong specifically, including:

- changes to the content or application of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, and any changes to law, governance or commerce consequent upon expiry in 2047 of the obligation under Article 5 thereof to maintain the capitalist system and way of life currently operating in Hong Kong;
- changes in governmental, economic and political policy, political or civil unrest, acts of terrorism or the threat of international boycotts;
- changes to the fixed exchange rate peg between the Hong Kong Dollar and the United States Dollar; and
- the effect of disruptions caused by typhoons, tropical storms, severe weather, natural disasters, outbreak of disease or other events that make travel to Hong Kong less attractive or more difficult.

These factors may adversely affect the revenues from and the market value of the Group's properties located in Hong Kong. While these factors and the impact of these factors are difficult to predict, any one or more of them could lower the Group's revenues, increase the Group's costs, reduce the Group's profits or disrupt the Group's business operations.

***A.4 Contraction in the global economy or low levels of economic growth could adversely affect the Group's revenues and profitability as well as limit or slow the Group's future growth.***

Consumer demand for the Group's services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hospitality products and services can be especially pronounced during periods of economic contraction or low levels of economic growth, and the recovery period in the Group's industry may lag overall economic improvement. Declines in demand for the Group's products and services due to general economic conditions could negatively impact the Group's business by decreasing the revenues and profitability of the Group's owned properties and limiting the amount of fee revenues the Group is able to generate from its managed properties, and reducing overall demand for branded residences. In addition, many of the expenses associated with the Group's business, including personnel costs, interest, rent, property taxes, insurance and utilities, are relatively fixed. During a period of overall economic weakness, if the Group is unable to meaningfully decrease these costs as demand for the Group's hotels and branded residences decreases, the Group's business operations and financial performance may be adversely affected.

***A.5 Terrorist attacks and military conflicts may adversely affect the hospitality industry.***

The terrorist attacks on the Oberoi Trident and Taj Mahal Palace & Tower in Mumbai on 26th to 29th November 2008 illustrate the possibility that hotel properties that are well-known or are located in concentrated business sectors in major cities may be subject to the risk of terrorist attacks.

The occurrence or the possibility of terrorist attacks or military conflicts could:

- cause damage to one or more of the Group's properties that may not be fully covered by insurance to the value of the damages;
- cause all or portions of affected properties to be shut down for prolonged periods, resulting in a loss of income;
- generally reduce travel to affected areas for tourism and business or adversely affect the willingness of customers to stay in or avail themselves of the services of the affected properties;

- expose the Group to a risk of monetary claims arising out of death, injury or damage to property caused by any such attacks; and
- result in higher costs for security and insurance premiums or diminish the availability of insurance coverage for losses related to terrorist attacks, particularly for properties in target areas, all of which could adversely affect the Group's results.

Certain of the Group's buildings are also highly profitable properties to the Group's business. In addition to the impacts noted above, the occurrence of a terrorist attack with respect to one of these properties could directly and materially adversely affect the Group's results of operations. Furthermore, the loss of any of the Group's well-known buildings could indirectly impact the value of the Group's brand, which would in turn adversely impact the Group's business prospects.

***A.6 The Group is exposed to the risks resulting from significant investments in owned and leased real estate, which could increase the Group's costs, reduce the Group's profits and limit the Group's ability to respond to market conditions.***

The Group owns or leases a substantial amount of real property. Real estate ownership and leasing is subject to various risks which may or may not be applicable to managed properties, including:

- governmental regulations and case law relating to real estate ownership or operations, including tax, environmental, zoning, building density and eminent domain laws;
- changes in market conditions or the area in which real estate is located losing value;
- differences in potential civil liability between owners and operators for accidents or other occurrences on owned or leased properties;
- the ongoing need for owner-funded capital improvements and expenditure to maintain or upgrade properties;
- periodic total or partial closures due to renovations and facility improvements;
- risks associated with mortgage debt, including the possibility of default, fluctuating interest rate levels and uncertainties in the availability of replacement financing;
- fluctuations in real estate values or potential impairments in the value of the Group's assets; and
- the relative illiquidity of real estate compared to some other assets.

The negative impact on profitability and cash flow from declines in revenues is more pronounced in owned properties because the Group, as the owner, bears the risk of their high fixed-cost structure. Further, during times of economic distress, declining demand and declining earnings often result in declining asset values and the Group may not be able to sell properties on favourable terms or at all. Accordingly, the Group may not be able to adjust its owned property portfolio promptly in response to changes in economic or other conditions.

***A.7 The Group's efforts to develop, redevelop or renovate its owned and leased properties could be delayed or become more expensive, which could reduce revenues or impair the Group's ability to compete effectively.***

The condition of ageing properties could negatively impact the ability to attract guests or result in higher operating and capital costs, either of which could reduce revenues or profits from these properties. While the Group has budgeted for replacements and repairs to furniture, fixtures and hotel equipment at its properties there can be no assurance that these replacements and repairs will occur, or even if completed, will result in improved performance. In addition, these efforts are subject to a number of risks, including:

- construction delays or cost overruns (including labour and materials) that may increase project costs;
- obtaining zoning, occupancy, and other required permits or authorisations;
- changes in economic conditions that may result in weakened or lack of demand or negative project returns;
- governmental restrictions on the size or kind of development;
- volatility in the debt and capital markets that may limit the Group's ability to raise capital for projects or improvements;

- lack of availability of rooms or meeting spaces for revenue-generating activities during construction, modernisation or renovation projects;
- force majeure events, including earthquakes, tornadoes, hurricanes, floods or tsunamis;
- obtaining permission to rebuild certain of the Group's properties as they now exist, if they were to be destroyed by fire or other casualty, regardless of the availability of insurance proceeds; and
- design defects that could increase costs.

If the Group's properties are not updated to meet guest preferences, if properties under development or renovation are delayed in opening as scheduled, or if renovation investments adversely affect or fail to improve performance, the Group's operations and financial results could be negatively impacted.

***A.8 A number of the Group's subsidiary and associate hotels are subject to ground leases. If the Group is found to be in breach of a ground lease or is unable to renew a ground lease, the Group would be adversely affected.***

Eight of the Group's subsidiary and associate hotels are either completely or partially on land subject to ground leases. If the Group is found to be in breach of a ground lease or ground sublease, such ground lease or sublease could be terminated. Assuming that the Group exercises all available options to extend the terms of its ground leases and ground subleases, all of its ground leases and ground subleases will expire between 2023 and 2895. However, in certain cases, the Group's ability to exercise such options is subject to the condition that the Group is not in default under the terms of the ground lease or ground sublease, as applicable, at the time that it exercises such options and/or the time such extension occurs, and there can be no assurance that the Group will be able to exercise its options at such time. Furthermore, there can be no assurance that the Group will be able to renew its ground leases and ground subleases upon expiration. If a ground lease or ground sublease expires or is terminated, the Group would be unable to derive income from such hotel, which could adversely affect the Group.

***A.9 The Group's business is capital intensive and the Group's failure to make necessary investments could adversely affect the quality and reputation of the Group's brand.***

For the Group's owned hotels to remain attractive and competitive, the Group has to make periodic investments to keep the hotels well maintained, modernised and refurbished. This creates an ongoing need for capital. The Group may be unable to access capital or unwilling to spend available capital when necessary. To the extent that the Group cannot fund expenditure from cash generated by the operation of the hotels, funds must be borrowed or otherwise obtained, which may be difficult to obtain. Failure to make the investments necessary to maintain or improve hotels, act in accordance with applicable brand standards or project a consistent brand image could adversely affect the quality and reputation of the Group's brand.

***A.10 Any deterioration in the quality or reputation of the Group's brand could have an adverse impact on the Group's reputation, business, financial condition or results of operations.***

The Group's brand and reputation are among its most important assets. The Group's ability to attract and retain guests depends, in part, on the public recognition of the Group's brand and its associated reputation. In addition, the success of the Group's hotel owners' businesses and their ability to make payments to the Group may indirectly depend on the strength and reputation of the Group's brand. Such dependence makes the Group's business susceptible to risks regarding brand obsolescence and to reputational damage. If the Group's brand becomes obsolete or is viewed as unfashionable or lacking in consistency and quality, the Group may be unable to attract guests to its hotels, and further the Group may be unable to attract or retain its hotel owners.

In addition, there are many factors which can negatively affect the reputation of any individual brand, or the overall brand of the Group. Changes in ownership or management practices, the occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety, or similar events can have a substantial negative impact on the Group's reputation, create adverse publicity and cause a loss of consumer confidence in the Group's business. Any material act or omission by any person working for or representing the Group's operations which is contrary to its standards could impair the Group's reputation and the equity value of the brand, as could any negative publicity regarding the Group's product or services. Because of the global nature of the Group's brand and the broad expanse of the Group's business and hotel locations, events occurring in one location could have a resulting negative impact on the reputation and operations of otherwise successful individual locations. In addition, the considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents. The Group could also face legal claims related to these events, along with adverse publicity resulting from such litigation. If

the perceived quality of the Group's brand declines, or if the Group's reputation is damaged, the Group's business, financial condition or results of operations could be adversely affected.

***A.11 The Group shares control in joint venture projects, which limits the Group's ability to manage third-party risks associated with these projects.***

Joint venturers often have shared control over the operation of the Group's joint venture assets. Joint venture investments may involve risks such as the possibility that a co-venturer in an investment might become bankrupt, be unable to meet its capital contribution obligations, have economic or business interests or goals that are inconsistent with the Group's business interests or goals, or take actions that are contrary to the Group's instructions or to applicable laws and regulations. In addition, the Group may be unable to take action without the approval of its joint venture partners, or its joint venture partners could take actions binding on the joint venture without the Group's consent. Consequently, actions by a co-venturer or other third-party could expose the Group to claims for damages, financial penalties and reputational harm, any of which could have an adverse effect on the Group's business and operations. In addition, the Group may agree to guarantee indebtedness incurred by a joint venture or co-venturer or provide standard indemnifications to lenders for loss liability or damage occurring as a result of its actions or actions of the joint venture or other co-venturers. Such a guarantee or indemnity may be on a joint and several basis with a co-venturer, in which case the Group may be liable in the event such co-venturer defaults on its guarantee obligation. The non-performance of such obligations may cause losses to the Group in excess of the capital it initially may have invested or committed under such obligations.

Preparing the Group's financial statements requires the Group to have access to information regarding the results of operations, financial position and cash flows of its joint ventures. Any deficiencies in the Group's joint ventures' internal controls over financial reporting may affect the Group's ability to report its financial results accurately or prevent or detect fraud. Such deficiencies also could result in restatements of, or other adjustments to, the Group's previously reported or announced operating results, which could diminish investor confidence and reduce the market price for the Company's shares. Additionally, if the Group's joint ventures are unable to provide this information for any meaningful period or fail to meet expected deadlines, the Group may be unable to satisfy its financial reporting obligations.

Although the Group's joint ventures may generate positive cash flow, in some cases they may be unable to distribute that cash to the joint venture partners. Additionally, in some cases the Group's joint venture partners control distributions and may choose to leave capital in the joint venture rather than distribute it. Because the Group's ability to generate liquidity from its joint ventures depends in part on their ability to distribute capital to the Group, the Group's failure to receive distributions from its joint venture partners could reduce the Group's return on these investments.

***A.12 Competition for management agreements***

The Group competes to enter into hotel and residence management agreements. The Group's ability to compete effectively is based primarily on the value and quality of its management services, brand name recognition and reputation, its ability and willingness to invest capital, availability of suitable properties in certain geographic areas, and the overall economic terms of its agreements and the economic advantages to the property owner of retaining its management services and using its brand. If the properties that the Group manages perform less successfully than those of the Group's competitors, if the Group is unable to offer terms as favourable as those offered by the Group's competitors, or if the availability of suitable properties is limited, the Group's ability to compete effectively for new management agreements could be reduced.

***A.13 The Group earns revenues from marketing and management of branded residences projects, which present additional risks besides those of the hospitality industry.***

The Group enters into marketing and branding agreements with third-party developers for residential apartment units normally adjoining a Group hotel or resort, for which the Group receives marketing and branding fees upon sale or lease of the units to the public, in addition to ongoing management fees. If demand for branded condominiums or serviced apartments declines for any reason, existing residences projects may be subject to delay or even cancellation, and revenues from such agreements may be delayed, reduced or not materialise. Developers may become less willing to proceed with such projects, and the Group may find it harder to source such opportunities and related fee revenues. Developers may face financial difficulties or fail to complete a residences project for some reason, leading to the Group suffering losses or becoming involved in potentially costly litigation with affected parties, which may impact the Group's financial position. Dealing with multiple residences owners and their representative associations is inherently more complex and difficult than dealing

with a single third-party owner, so there is more potential for dispute, involving management time, cost and possible litigation. Residence owner associations may choose to terminate residences management agreements, a right provided by law in some jurisdictions, resulting in removal of the Group's branding and services and a reduction in the Group's management revenues. Residences owners may not use products or services of the adjoining Group hotel or resort in accordance with projected or previous volume, resulting in lower revenues to the Group.

***A.14 Some of the Group's existing development pipeline may not be developed into new hotels or residences, which could adversely affect the Group's growth prospects.***

As of 10th March 2015, the Group had a total of 17 hotels and 7 residences in its development pipeline, which it defines as hotels or residences under construction or approved for development. The commitments of owners and developers with whom the Group has agreements are subject to numerous conditions, and the eventual development and construction of the Group's pipeline not currently under construction is subject to numerous risks, including, in certain cases, obtaining governmental and regulatory approvals and adequate financing. As a result, there is no assurance that the Group's entire development pipeline will develop into new hotels or residences, which may impact on the Group's financial position.

***A.15 If an appropriate opportunity becomes available, the Group may seek to expand through acquisitions of and investments in other businesses and properties, or through alliances, and the Group may also seek to divest some of its properties and other assets. These acquisition and disposition activities may be unsuccessful or divert management's attention.***

The Group may consider strategic and complementary acquisitions of and investments in other hotel or hospitality brands, businesses, properties or other assets. Furthermore, the Group may pursue these opportunities in alliance with existing or prospective owners of managed properties. In many cases, the Group will be competing for these opportunities with third parties that may have substantially greater financial resources than it. Acquisitions or investments in brands, businesses, properties or assets as well as these alliances are subject to risks that could affect the Group's business, including risks related to:

- issuing shares that could dilute the interests of the Group's existing shareholders;
- spending cash and incurring debt;
- assuming contingent liabilities; or
- creating additional expenses.

There is no assurance that the Group will be able to identify opportunities or complete transactions on commercially reasonable terms or at all or that it will actually realise any anticipated benefits from such acquisitions, investments or alliances. Similarly, there is no assurance that the Group will be able to obtain financing for acquisitions or investments on attractive terms or at all or that the ability to obtain financing will not be restricted by the terms of the Group's indebtedness. In addition, the success of any acquisitions or investments also will depend, in part, on the Group's ability to integrate the acquisition or investment with its existing operations.

The Group may also divest certain properties or assets, and any such divestments may yield lower than expected returns. In some circumstances, sales of properties or other assets may result in losses. Upon a sale of properties or assets, the Group may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Finally, any acquisitions, investments or dispositions could demand significant attention from management that would otherwise be available for business operations, which could harm the Group's business.

***A.16 The Group's management business is subject to real estate investment risks for third-party owners which could adversely affect the Group's operational results and its prospects for growth.***

The ability to grow the Group's management business is subject to the range of risks associated with real estate investments. The Group's ability to sustain continued growth through management agreements for new hotels and residences, and the conversion of existing facilities to managed branded hotels and residences, is affected, and may potentially be limited, by a variety of factors influencing real estate development generally. These include site availability, the availability of financing, planning, construction, zoning and other local approvals. Other limitations that may be imposed by market factors include projected room occupancy, sale of residential units, changes in growth in demand compared to projected supply, geographic area restrictions in management

agreements, costs of construction and anticipated room rate structure. Any inability by the Group or its third-party owners to manage these factors effectively could lead to delays or even cancellation of hotel or residences projects, and adversely affect the Group's operational results and its prospects for growth.

***A.17 If the Group's third-party property owners are unable to repay or refinance loans secured by the mortgaged properties, or to obtain financing adequate to fund current operations or growth plans, the Group's revenues, profits and capital resources could be reduced and the Group's business could be harmed.***

Many of the properties owned by the Group's third-party property owners are pledged as collateral for mortgage loans entered into when such properties were purchased or refinanced by them. If the Group's third-party property owners are unable to repay or refinance maturing indebtedness on favourable terms or at all, their lenders could declare a default, accelerate the related debt and repossess the property. Any such repossessions could result in the termination of the Group's management agreements or eliminate revenues and cash flows from such property, which could negatively affect the Group's business and results of operations. In addition, the owners of managed hotels depend on financing to buy, develop and improve hotels and in some cases, fund operations during down cycles. The Group's hotel owners' inability to obtain adequate funding could materially adversely impact the maintenance and improvement plans with respect to existing hotels, as well as result in the delay or stoppage of the development of the Group's existing pipeline.

***A.18 If third-party property owners fail to make investments necessary to maintain or improve their properties, guest preference for the Group's brand and reputation and operational results could suffer.***

Substantially all of the Group's management agreements require third-party property owners to comply with standards that are essential to maintaining the quality and reputation of the Group's branded hotel properties. This includes requirements related to the physical condition, safety standards and appearance of the properties as well as the service levels provided by employees. These standards may evolve with customer preference, or the Group may introduce new requirements and colleagues over time. If the Group's property owners fail to make investments necessary to maintain or improve the properties in accordance with such standards, guest preference for the Group's brand could diminish, and this could result in an adverse impact on the Group's results of operations. In addition, if third-party property owners fail to observe standards and meet their contractual requirements, the Group may elect to exercise its termination rights, which would eliminate revenues from these properties and cause the Group to incur expenses related to terminating these relationships. The Group may be unable to find suitable or offsetting replacements for any terminated relationships.

***A.19 Contractual and other disagreements with third-party property owners could make the Group liable to them or result in litigation costs or other expenses.***

The Group's management agreements require it and its hotel owners to comply with operational and performance conditions that are subject to interpretation and could result in disagreements. At any given time, the Group may be in disputes with one or more of its hotel owners. Any such dispute could be expensive for the Group, even if the outcome is ultimately in the Group's favour. The Group cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against the Group or the amount of any settlement that the Group may enter into with any third party. An adverse result in any of these proceedings could materially adversely affect the Group's results of operations. Furthermore, specific to the Group's industry, some courts have applied principles of agency law and related fiduciary standards to managers of third-party hotel properties, which means that property owners may assert the right to terminate agreements even where the agreements do not expressly provide for termination. In the event of any such termination, the Group's fees from such properties would be eliminated, and accordingly may negatively impact the Group's results of operations.

***A.20 Failure to keep pace with developments in technology could adversely affect the Group's operations or competitive position.***

The hospitality industry demands the use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of the Group's customer loyalty programmes, distribution of hotel resources to current and future customers, and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by the Group. There is no assurance that as various systems and technologies become outdated or new technology is required, the Group will be able to replace or introduce them as quickly as needed or in a cost-effective and timely manner. There is also no assurance that the Group will achieve the benefits it may have been anticipating from any new technology or system.

***A.21 Failures in, material damage to, or interruptions in the Group's information technology systems, software or websites, including as a result of cyber-attacks, and difficulties in updating the Group's existing software or developing or implementing new software could have a material adverse effect on the Group's business or results of operations.***

The Group depends heavily upon its information technology systems in the conduct of its business. The Group owns and licenses or otherwise contracts for sophisticated technology and systems for property management, procurement, reservations and the operation of its customer loyalty programme. Such systems are subject to, among other things, damage or interruption from power outages, computer and telecommunications failures, computer viruses, and natural and man-made disasters. In particular, from time to time the Group and third parties who serve the Group may experience cyber-attacks, attempted breaches of the Group's or their information technology systems and networks or similar events, which could result in a loss of sensitive business or customer information, systems interruption or the disruption of the Group's operations.

Damage or interruption to the Group's information systems may require a significant investment to update, remediate or replace with alternate systems, and the Group may suffer interruptions in its operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of the Group's operations. Any material interruptions or failures in the Group's systems, including those that may result from the Group's failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect the Group's ability to conduct normal business operations and, as a result, have a material adverse effect on the Group's business operations and financial performance.

The Group is vulnerable to various risks and uncertainties associated with its websites and mobile applications, including changes in required technology interfaces, website and mobile application downtime and other technical failures, costs and issues as the Group upgrades its website software and mobile applications. Additional risks include computer viruses, changes in applicable laws and regulations, security breaches, legal claims related to the Group's website operations and e-commerce fulfilment and other consumer privacy concerns. The Group's failure to successfully respond to these risks and uncertainties could reduce website and mobile application sales and have a material adverse effect on the Group's business or results of operations.

***A.22 The Group may be exposed to risks and costs associated with protecting the integrity and security of the personal information of the Group's guests.***

The Group is subject to various risks associated with the collection, handling, storage and transmission of sensitive information, including risks related to compliance with data collection and privacy laws and other contractual obligations, as well as the risk that the Group's systems collecting such information could be compromised. In the course of doing business, the Group collects large volumes of internal and customer data, including credit card numbers and other personally identifiable information for various business purposes, including managing the Group's workforce, providing requested products and services, and maintaining guest preferences to enhance customer service and for marketing and promotion purposes. The Group's various information technology systems enter, process, summarise and report such data. If the Group fails to maintain compliance with the various data collection and privacy laws or with credit card industry standards or other applicable data security standards, the Group could be exposed to fines, penalties, restrictions, litigation or other expenses, and its business could be adversely impacted.

In addition, even if the Group is fully compliant with legal standards and contractual requirements, it still may not be able to prevent security breaches involving sensitive data. The sophistication of efforts by hackers to gain unauthorised access to information systems has increased in recent years. Any breach, theft, loss, or fraudulent use of customer, employee or company data could cause consumers to lose confidence in the security of the Group's websites, mobile applications and other information technology systems and choose not to purchase from the Group. Any such security breach could expose the Group to risks of data loss, business disruption, litigation and other liability, any of which could adversely affect the Group's business.

In addition, laws and regulations to protect consumers against identity theft have been enacted in a number of jurisdictions. These laws have increased the costs of doing business and, if the Group fails to implement appropriate safeguards or it fails to detect and provide prompt notice of unauthorised access as required by some of these laws, the Group could be subject to potential claims for damages and other remedies. If the Group were required to pay any significant amounts in satisfaction of claims under these laws, or if the Group were forced to cease its business operations for any length of time as a result of its inability to comply fully with any such law, the Group's business, operating results and financial condition could be adversely affected.

***A.23 Failure to comply with marketing and advertising laws, including with regard to direct marketing, could result in fines or place restrictions on the Group's business.***

The Group relies on a variety of direct marketing techniques, including online, email marketing and postal mailings, and the Group is subject to various laws and regulations internationally which govern data privacy, direct marketing and consumer advertising practices. Any further restrictions in laws that govern these activities could adversely affect current or planned marketing activities and cause the Group to change its direct-to-consumer marketing strategy. If this occurs, the Group may not be able to develop adequate alternative direct-to-consumer marketing strategies, which could impact its ability to maintain relationships with its customers and acquire new ones. The Group also obtains access to names of potential customers from travel and luxury retail partners as well as other companies, and markets to certain individuals in these databases either directly or through other partners' marketing materials. If access to or use of these databases was prohibited or otherwise restricted, the Group's ability to communicate with potential new customers and introduce them to products and services could be impaired.

***A.24 Failure of third party technology providers or vendors to provide services and technology in a satisfactory manner could adversely affect the Group's business.***

The Group relies on third parties for the performance of a significant portion of its information technology functions worldwide and the provision of information technology and business process services. The success of the Group's business depends in part on maintaining its relationships with these third parties and their continuing ability to perform these functions and services in a timely and satisfactory manner. If the Group experiences a loss or disruption in the provision of any of these functions or services, or they are not performed in a satisfactory manner, the Group may have difficulty in finding alternate providers on terms favourable to the Group, in a timely manner or at all, and the Group's business could be adversely affected.

The Group relies on certain software vendors to maintain and periodically upgrade many of these systems so that they can continue to support the Group's business. The software programmes supporting many of the Group's systems were licensed to the Group by independent software developers. The inability of these developers or the Group to continue to maintain and upgrade these information systems and software programmes would disrupt or reduce the efficiency of the Group's operations if the Group were unable to convert to alternate systems in an efficient and timely manner.

***A.25 The Group's reservation system is an important component of the Group's business operations and a disruption to its functioning could have an adverse effect on the Group's performance and results.***

The Group manages a global reservation system that communicates reservations to its owned and managed hotels when made by individuals directly, either online or by telephone to its call centres, or through intermediaries like travel agents, internet travel web sites and other distribution channels.

The cost, speed, efficacy and efficiency of the reservation system are important aspects of the Group's business and is an important consideration of hotel owners in choosing to affiliate with the Group's brand. Any failure to maintain or upgrade, and any other disruption to the Group's reservation system may adversely affect the Group's business.

***A.26 Failure to comply with laws and regulations applicable to the Group's international operations may increase costs, reduce profits, limit growth or subject the Group to broader liability.***

The Group's business operations are subject to a number of laws and regulations, including local anti-corruption and anti-competition laws in the countries in which the Group conducts operations.

If the Group fails to comply with these laws and regulations, it could be exposed to claims for damages, financial penalties, reputational harm, and incarceration of employees or restrictions on the Group's operation or ownership of hotels and other properties, including the termination of management and ownership rights. In addition, in certain circumstances, the actions of parties affiliated with the Group (including its owners, joint venture partners, colleagues and agents) may expose the Group to liability under such laws and regulations. These restrictions could increase costs of operations, reduce profits or cause the Group to forgo development opportunities that would otherwise support growth.

***A.27 Collective bargaining activity could disrupt the Group's operations, increase its labour costs or interfere with the ability of the Group's management to focus on executing its business strategies.***

A number of the Group's employees and employees of the Group's hotel owners (approximately 12 per cent.) are covered by collective bargaining agreements and similar agreements. If relationships with the Group's employees or employees of the Group's hotel owners or the unions that represent them become adverse, the properties the Group manages or owns could experience labour disruptions such as strikes, lockouts, boycotts and public demonstrations. Labour disputes, which may be more likely when collective bargaining agreements are being negotiated, could harm the Group's relationship with its employees or employees of its hotel owners, result in increased regulatory inquiries and enforcement by governmental authorities and deter guests. Further, adverse publicity related to a labour dispute could harm the Group's reputation and reduce customer demand for the Group's services. Labour regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs, and limitations on the Group's ability or the ability of the Group's third-party property owners to take cost saving measures during economic downturns. The Group does not have the ability to control the negotiations of collective bargaining agreements covering unionised labour employed by many third-party property owners. Increased unionisation of the Group's workforce, new labour legislation or changes in regulations could disrupt the Group's operations, reduce its profitability, or interfere with the ability of the Group's management to focus on executing the Group's business strategies.

***A.28 Labour shortages could restrict the Group's ability to operate its properties or grow its business or result in increased labour costs that could adversely affect the Group's results of operations.***

The Group's success depends in large part on its ability to attract, retain, train, manage, and engage employees. The Group's offices and managed, owned, leased and joint venture hotels are staffed by approximately 12,500 colleagues around the world. If the Group is unable to attract, retain, train, manage, and engage skilled employees, the Group's ability to manage and staff its offices and hotels could be impaired, which could reduce customer satisfaction. Staffing shortages in various parts of the world also could hinder the Group's ability to grow and expand its businesses. Because payroll costs are a major component of the operating expenses at the Group's offices and hotels, a shortage of skilled labour could also require higher wages that would increase labour costs, which could adversely affect the Group's results of operations.

***A.29 Any failure to protect the Group's trademarks and other intellectual property could reduce the value of the Mandarin Oriental brand and harm the Group's business.***

The recognition and reputation of the Group's brand are important to its success. The Group has over 1,500 trademark registrations in jurisdictions around the world for use in connection with its services. At any given time, the Group also has a number of pending applications to register trademarks and other intellectual property in different jurisdictions. However, there can be no assurance that those trademark or other intellectual property registrations will be granted or that the steps the Group takes to use, control or protect its trademarks or other intellectual property in different jurisdictions will always be adequate to prevent third parties from copying or using the trademarks or other intellectual property without authorisation. The Group may also fail to obtain and maintain trademark protection for its brand in all jurisdictions. For example, in certain jurisdictions, third parties have registered or otherwise have the right to use certain trademarks that are the same as or similar to the Group's trademarks, which could prevent the Group from registering trademarks and opening hotels under its brand in that jurisdiction. Third parties may also challenge the Group's rights to certain trademarks or oppose the Group's trademark applications. Defending any such proceedings may be costly, and if unsuccessful, could result in the loss of important intellectual property rights. Obtaining and maintaining trademark protection for multiple marks in multiple jurisdictions is also expensive, and the Group may therefore elect not to apply for or to maintain certain trademarks.

The Group's intellectual property is also vulnerable to unauthorised copying or use in some jurisdictions where local law, or lax enforcement of law, may not provide adequate protection. If the Group's trademarks or other intellectual property are improperly used, the value and reputation of the Mandarin Oriental brand could be harmed. There are times where the Group may need to resort to litigation to enforce its intellectual property rights. Litigation of this type could be costly, force the Group to divert its resources, lead to counterclaims or other claims against the Group or otherwise harm the Group's business or reputation. In addition, the Group licenses certain of its trademarks to third parties. If a licensee fails to maintain the quality of the goods and services used in connection with the licensed trademarks, the Group's rights to, and the value of, its trademarks could potentially be harmed. Failure to maintain, control and protect the Group's trademarks and other intellectual property could likely adversely affect the Group's ability to attract guests or third-party owners, and could adversely impact the Group's results.

In addition, the Group licenses the right to use certain intellectual property from unaffiliated third parties. If the Group is unable to use such intellectual property, its ability to generate revenue from such properties may be diminished.

***A.30 The hospitality industry is subject to seasonal and cyclical volatility, which may contribute to fluctuations in the Group's results of operations and financial condition.***

The hospitality industry is seasonal in nature. The periods during which the Group's properties experience higher revenues vary from property to property, depending principally upon location. The Group generally expects its revenues to be lower in the first quarter of each year than in each of the three subsequent quarters with the fourth quarter being the highest. The timing of holidays can also impact the Group's quarterly results. This seasonality can be expected to cause quarterly fluctuations in revenue, profit margin and net earnings. Additionally, the opening of newly constructed hotels and the timing of any hotel acquisitions or sales may cause a variation of revenue from quarter to quarter. In addition, the hospitality industry is cyclical and demand generally follows, on a lagged basis, the general economy. The seasonality and cyclicity of the Group's industry may contribute to fluctuations in the Group's results of operations and financial condition.

***A.31 Exchange rate fluctuations and foreign exchange hedging arrangements could result in significant foreign currency gains and losses and impact the Group's business results.***

Conducting business internationally subjects the Group to fluctuations in currency exchange rates that could have a negative impact on financial results. The Group earns revenues and incurs expenses in a variety of currencies as part of its operations. The Group has exposure to currency translation risk because, generally, the results of its business are reported in local currency and then translated to US dollars for inclusion in its consolidated financial statements. As a result, changes between the foreign exchange rates and the US dollar will affect the recorded amounts of the Group's foreign assets, liabilities, revenues and expenses and could have a negative impact on financial results.

To attempt to mitigate foreign currency exposure, the Group may enter into foreign exchange hedging agreements with financial institutions to reduce certain of its exposures to fluctuations in currency exchange rates. However, these hedging agreements may not eliminate foreign currency risk entirely and involve costs and risks of their own in the form of transaction costs, credit requirements and counterparty risk.

***A.32 If the insurance that the Group or its hotel owners carry does not sufficiently cover damage or other potential losses or liabilities to third parties involving properties that the Group manages or owns, the Group's profits could be reduced.***

The Group operates in certain areas where the risk of natural disaster or other catastrophic losses vary, and the occasional incidence of such an event could cause substantial damage to the Group, its hotel owners or the surrounding area. The Group carries, and requires its hotel owners to carry, insurance from solvent insurance carriers that the Group believes is adequate for foreseeable first- and third-party losses and with terms and conditions that are reasonable and customary. Nevertheless, market forces beyond the Group's control could limit the scope of the insurance coverage that the Group and its hotel owners can obtain or which may otherwise restrict the Group or its hotel owners' ability to buy insurance coverage at reasonable rates. In the event of a substantial loss, the insurance coverage that the Group and/or the hotel owners carry may not be sufficient to pay the full value of its financial obligations, the Group's liabilities or the replacement cost of any lost investment or property. Because certain types of losses are uncertain, they can be uninsurable or prohibitively expensive. In addition, there are other risks that may fall outside the general coverage terms and limits of the Group's policies, therefore there may be a negative impact on the Group's financial position and/or operations.

***A.33 Terrorism insurance may not be available at all or at commercially reasonable rates.***

The Group carries, and requires its hotel owners to carry, insurance from solvent insurance carriers to respond to both first-party and third-party liability losses related to terrorism. Premiums for terrorism insurance coverage may increase and/or the terms of such insurance may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available, perhaps to the point where it is effectively unavailable.

***A.34 Changes in local or foreign tax law, interpretations of existing tax law, or adverse determinations by tax authorities, could increase the Group's tax burden or otherwise adversely affect the Group's financial condition or results of operations.***

The Group is subject to taxation in various countries and jurisdictions. The Group's future effective tax rate could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of the Group's deferred tax assets and liabilities, or changes in determinations regarding the jurisdictions in which the Group is subject to tax. From time to time, local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher corporate taxes than would be incurred under existing tax law and could adversely affect the Group's financial condition or results of operations.

The Group records tax expense based in part on its estimates of expected future tax rates, reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets, including net operating loss carry-forwards.

The Group is subject to ongoing and periodic tax audits and disputes in various jurisdictions. Any unfavourable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely impacting the Group's financial condition or results of operations.

***A.35 Changes to accounting rules or regulations may adversely affect the Group's financial condition and results of operations.***

New accounting rules or regulations and varying interpretations of existing accounting rules or regulations have occurred and may occur in the future. A change in accounting rules or regulations may even affect the Group's reporting of transactions completed before the change is effective, and future changes to accounting rules or regulations or the questioning of current accounting practices may adversely affect the Group's financial condition and results of operations.

***A.36 Changes to estimates or projections used to assess the fair value of the Group's assets, or operating results that are lower than the Group's current estimates at certain locations, may cause the Group to incur impairment charges that could adversely affect the Group's results of operations.***

The Group's total assets include goodwill, intangible assets with an indefinite life, other intangible assets with finite useful lives, and substantial amounts of long-lived assets, principally property and equipment, including hotel properties. The Group evaluates its goodwill and trademarks for impairment on an annual basis or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. The Group evaluates intangible assets with finite useful lives and long-lived assets for impairment when circumstances indicate that the carrying amount may not be recoverable. The Group's evaluation of impairment requires it to make certain estimates and assumptions including projections of future results. After performing the Group's evaluation for impairment, including an analysis to determine the recoverability of long-lived assets, the Group will record an impairment loss when the carrying value of the underlying asset, asset group or reporting unit exceeds its fair value. If the estimates or assumptions used in the Group's evaluation of impairment change, the Group may be required to record additional impairment losses on certain of these assets. If these impairment losses are significant, the Group's results of operations would be adversely affected.

***A.37 Governmental regulation may adversely affect the operation of the Group's properties.***

In many jurisdictions, the hotel industry is subject to extensive governmental regulations, including those relating to the service of alcoholic beverages, the preparation and sale of food and those relating to building and zoning requirements. The Group is also subject to licensing and regulation by local and foreign departments relating to health, sanitation, fire and safety standards, and to laws governing their relationships with employees, including minimum wage requirements, overtime, working conditions and citizenship requirements. The Group or its third-party hotel owners may be required to expend funds to meet local or foreign regulations in connection with the continued operation or remodelling of certain of the Group's properties. The failure to meet the requirements of applicable regulations and licensing requirements, or publicity resulting from actual or alleged failures, could have an adverse effect on the Group's results of operations.

***A.38 Local or foreign environmental laws and regulations may cause the Group to incur substantial costs or subject the Group to potential liabilities.***

The Group is subject to certain compliance costs and potential liabilities under various local and foreign environmental, health and safety laws and regulations. These laws and regulations govern actions including air emissions, the use, storage and disposal of hazardous and toxic substances, and wastewater disposal. The Group's failure to comply with such laws, including any required permits or licenses, could result in substantial fines or possible revocation of the Group's authority to conduct some of its operations. The Group could also be liable under such laws for the costs of investigation, removal or remediation of hazardous or toxic substances at its currently or formerly owned, leased or operated real property (including managed and franchised properties) or at third-party locations in connection with its waste disposal operations, regardless of whether or not the Group knew of, or caused, the presence or release of such substances. From time to time, the Group may be required to remediate such substances or remove, abate or manage asbestos, mould, radon gas, lead or other hazardous conditions at its properties. The presence or release of such toxic or hazardous substances could result in third-party claims for personal injury, property or natural resource damages, business interruption or other losses. Such claims and the need to investigate, remediate, or otherwise address hazardous, toxic or unsafe conditions could adversely affect the Group's operations, the value of any affected real property, or the Group's ability to sell, lease or assign its rights in any such property, or could otherwise harm the Group's business or reputation. Environmental, health and safety requirements have also become increasingly stringent, and the Group's costs may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of the Group's properties or result in significant additional expense and operating restrictions on the Group. The potential for changes in the frequency, duration and severity of extreme weather events that may be a result of climate change could lead to significant property damage at the Group's hotels and other assets, impact the Group's ability to obtain insurance coverage in areas that are most vulnerable to such events, such as the coastal resort areas where the Group operates, and have a negative effect on revenues.

***A.39 The Group is subject to risks from litigation filed by or against the Group.***

Legal or governmental proceedings brought by or on behalf of third-party owners of managed properties, employees or customers may adversely affect the Group's financial results. In recent years, a number of hospitality companies have been subject to lawsuits, including class action lawsuits, alleging violations of laws and regulations regarding workplace and employment matters, consumer protection claims and other commercial matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been and may be instituted against the Group from time to time, and the Group may incur substantial damages and expenses resulting from lawsuits of this type, which could have a material adverse effect on the Group's business. At any given time, the Group may be engaged in lawsuits involving third-party owners of its hotels. Similarly, the Group may from time to time institute legal proceedings on behalf of itself or others, the ultimate outcome of which could cause the Group to incur substantial damages and expenses, which could have a material adverse effect on the Group's business.

***A.40 The Group operates with some debt which may affect the Group's business, longer-term liquidity, financial condition or prospects.***

The Group operates with a level of net debt which, over the longer term (that is, beyond 12 months from the date of this document), may have an impact on its financial and operational flexibility. As at 31st December 2014, the unaudited net debt of the Group was US\$403.1 million.

Subject to the limits and restrictions under the current debt arrangements, including the facilities agreement dated 23rd May 2014 between Mandarin Oriental Hyde Park Limited as borrower and The Royal Bank of Scotland Plc, Hong Kong Branch as agent and security trustee, the facilities agreement dated 23rd July 2014 between Mandarin Oriental, Hong Kong Limited as the borrower and Standard Chartered Bank (Hong Kong) Limited as agent and security agent, and the bilateral facilities agreements dated 21st December 2012 between Mandarin Oriental Finance Company (BVI) Limited as borrower and The Hongkong and Shanghai Banking Corporation Limited and Credit Agricole Corporate and Investment Bank, Hong Kong Branch as lenders, the Group may also incur other debt from time to time.

A failure by the Group to make scheduled payments or otherwise satisfy its obligations under its financing arrangements could result in indebtedness of the Group being accelerated. The Group's ability over the longer term to generate sufficient cash flow to make scheduled payments on its debt, its ability to refinance its debt when due, and its ability to fund any accelerated payments will depend on the Group's future results of

operations, which will be affected by a range of economic, financial, regulatory, competitive and business factors, many of which are outside the Group's control.

There is a risk that the Group may not, over the longer term, be able to refinance its existing borrowings or obtain additional debt financing on commercially acceptable terms, or at all. If refinancing or additional debt is not available to the Group on commercially acceptable terms or at all, this might affect the Group's business, longer-term liquidity, financial condition or prospects.

## **B. RISKS RELATING TO THE RIGHTS ISSUE**

### ***B.1 The standard listing of the New Ordinary Shares will afford investors a lower level of regulatory protection than a premium listing.***

The Existing Ordinary Shares are, and the New Ordinary Shares are expected to be, admitted to the standard listing segment of the Official List of the UK Listing Authority and as a consequence additional ongoing requirements and protections applicable under the Listing Rules to a company admitted to the premium listing segment of the Official List of the UK Listing Authority will not apply to the Company. The Company complies, and has complied, with certain of such additional requirements (as described in paragraph 6 of Part VII (*Additional Information*) of this document) but this commitment is voluntary and will not be subject to oversight by the regulatory authorities. A standard listing will therefore afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a premium listing.

### ***B.2 The Company's share price may fluctuate which could result in a decline in the market price of the Ordinary Shares.***

Stock markets have experienced significant price and volume fluctuations that have affected the market price for securities and which may be unrelated to the Company's operating performance or prospects. The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Ordinary Shares (including the Nil Paid Rights and the Nil Paid Rights Allocations). Any such fluctuations could result from, *inter alia*, national and global economic and financial conditions, the market's response to the Rights Issue, market perceptions of the Group, including its ability to manage its existing debt facilities and raise new capital, regulatory changes affecting the Group's operations, variations in the Group's operating results, business developments of the Group or its competitors, liquidity of financial markets, the operating and share price performance of other companies in the industries and markets in which the Group operates and speculation about the Group in the press, media or investment community. Furthermore, the Group's operating results and prospects may from time to time be below the expectations of market analysts and investors. Any of these events or factors, many of which are beyond the Group's control, could result in a decline in the market price of the Nil Paid Rights, the Nil Paid Rights Allocations and/or the Ordinary Shares.

### ***B.3 An active trading market in the Nil Paid Rights and the Nil Paid Rights Allocations may not develop.***

Application has been made to admit the New Ordinary Shares (nil and fully paid) for trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in rights to subscribe for the New Ordinary Shares on the London Stock Exchange's main market for listed securities will commence at 8.00 a.m. (London time) on Tuesday, 17th March 2015, and that dealings in Nil Paid Rights Allocations on the Singapore Exchange will commence at 9.00 a.m. (Singapore time) on Tuesday, 17th March 2015. There can be no assurance, however, that an active trading market in Nil Paid Rights and Nil Paid Rights Allocations will develop upon or following such commencement of trading.

### ***B.4 Dilution of ownership of Ordinary Shares upon issue of New Ordinary Shares.***

If a Qualifying Shareholder or Entitled Depositor does not respond to the Rights Issue by the expected latest time and date for acceptance and payment in full for that Qualifying Shareholder's or Entitled Depositor's provisional allotment of New Ordinary Shares, that Qualifying Shareholder's Nil Paid Rights (or Nil Paid Rights Allocations in the case of Entitled Depositors) to subscribe for New Ordinary Shares will lapse. An equivalent number of New Ordinary Shares to those that are deemed to have been declined will be allotted and issued to CDP for the account of Jardine Strategic at the Issue Price in accordance with the Underwriting Agreement on terms that, if places for any such shares can be procured at a premium (after expenses) over the Issue Price, such shares shall be transferred to the accounts maintained by such places within CDP in accordance with the terms of the Placing Agreement. The aggregate of any premiums (being the amount paid by such places after deducting the Issue Price and the expense of procuring such places including any applicable brokerage and other commissions

and any amounts attributable to value added tax and currency conversion costs), if any, will be paid (without interest) to those persons entitled pro rata to the relevant lapsed Nil Paid Rights, in the currency in which such Qualifying Shareholder, Entitled Depositor, or Non-Entitled Depositor would receive dividends on Ordinary Shares, save that no payment will be made of amounts of less than US\$5.00, which will be aggregated and retained for the benefit of the Company. Any such premium may not be sufficient to compensate such Qualifying Shareholder, Entitled Depositor or Non-Entitled Depositor fully for the dilution of his percentage ownership of the Company's share capital that may occur as a result of the Rights Issue. The proportionate ownership and voting interest in the Ordinary Shares of the Company of Qualifying Shareholders and Entitled Depositors who do not take up any of their rights to subscribe for the New Ordinary Shares and Non-Entitled Depositors will, upon the issue of New Ordinary Shares, be reduced, and the percentage that their Existing Ordinary Shares represent of the Company's increased share capital after the issue of New Ordinary Shares will accordingly be reduced.

***B.5 Any future issues of Ordinary Shares will further dilute the holdings of Shareholders and could adversely affect the market price of Ordinary Shares.***

Other than the proposed issue of New Ordinary Shares under the Rights Issue and the issue of Ordinary Shares in accordance with the Share Incentive Schemes, the Company has no current plans for an offering of Ordinary Shares or rights converting into Ordinary Shares. However, it is possible that the Company may decide to offer additional Ordinary Shares in the future. If Shareholders did not take up such an offer of Ordinary Shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in the Company would be reduced and the percentage that their Ordinary Shares would represent of the total share capital of the Company would decrease accordingly. Any additional offering, or any significant sale of Ordinary Shares by Jardine Strategic, could have a material adverse effect on the market price of Ordinary Shares as a whole.

***B.6 Exchange rate risk.***

The New Ordinary Shares, Nil Paid Rights and Nil Paid Rights Allocations are priced in US dollars. Accordingly, any investor outside the United States is subject to adverse movements to their local currency against the US dollar.

***B.7 The Company's ability to continue to pay dividends on the Ordinary Shares will depend on the availability of distributable reserves.***

The Company's ability to pay dividends is limited under Bermudan company law, which limits a company to only paying dividends to the extent that the Company would, after the payment, be able to pay its liabilities as they become due and the net realisable value of the Company's assets would not, after the payment, be less than its liabilities. As a holding company, the Company's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from subsidiaries. The payment of dividends to the Company by its subsidiaries is, in turn, subject to restrictions, including certain regulatory requirements and the existence of sufficient distributable reserves and cash in the Company's subsidiaries. The ability of these subsidiaries to pay dividends and the Company's ability to receive distributions from its investments in other entities are subject to applicable local laws and regulatory requirements and other restrictions, including, but not limited to, applicable tax laws and covenants in some of the Company's debt facilities. These laws and restrictions could limit the payment of future dividends and distributions to the Company by its subsidiaries, which could restrict the Company's ability to fund other operations or to pay a dividend to holders of the Existing Ordinary Shares or the New Ordinary Shares.

***B.8 Shareholders outside Australia, Bermuda, Hong Kong, Singapore and the UK may not be able to subscribe for New Ordinary Shares in the Rights Issue.***

The Rights Issue will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders and Depositors who have a registered address in or who are resident in, or who are citizens of, countries other than Australia, Bermuda, Hong Kong, Singapore and the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights (or Nil Paid Rights Allocations in the case of Entitled Depositors) or to acquire New Ordinary Shares.

## **IMPORTANT INFORMATION**

### **MARKET AND INDUSTRY INFORMATION**

Market data and certain industry forecasts used in this document were obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy or completeness of such information is not guaranteed. Similarly, internal surveys, reports and studies and market research, while believed by the Company to be reliable and accurately extracted by the Company for the purposes of this document, have not been independently verified and the Company makes no representation as to the accuracy of such information. The industry forecasts are forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements” below.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document and the information incorporated by reference into this document include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “goal”, “target”, “aim”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and the information incorporated by reference into this document and include statements regarding the intentions, beliefs or current expectations of the Directors, the Company or the Group concerning, amongst other things, the operating results, financial condition, prospects, growth, strategies and dividend policy of the Group and the industry in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group’s actual operating results, financial condition, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this document and/or the information incorporated by reference into this document. In addition, even if the operating results, financial condition and dividend policy of the Group, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this document and/or the information incorporated by reference into this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, general economic and business conditions, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability and changes in business strategy or development plans and other risks, including those described in the section of this document headed “Risk Factors”.

You are advised to read this document and the information incorporated by reference into this document in their entirety, and, in particular, the section of this document headed “Risk Factors”, for a further discussion of the factors that could affect the Group’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and/or the information incorporated by reference into this document may not occur.

Other than in accordance with their legal or regulatory obligations (including under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules), neither the Company nor Jardine Strategic nor J.P. Morgan Cazenove nor UBS undertakes any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

### **PRESENTATION OF FINANCIAL INFORMATION**

In this document, references to “historical financial information” in relation to the Company and/or the Group are to the information which has been extracted without material adjustment from, and which should be read together with, the Group’s unaudited preliminary results for the year ended 31st December 2014 published on 5th March 2015, and the Group’s audited consolidated financial statements included in the Annual Report and Accounts 2013, the Annual Report and Accounts 2012 and the Annual Report and Accounts 2011. Unless otherwise indicated, financial information for the Group in this document and the information incorporated by reference into this document is presented in US dollars and has been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in

the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the applicable financial statements.

PricewaterhouseCoopers LLP issued unqualified audit opinions on the consolidated financial statements of the Group included in the Annual Report and Accounts 2013, the Annual Report and Accounts 2012 and the Annual Report and Accounts 2011.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

#### **OTHER INFORMATION FROM THIRD PARTY SOURCES**

Exchange rate information included in this document is sourced from Bloomberg. Trading price information in respect of the Ordinary Shares is sourced from Bloomberg. This information has been accurately reproduced and, so far as the Company is aware, and so far as it is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **NO PROFIT FORECAST**

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Ordinary Share.

The 2014 Preliminary Results constitute a profit estimate. The Directors of the Company are responsible for the 2014 Preliminary Results. The Company's auditors PricewaterhouseCoopers LLP have agreed that such information is substantially consistent with the final figures to be published in the 2014 annual audited consolidated financial statements of the Company. As stated in Note 1 to the 2014 Preliminary Results, the financial information contained in the 2014 Preliminary Results has not been audited.

#### **NOTICE TO INVESTORS IN THE UNITED STATES OF AMERICA**

None of this document, the Provisional Allotment Letters or the RAFs may be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States, save as provided below. Such materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares in the United States. The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares have not been and will not be registered under the Securities Act or under any securities laws of any State or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

There will be no public offering of these securities in the United States. The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S. Each purchaser of Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser is acquiring the Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

#### **OVERSEAS TERRITORIES**

Qualifying Shareholders and Depositors who have registered addresses in or who are resident in, or who are citizens of, all countries other than the Australia, Bermuda, Hong Kong, Singapore and the United Kingdom should refer to paragraph 8 of Part II (*Terms and Conditions of the Rights Issue*) of this document.

## **CURRENCY PRESENTATION**

References in this document to “US\$” or “US dollar” refer to the legal currency of the United States, references to “£” or “pounds sterling” refer to the legal currency of the UK and references to “S\$” or “Singapore dollar” refer to the legal currency of Singapore.

## **WHERE TO FIND HELP**

If you have any questions, please telephone the Shareholder Helpline on the numbers set out below. This helpline is available from 9.00 a.m. to 5.30 p.m. (London and Singapore time, respectively) Monday to Friday (except bank holidays) and will remain open until the Closing Date.

### **Shareholder Helpline of the UK Transfer Agent for Shareholders on the Jersey Branch Register**

Please contact Capita Asset Services on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday (except bank holidays). Calls to the helpline from outside the UK will be charged at the applicable international telephone rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

### **Shareholder Helpline for Shareholders on the Principal Register or the Singapore Branch Register**

Please contact M & C Services on 6228 0518 or 6228 0508 from within Singapore or on +65 6228 0518 or +65 6228 0508 if calling from outside Singapore. Lines are open 9.00 a.m. to 5.30 p.m. (Singapore time) Monday to Friday (except bank holidays). Calls to the helpline from outside Singapore will be charged at the applicable international telephone rates. Different charges may apply to calls from mobile telephones.

*Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice.*

### **CDP Automated Phone Services Hotline for Depositors**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Nil Paid Rights Allocations credited to the Securities Account of the Entitled Depositors or the Purchasers (as the case may be). The Entitled Depositors or the Purchasers (as the case may be) can verify the number of Nil Paid Rights Allocations credited to their respective Securities Accounts online if they have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their telephone pin (T-Pin). Alternatively, they may proceed personally to CDP with their identity card or passport to verify the number of Nil Paid Rights Allocations credited to their Securities Account.

The Entitled Depositors or the Purchasers (as the case may be) can check the status of their acceptance of the Nil Paid Rights Allocations through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their T-Pin.

### **CDP Phone User Guide**

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your six (6) digit telephone pin

## RIGHTS ISSUE STATISTICS

Price per New Ordinary Share	US\$1.26
Basis of Rights Issue	1 New Ordinary Share for every 4 Existing Ordinary Shares
Number of Ordinary Shares in issue at the date of this document	1,003,723,677
Number of New Ordinary Shares to be issued by the Company <sup>(1)</sup>	250,930,919
Number of Ordinary Shares in issue immediately following completion of the Rights Issue <sup>(1)(2)</sup>	1,254,654,596
New Ordinary Shares as a percentage of the Enlarged Share Capital <sup>(1)(2)</sup>	20.0 per cent.
Estimated net proceeds receivable by the Company after expenses	US\$312.6 million
Estimated expenses in connection with the Rights Issue	US\$3.6 million
Theoretical ex-rights price	US\$1.66
Discount to theoretical ex-rights price	24.1 per cent.

**Note:**

References to closing share prices are to the closing share price quoted on the Singapore Exchange.

- (1) On the assumption that the maximum number of New Ordinary Shares is issued, before reduction to take account of fractional entitlements which are being rounded down and disregarded.
- (2) Assuming that no further Ordinary Shares are issued as a result of the exercise of any Share Options or Share Awards vesting under any Share Incentive Schemes between 10th March 2015, being the latest practicable date prior to the publication of this document, and completion of the Rights Issue.

## EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

**2015**

Existing Ordinary Shares marked ex-rights on the Singapore Exchange	Monday, 9th March
Record Date for entitlement to the Rights Issue	5.00 p.m. (local time) <sup>(1)</sup> on Wednesday, 11th March
Provisional Allotment Letters and RAFs despatched	Friday, 13th March
Existing Ordinary Shares marked ex-rights on the London Stock Exchange and the Bermuda Stock Exchange	Tuesday, 17th March
Dealings in Nil Paid Rights and Nil Paid Rights Allocations expected to commence on the London Stock Exchange and the Singapore Exchange, respectively <sup>(2)</sup>	Tuesday, 17th March
Existing Ordinary Shares marked ex-dividend on the Singapore Exchange and the Bermuda Stock Exchange	Wednesday, 18th March
Existing Ordinary Shares marked ex-dividend on the London Stock Exchange	Thursday, 19th March
Record date for entitlement to final dividend	5.00 p.m. (local time) <sup>(1)</sup> on Friday, 20th March
Latest date for trading Nil Paid Rights Allocations on the Singapore Exchange <sup>(2)</sup>	Monday, 30th March
Latest time for splitting Provisional Allotment Letters, nil paid	3.00 p.m. (local time) <sup>(1)</sup> on Wednesday, 1st April
Latest time for acceptance and payment in full by way of US dollar cashier's order or demand draft drawn on a bank in Singapore for Entitled Depositors <sup>(3)</sup>	5.00 p.m. (Singapore time) on Thursday, 2nd April
Latest time for acceptance and payment in full by way of Electronic Application for Entitled Depositors <sup>(3)</sup>	9.30 p.m. (Singapore time) on Thursday, 2nd April
Latest date for trading Nil Paid Rights on the London Stock Exchange	Thursday, 2nd April
Latest time for acceptance and payment in full for persons who are not Depositors	11.00 a.m. (local time) <sup>(1)</sup> on Tuesday, 7th April
Effective date of commencement of trading in fully paid New Ordinary Shares on the London Stock Exchange, the Bermuda Stock Exchange and the Singapore Exchange	Wednesday, 8th April
Certificates for New Ordinary Shares expected to be despatched	By Monday, 20th April <sup>(4)</sup>

**Notes:**

- (1) References to local time are to local times in the UK, Singapore or Bermuda, as the case may be.
- (2) Nil Paid Rights Allocations cannot be traded on the Singapore Exchange unless the Existing Ordinary Shares pursuant to which the Nil Paid Rights Allocations are granted are held through CDP.
- (3) If you hold Ordinary Shares through CDP, please refer to paragraph 2.2 of Part II (*Terms and Conditions of the Rights Issue*).
- (4) Or, where payment is made by a US dollar banker's draft not drawn on a bank in Singapore, such later date as the relevant banker's draft is cleared.

## DIRECTORS, COMPANY SECRETARY AND ADVISERS

### Board of Directors

A list of the members of the Company's Board of Directors is set forth in the table below.

<u>Name</u>	<u>Position</u>
Ben Keswick	Chairman and Managing Director
Edouard Ettedgui	Group Chief Executive
Stuart Dickie	Chief Financial Officer
Mark Greenberg	Non-Executive Director
Julian Hui	Non-Executive Director
Adam Keswick	Non-Executive Director
Sir Henry Keswick	Non-Executive Director
Simon Keswick	Non-Executive Director
Lord Leach of Fairford	Non-Executive Director
Dr Richard Lee	Non-Executive Director
Lincoln K. K. Leong	Non-Executive Director
Anthony Nightingale	Non-Executive Director
Lord Powell of Bayswater, KCMG	Non-Executive Director
Lord Sassoon, Kt	Non-Executive Director
James Watkins	Non-Executive Director
Percy Weatherall	Non-Executive Director
Giles White	Non-Executive Director

Each of the Directors' business address is Jardine House, 33-35 Reid Street, Hamilton, Bermuda.

**Company Secretary:**

John C. Lang

**Registered Office:**

Jardine House  
33-35 Reid Street  
Hamilton  
Bermuda

**Corporate brokers:**

J.P. Morgan Cazenove  
25 Bank Street  
London E14 5JP  
United Kingdom

UBS Investment Bank  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**Auditors to the Company:**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH  
United Kingdom

**Legal advisers to the Company as to English law:**

Linklaters LLP  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

**Legal advisers to the Company as to Bermuda law:**

Appleby  
Canon's Court  
22 Victoria Street  
P.O. Box HM 1179  
Hamilton HM EX  
Bermuda

**Legal advisers to the Company as to Singapore law:**

Allen & Gledhill LLP  
One Marina Boulevard #28-00  
Singapore 018989

**Principal Registrar:**

Jardine Matheson International  
Services Limited  
P.O. Box HM 1068  
Hamilton HM EX  
Bermuda

**Jersey Branch Registrar:**

Capita Registrars (Jersey) Limited  
12 Castle Street  
St Helier  
Jersey JE2 3RT  
Channel Islands

**Singapore Branch Registrar and Receiving Agent:**

M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902

**United Kingdom Transfer Agent:**

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
England

**United Kingdom Receiving Agent:**

Capita Asset Services  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
England

**PART I**  
**LETTER FROM THE CHAIRMAN OF**  
**MANDARIN ORIENTAL INTERNATIONAL LIMITED**

*(Incorporated and registered in Bermuda under number EC12510)*



MANDARIN ORIENTAL  
THE HOTEL GROUP

**Directors**

Ben Keswick (Chairman and Managing Director)  
Edouard Ettedgui (Group Chief Executive)  
Stuart Dickie  
Mark Greenberg  
Julian Hui  
Adam Keswick  
Sir Henry Keswick  
Simon Keswick  
Lord Leach of Fairford  
Dr Richard Lee  
Lincoln K. K. Leong  
Anthony Nightingale  
Lord Powell of Bayswater, KCMG  
Lord Sassoon, Kt  
James Watkins  
Percy Weatherall  
Giles White

**Registered Office:**

Jardine House  
33-35 Reid Street  
Hamilton  
Bermuda

To: Mandarin Oriental International Limited Shareholders

12th March 2015

Dear Shareholder

**Rights Issue of up to 250,930,919 New Ordinary Shares at US\$1.26 per New Ordinary Share**

**1. Introduction**

Your Board announced on 5th March 2015 that the Company proposes to raise a total of approximately US\$316 million, before expenses, by way of a Rights Issue. The Rights Issue is on the basis of 1 New Ordinary Share for every 4 Existing Ordinary Shares at a price of US\$1.26 for each New Ordinary Share.

This document sets out the reasons for, and provides details of, the Rights Issue.

**2. Reasons for the Rights Issue**

The development strategy of Mandarin Oriental includes the holding of equity interests in selected landmark properties. Your Board believes that a strong balance sheet is important for the execution of this strategy, enabling the Group to maintain the quality of its properties and take advantage of further investment opportunities.

The additional capital being raised through the Rights Issue will enable Mandarin Oriental to retire debt and reduce gearing towards the levels that prevailed before the acquisition of the freehold of the Paris hotel. This will also provide finance capacity for the £85 million (US\$130 million) renovation of Mandarin Oriental Hyde Park, London, due to start in 2016, which will significantly re-position this flagship property and enhance the Mandarin Oriental brand in a key market.

### **3. Announcement of results for the year ended 31st December 2014**

The unaudited results of the Company for the year ended 31st December 2014 were released on 5th March 2015. It was reported that, against the background of challenging conditions in some markets, the Company did well to achieve an improvement in underlying profit in 2014. The Group benefited from resilient demand from the leisure sector, the geographic diversification of its portfolio and the receipt of branding fees related to its *Residences* projects.

Combined total revenue of hotels under management amounted to US\$1,389.9 million (2013: US\$1,360.8 million) and consolidated profit before interest and tax amounted to US\$140.2 million (2013: US\$139.6 million, excluding non-recurring items). Consolidated profit after tax and minority interests was US\$97.0 million, a record for the Group (2013: US\$93.2 million, excluding non-trading items). Earnings per share were US¢9.67 basic and US¢9.63 fully diluted (the 2013 basic earnings per share were US¢9.30 and 2013 fully diluted earnings per share were US¢9.28, both excluding non-trading items). The Directors are recommending a final dividend of US¢5.00 per share, to give total dividends per share of US¢7.00 for 2014 (2013: US¢7.00).

The announcement of the results of Mandarin Oriental for the year ended 31st December 2014 is incorporated by reference into this document, as further described in Part VIII (*Documentation Incorporated by Reference*).

### **4. Principal terms of the Rights Issue**

#### **(a) Terms of the Rights Issue**

The Company is proposing to offer up to 250,930,919 New Ordinary Shares by way of a Rights Issue to Qualifying Shareholders. Such number of New Ordinary Shares represents approximately 25.0 per cent. of the existing issued share capital and 20.0 per cent. of the Enlarged Share Capital.

The Rights Issue is expected to raise approximately US\$312.6 million, net of expenses, and will be made on the basis of:

#### **1 New Ordinary Share at US\$1.26 per New Ordinary Share for every 4 Existing Ordinary Shares**

held by Qualifying Shareholders at the close of business on the Record Date.

The Issue Price represents a 24.1 per cent. discount to the theoretical ex-rights price based on the closing price of US\$1.76 per Ordinary Share on Wednesday, 4th March 2015 (being the last business day before the announcement of the terms of the Rights Issue).

Entitlements to New Ordinary Shares will be rounded down to the nearest whole number. Fractional entitlements will be disregarded and will not be allotted to Qualifying Shareholders.

#### **(b) Conditions**

The Rights Issue is subject to certain conditions, including:

- (i) the Underwriting Agreement having become unconditional in all respects save for the condition relating to UK Admission;
- (ii) UK Admission becoming effective by no later than Tuesday, 17th March 2015 (or such later date as Jardine Strategic and the Company may agree); and
- (iii) dealings in the Nil Paid Rights Allocations commencing on the Singapore Exchange no later than Tuesday, 17th March 2015 (or such later date as Jardine Strategic and the Company may agree).

A shareholder resolution authorising the allotment of further shares in the Company was passed at the annual general meeting of the Company held on 7th May 2014.

#### **(c) Payment**

The offer price is payable in full on acceptance in US dollars only:

- by holders of the Nil Paid Rights Allocations who are Entitled Depositors, by no later than:
  - (i) 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made through CDP by way of US dollar cashier's order or demand draft drawn on a bank in Singapore; or
  - (ii) 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made by way of Electronic Application through an ATM of a Participating Bank; and

- by holders of the Nil Paid Rights who are not Depositors by way of banker's draft by no later than 11.00 a.m. (Singapore or London time, as the case may be) on Tuesday, 7th April 2015.

**(d) Listings**

Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares (nil paid and fully paid) to be admitted to the standard listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. It is expected that UK Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. (London time) on Tuesday, 17th March 2015, and that dealings in the New Ordinary Shares (fully paid) will commence at 8.00 a.m. (London time) on Wednesday, 8th April 2015.

Application has also been made to the Bermuda Stock Exchange for quotation of the New Ordinary Shares. It is expected that the Bermuda Admission will become effective and that dealings on the Bermuda Stock Exchange in the New Ordinary Shares (fully paid) will commence at 8.00 a.m. (Bermuda time) on Wednesday, 8th April 2015.

Application will also be made to the Singapore Exchange for the listing of, and quotation for, the New Ordinary Shares (fully paid). It is expected that dealings on the Singapore Exchange in the Nil Paid Rights Allocations will commence at 9.00 a.m. (Singapore time) on Tuesday, 17th March 2015, and that Singapore Admission and dealings in the New Ordinary Shares (fully paid) will commence at 9.00 a.m. (Singapore time) on Wednesday, 8th April 2015.

**(e) Further terms**

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Ordinary Shares, other than the final dividend in respect of 2014 of US\$5.00 per Existing Ordinary Share.

Details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part II (*Terms and Conditions of the Rights Issue*) of this document and, where relevant, will also be set out in the Provisional Allotment Letter or the RAF (as appropriate).

**5. Underwriting and Jardine Strategic**

Jardine Strategic, which currently owns 73.45 per cent. of the Existing Ordinary Shares, has irrevocably undertaken to take up its entitlement of 184,318,820 New Ordinary Shares. In addition, Jardine Strategic has agreed to underwrite the balance of the Rights Issue pursuant to the Underwriting Agreement, representing 66,612,079 Underwritten Shares, for an underwriting commission of 1.5 per cent. of the aggregate value of the Underwritten Shares at the Issue Price. The principal terms of the Underwriting Agreement are summarised in paragraph 17.1 of Part VII (*Additional Information*) of this document.

Following the Rights Issue, assuming no Share Options are exercised and no Share Awards become vested between 10th March 2015 (being the latest practicable date prior to the publication of this document) and completion of the Rights Issue:

- to the extent all Qualifying Shareholders and Entitled Depositors take up their respective rights under the Rights Issue in full, the proportionate shareholdings in the Company's issued share capital will remain unchanged; and
- if no Qualifying Shareholder or Entitled Depositor (other than Jardine Strategic) takes up rights under the Rights Issue and if no places for the New Ordinary Shares which are not taken up are procured in accordance with the Placing Agreement, the proportionate shareholding of Jardine Strategic (and, through Jardine Strategic, Jardine Matheson) in the Company's issued share capital would increase from 73.45 per cent. to 78.76 per cent., and the proportionate shareholding of existing Shareholders would be diluted by 20.0 per cent., as a result of the underwriting by Jardine Strategic.

**6. Share Incentive Schemes**

The attention of holders of Share Options and Share Awards is drawn to the information which appears in paragraph 13 of Part VII (*Additional Information*) of this document. The number of Ordinary Shares subject to a

Share Award (and/or the exercise price, in the case of a Share Option) under the Share Incentive Schemes will be adjusted to reflect the Rights Issue.

## **7. Dividends and dividend policy**

Subject to the provisions of the Bye-laws and in accordance with the Bermuda Companies Act, the Board intends to continue with its current practice on dividends, taking into account the results of the Company's operations, financial condition, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. Although the New Ordinary Shares will not be entitled to the final dividend in respect of 2014, the Board considers that, had the share capital as enlarged as a result of the Rights Issue been in place during 2014, the Board would have recommended the same level of dividend per share.

## **8. Action to be taken in respect of the Rights Issue**

### **(a) Qualifying Shareholders**

A Provisional Allotment Letter is enclosed with this document which sets out the number of New Ordinary Shares which have been provisionally allotted to you and the procedure for acceptance and payment. The Provisional Allotment Letter will not be included if you are eligible for only a fractional entitlement to a New Ordinary Share.

If you wish to take up, in whole or in part, your entitlement to New Ordinary Shares, you must lodge your Provisional Allotment Letter, together with a **banker's draft in US dollars** for the full amount payable on acceptance, in accordance with the instructions thereon, so as to arrive not later than 11.00 a.m. (local time) on Tuesday, 7th April 2015 by post or by hand to the appropriate Receiving Agent as shown on the Provisional Allotment Letter, being:

**United Kingdom** (for Ordinary Shares registered on the Jersey Branch Register)

Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England; or

**Singapore** (for Ordinary Shares registered on the Principal Register or the Singapore Branch Register)

M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902

Documentation delivered to other than the Receiving Agent set out on the Provisional Allotment Letter at the respective address shown will not be valid and **payment for the New Ordinary Shares may not be made in any currency other than US dollars**. US dollar banker's drafts are available from major banks in most jurisdictions, subject to local exchange control regulations.

### **(b) Depositors within CDP**

If you hold Ordinary Shares through CDP, please refer to paragraph 2.2 of Part II (*Terms and Conditions of the Rights Issue*) of this document.

### **(c) General**

Further information on the Rights Issue, including the procedure in respect of rights not taken up, is set out in Part II (*Terms and Conditions of the Rights Issue*) of this document. You should retain this document for reference.

## **9. Registration and trading arrangements**

Information concerning registration and trading arrangements is set out in paragraph 4 of Part II (*Terms and Conditions of the Rights Issue*) of this document.

## **10. Shareholders resident otherwise than in Australia, Bermuda, Hong Kong, Singapore or the United Kingdom**

The attention of Shareholders who are not resident in Australia, Bermuda, Hong Kong, Singapore or the United Kingdom, and particularly those who are resident in the United States and the other Restricted Territories, is drawn to paragraph 8 of Part II (*Terms and Conditions of the Rights Issue*) of this document.

## **11. Taxation**

Certain information about UK, Bermuda and Singapore taxation in relation to the Rights Issue is set out in Part VI (*Taxation*) of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the UK, Bermuda or Singapore, you should consult your own independent tax adviser without delay.

## **12. Further information**

Your attention is drawn to the further information set out in Parts II to IX of this document. Shareholders should read the whole of this document and not rely solely on the information set out in this letter. In addition, you should consider the risk factors set out on pages 9 to 24 of this document.

Yours sincerely

**Ben Keswick**  
*Chairman*

## PART II – TERMS AND CONDITIONS OF THE RIGHTS ISSUE

### 1. General

The New Ordinary Shares will (subject to the terms and conditions set out in this document, the Provisional Allotment Letters and the RAFs (as the case may be)) be offered by way of rights at the Issue Price of US\$1.26 for each New Ordinary Share to Qualifying Shareholders on the basis of **1 New Ordinary Share for every 4 Existing Ordinary Shares** held by Qualifying Shareholders on the Record Date.

Entitlements of Qualifying Shareholders to New Ordinary Shares will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will be disregarded and will not be allotted to Qualifying Shareholders.

Under the terms and subject to the conditions contained in the Underwriting Agreement, Jardine Strategic has agreed to subscribe and pay for New Ordinary Shares arising from any rights not taken up under the arrangements described in paragraph 6 below.

All documents and remittances will be sent to or by the allottees or their renouces (or their agents, as appropriate) at their own risk.

### 2. Procedure for acceptance and payment

#### 2.1 Qualifying Shareholders

The latest time for acceptance and payment in full is 11.00 a.m. (local time) on Tuesday, 7th April 2015.

The Provisional Allotment Letters set out the holdings of Ordinary Shares on which the relevant Qualifying Shareholders' entitlements have been based, the number of New Ordinary Shares which each such holder has been provisionally allotted and instructions regarding acceptance and payment. The Provisional Allotment Letters also set out the procedure to be followed if such holders wish to dispose (before payment of the Issue Price) of all or part of their entitlement.

Persons wishing to subscribe for all or any of the New Ordinary Shares to which they are entitled should lodge the Provisional Allotment Letter, together with the appropriate remittance for the full amount payable on acceptance, in accordance with the instructions thereon so as to arrive not later than 11.00 a.m. (local time) on Tuesday, 7th April 2015 by post or by hand to the appropriate Receiving Agent as shown on the Provisional Allotment Letter, being:

**United Kingdom** (for Ordinary Shares registered on the Jersey Branch Register)

Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England

**Singapore** (for Ordinary Shares registered on the Principal Register or the Singapore Branch Register)

M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902

Capita Asset Services also acts as the Company's UK transfer agent and M & C Services also acts as the Company's Singapore branch registrar.

**All payments must be made by means of US dollar banker's drafts**, made payable to "**Mandarin Oriental International Limited – Rights Issue A/C**" and crossed "**A/C payee only**". If you are lodging your Provisional Allotment Letter, together with payment, with the Receiving Agent in the United Kingdom, you should also comply with the requirements referred to in the following sections of this paragraph 2.1. No interest will be allowed on payments made before they are due. The Company reserves the right to have banker's drafts presented on receipt and to seek value for remittances at the earliest opportunity. The Company may (in its sole discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required. If you hold Ordinary Shares through CDP, please refer to section 2.2 below.

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent in the United Kingdom, Capita Asset Services, might require verification of the identity of the person by whom or on whose behalf a Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements is the responsibility of such broker or intermediary and not of Capita Asset Services. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter. The

person(s) (the “acceptor”) who, by lodging a Provisional Allotment Letter with payment, and in accordance with the other terms as described above, accept(s) directly or indirectly, the allotment of the New Ordinary Shares (the “relevant shares”) comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter) shall thereby be deemed to agree to provide Capita Asset Services and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements and agree for Capita Asset Services to make a search using a credit reference agency for the purpose of confirming such identity where deemed necessary. A record of the search will be retained.

If Capita Asset Services determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which Capita Asset Services shall in its absolute discretion determine) by 11.00 a.m. (London time) on Tuesday, 7th April 2015, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid, in which event the application monies will be returned (at the applicant’s risk) without interest to the account of the bank on which the relevant banker’s draft was drawn, or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which Capita Asset Services shall in its absolute discretion determine). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, as the Company may in its absolute discretion allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses including, without limitation, any stamp duty or SDRT payable on the transfer) of the relevant shares, which shall be issued to and registered in the name of the purchaser(s), or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. Capita Asset Services is entitled in its absolute discretion to determine whether the identity verification requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company, Jardine Strategic, J.P. Morgan Cazenove, UBS nor Capita Asset Services will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

**Return of a Provisional Allotment Letter to Capita Asset Services with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance and an undertaking to provide promptly to Capita Asset Services such information as may be specified by Capita Asset Services as being required for the purpose of the Money Laundering Regulations. If the verification of identity requirements apply, failure to provide the necessary evidence of identity might result in the acceptance being treated as invalid or in delays in the despatch of a receipted fully paid Provisional Allotment Letter, share certificate or other documents relating to the Rights Issue (as applicable).**

The verification of identity requirements will not usually apply:

- (i) if the acceptor is an organisation required to comply with the Money Laundering Directive 2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (the “EU Money Laundering Directive (2005/60/EC)”);
- (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the acceptor is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- (iv) if the acceptor (not being an acceptor who delivers his acceptance in person) makes payment through an account in the name of such acceptor with a credit institution which is subject to the EU Money Laundering Directive (2005/60/EC) or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in the EU Money Laundering Directive (2005/60/EC); or
- (v) if the aggregate subscription price for the relevant shares is less than €15,000 (approximately £12,000).

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (a) Banker’s drafts should be made payable to “Mandarin Oriental International Limited – Rights Issue A/C” and crossed “A/C payee only”. Third party cheques will not be accepted with the exception of banker’s

drafts where the bank has confirmed the name of the account holder by stamping or endorsing the banker's draft to such effect. The account name should be the same as that shown on the application;

- (b) if the Provisional Allotment Letter is lodged with payment by an agent which is subject to anti money-laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), the agent should provide written confirmation with the Provisional Allotment Letter that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Registrar or the relevant authority; or
- (c) if a Provisional Allotment Letter is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address (for example, a recent bank statement).

In order to confirm the acceptability of any written assurance referred to in (b) above or any other case, the acceptor should contact the Receiving Agent in the United Kingdom.

All enquiries in connection with the Provisional Allotment Letters should be addressed to the Receiving Agents listed above.

## **2.2 Depositors within CDP**

Entitled Depositors are entitled to receive from CDP this document, RAFs and such other documents in relation to the Rights Issue as CDP may deem appropriate.

The RAF shows the number of Nil Paid Rights Allocations. The Securities Accounts of Entitled Depositors have been or will be credited by CDP with Nil Paid Rights Allocations as indicated in the respective RAFs. Separate instructions for the acceptance of and payment for the Nil Paid Rights Allocations are found in the RAF. Entitled Depositors may accept their Nil Paid Rights Allocations in respect of each of the New Ordinary Shares in whole or in part.

Fractional entitlements to the Nil Paid Rights Allocations will be disregarded and will not be allocated to Entitled Depositors by CDP.

Non-Entitled Depositors will not be allocated any Nil Paid Rights Allocations by CDP. Entitlements to the Nil Paid Rights Allocations which would otherwise have been allocated to the Non-Entitled Depositors will be dealt with as described in paragraph 6 below.

An Entitled Depositor may accept his Nil Paid Rights Allocations specified in the RAFs through CDP (by completing, signing and submitting the RAF to CDP) or by way of an Electronic Application through an ATM of one of the Participating Banks.

### **(a) Application through CDP**

If an Entitled Depositor wishes to accept his Nil Paid Rights Allocations specified in the RAFs, in full or in part, he may do so by completing the relevant portions of each RAF. The Entitled Depositor may make payment by US dollar cashier's order or demand draft drawn on a bank in Singapore as described below. For acceptance through CDP, each RAF must be accompanied by a single remittance for the payment in full for the aggregate amount of the New Ordinary Shares accepted and submitted:

by hand to:

Mandarin Oriental International Limited  
c/o The Central Depository (Pte) Limited  
9 North Buona Vista Drive  
#01-19/20 The Metropolis  
Singapore 138588

or by post in the self-addressed envelope provided to:

Mandarin Oriental International Limited  
c/o The Central Depository (Pte) Limited  
Robinson Road Post Office  
P.O. Box 1597  
Singapore 903147

so as to arrive not later than 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015 (if payment is by way of US dollar cashier's order or demand draft drawn on a bank in Singapore). The procedures relating to the foregoing are set out in the RAF. Entitled Depositors are advised to read the instructions and notes set out in the RAF before completing and signing the RAF.

Payment by cashier's order or demand draft must be made in US dollars in the form of a **cashier's order or demand draft drawn on a bank in Singapore**, and made payable to "CDP – Mandarin Oriental International Limited – Rights Issue" and crossed "A/C payee only" with the name and Securities Account number of the Entitled Depositor written on the reverse side of the cashier's order or demand draft. **No combined cashier's order or demand draft for different Securities Accounts, cashier's order or demand draft drawn on a bank outside of Singapore or other modes of payment will be accepted.**

**The duly completed and signed RAF(s) with the US dollar cashier's order or demand draft drawn on a bank in Singapore attached should arrive (if submitted by hand) at Mandarin Oriental International Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or (if submitted by post, at your own risk, in the self-addressed envelope provided) at Mandarin Oriental International Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1597, Singapore 903147, no later than 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015.**

**(b) Application by way of Electronic Application**

Electronic Applications can be made at the ATMs of Participating Banks. The procedures for Electronic Application to accept Nil Paid Rights Allocations are set out on the ATM screens of the relevant Participating Banks. Entitled Depositors are advised to read carefully the instructions set out on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications before making an Electronic Application. The latest time for making Electronic Applications through ATMs of Participating Banks for acceptance of, and payment for, the New Ordinary Shares is 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015. See paragraph 2.2(d) of this Part II (*Terms and Conditions of the Rights Issue*) for further details.

**(c) Trading of Nil Paid Rights Allocations**

Entitled Depositors who wish to trade all or part of their Nil Paid Rights Allocations on the Singapore Exchange should note that the period for such trading of Nil Paid Rights Allocations on the Singapore Exchange will commence at 9.00 a.m. (Singapore time) on Tuesday, 17th March 2015 and end at 5.00 p.m. (Singapore time) on Monday, 30th March 2015.

Entitled Depositors who wish to accept a portion of their Nil Paid Rights Allocations and trade the balance of their Nil Paid Rights Allocations on the Singapore Exchange should complete the RAF for the number of New Ordinary Shares which they wish CDP to accept and forward the relevant RAF, together with payment in the prescribed manner as described above, to CDP. The balance of their Nil Paid Rights Allocations may be sold as soon as trading therein commences on the Singapore Exchange.

**The Nil Paid Rights Allocations will be tradable in board lots. The board lots comprising Nil Paid Rights Allocations shall be 100 Nil Paid Rights Allocations and 1 Nil Paid Rights Allocation.** The RAF need not be forwarded to the Purchasers as arrangements will be made by CDP for separate RAFs to be issued to the Purchasers. Purchasers should note that CDP will send the RAFs by ordinary post and at the Purchasers' own risk to their respective registered addresses with CDP that are outside the Restricted Territories. Neither this document nor any RAF will be despatched to Purchasers whose registered addresses with CDP are in the Restricted Territories. Purchasers whose registered addresses with CDP are in the Restricted Territories and who wish to accept the Nil Paid Rights Allocations credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Purchasers who do not receive the RAFs may obtain the RAFs from CDP for the period up to 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015.

**Purchasers should inform their finance companies or Depository Agents if their purchase of such Nil Paid Rights Allocations are settled through the aforementioned intermediaries. In such instances, if the Purchasers wish to accept the Nil Paid Rights Allocations, they need to go through these intermediaries who will then accept the Nil Paid Rights Allocations on their behalf.**

**The final time and date for acceptance of and payment for the New Ordinary Shares for Entitled Depositors is:**

- (a) 5.00 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made through CDP by way of US dollar cashier's order or demand draft drawn on a bank in Singapore; or**

**(b) 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015 if acceptance and payment is made through an ATM of a Participating Bank.**

If acceptance and payment in the prescribed manner is not received as described above, the Nil Paid Rights Allocations shall be deemed to have been declined and the corresponding Nil Paid Rights will be dealt with as described in paragraph 6 below.

Qualifying Shareholders whose Ordinary Shares are registered in their own names and who receive this document together with the Provisional Allotment Letters should note that the Provisional Allotment Letters will not be valid for delivery in respect of trades of Nil Paid Rights Allocations on the Singapore Exchange. Accordingly, they will not be able to trade Nil Paid Rights represented by Provisional Allotment Letters on the Singapore Exchange. They may however accept their provisional allotments or trade the Nil Paid Rights on the London Stock Exchange.

**(d) Additional terms and conditions for Electronic Applications through an ATM of a Participating Bank for Shareholders holding through CDP**

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “Steps”). Please read carefully the terms and conditions of this document, the instructions set out in the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out in this document before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept New Ordinary Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “Applicant” in the terms and conditions of the Electronic Applications and the Steps shall mean the Entitled Depositor or the Purchaser who accepts the New Ordinary Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before they can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at the ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application, the Applicant will receive an ATM transaction slip (“Transaction Record”) confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any RAF.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that they enter their own Securities Account number when using the ATM card issued to them in their own name. Using their own Securities Account number with an ATM card which is not issued to them in their own name will render the application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this document including but not limited to the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the New Ordinary Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) **that they have received a copy of each of this document and/or the letter accompanying the RAF and have read, understood and agreed to all the terms and conditions of the Rights Issue and the terms and conditions governing the acceptance of the provisional allotment of New Ordinary Shares set out in this document and/or the letter accompanying the RAF prior to effecting the Electronic Application and agrees to be bound by the same;**
  - (b) **that they consent to the disclosure of their name, NRIC/Passport number, address, nationality, Securities Account number and application details (the “Relevant Particulars”) from their account with that Participating Bank to the Registrars, the Receiving Agents, Securities Clearing and Computer Services (Pte) Limited (“SCCS”), CDP, the Singapore Exchange and the Company (the “Relevant Parties”); and**
  - (c) **that they accept the prevailing foreign exchange board rate indicated by the Participating Bank at the time of acceptance for debiting the application moneys in Singapore dollars equivalent from their Singapore dollar bank account. They also accept the Participating Bank’s prevailing foreign exchange board rate at the time of refund for crediting moneys to be refunded (if any) to their Singapore dollar bank account, and the foreign exchange profit or loss (if any) arising from the difference (if any) in the prevailing foreign exchange board rates at the time of acceptance and at the time of refund (if any).**

The application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless the Applicant presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying their confirmation of each of the statements in (1) above. In respect of statement 1(b) above, their confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as the Applicant’s written permission, given in accordance with the relevant laws of Singapore including Section 47 of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) The Applicant may make an Electronic Application for the New Ordinary Shares at an ATM of any Participating Bank using cash only by authorising such Participating Bank to deduct the full amount payable from their bank account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to accept the lesser of the number of New Ordinary Shares as stated on the Transaction Record or the number of New Ordinary Shares standing to the credit of the “Free Balance” of their Securities Account as at 5.00 p.m. (Singapore time) on the Closing Date.
- (4) If the Applicant’s Electronic Application is successful, the Applicant’s confirmation (by their action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM screen of the relevant Participating Bank) of the number of New Ordinary Shares accepted shall signify and shall be treated as their acceptance of the number of New Ordinary Shares that may be allocated to them.
- (5) In the event that the Applicant accepts the New Ordinary Shares and payment is made by US dollar cashier’s order or demand draft drawn on a bank in Singapore accompanying a RAF and/or any other application form for the New Ordinary Shares and by way of an Electronic Application through an ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of New Ordinary Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of New Ordinary Shares not exceeding the number of provisionally allotted New Ordinary Shares which are standing to the credit of the “Free Balance” of their Securities Account as at 5.00 p.m. (Singapore time) on the Closing Date. CDP, in determining the number of New Ordinary Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of New Ordinary Shares, whether by way of a US dollar cashier’s order or demand draft drawn on a bank in Singapore accompanying the RAF and/or by way of an Electronic Application through an ATM of a Participating Bank.
- (6) The Applicant irrevocably requests and authorises the Company to:
  - (a) procure the registration of the New Ordinary Shares allocated to the Applicant in the name of CDP for deposit into the Applicant’s Securities Account; and
  - (b) procure the return (without interest or any share of revenue or other benefit arising therefrom) of the application moneys, should the Electronic Application not be accepted by the Company for any reason, by automatically crediting the Applicant’s bank account with the Participating Bank in Singapore dollars with the relevant amount based on the relevant Participating Bank’s foreign exchange board rate prevailing at the time of refund after the Closing Date.
- (7) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT THEY ARE NOT APPLYING FOR THE NEW ORDINARY SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (8) The Applicant irrevocably agrees and acknowledges that their Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of CDP, the Participating Banks, the Company, the Receiving Agents, Jardine Strategic, J.P. Morgan Cazenove and/or UBS) and any other events whatsoever beyond the control of CDP, the Participating Banks, the Company, the Receiving Agents, Jardine Strategic, J.P. Morgan Cazenove and/or UBS and if, in any such event, CDP, the Participating Banks, the Company, the Receiving Agents, Jardine Strategic, J.P. Morgan Cazenove and/or UBS do not record or receive the same by the latest time and date for acceptance and payment for the New Ordinary Shares, or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have accepted the New Ordinary Shares and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, the Receiving Agents, Jardine Strategic, J.P. Morgan Cazenove and/or UBS in respect of any purported acceptance thereof, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (9) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. and 9.30 p.m. (excluding public holidays), **subject to paragraph (10) below.**

- (10) Electronic Applications shall close at 9.30 p.m. on Thursday, 2nd April 2015 or at such other time and date as the Company may, in its absolute discretion, decide.
- (11) All particulars of the Applicant in the records of their Participating Bank at the time the Applicant makes their Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of making their Electronic Application, the Applicant shall promptly notify their Participating Bank.
- (12) The Applicant must have sufficient funds in their bank account(s) with their Participating Bank at the time they make their Electronic Application, failing which the Electronic Application will not be completed. Any Electronic Application made at the ATMs of the other Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (13) Where any Electronic Application is not accepted, it is expected that the full amount of the application moneys will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of application moneys will be refunded based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund.
- (14) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at 9.30 p.m. on Thursday, 2nd April 2015 for Electronic Applications or such later time or date as the Company may, in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
  - (a) their Electronic Application is irrevocable;
  - (b) their Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and they irrevocably submit to the exclusive jurisdiction of the Singapore courts;
  - (c) none of CDP, SCCS, the Company, the Receiving Agents, Jardine Strategic, J.P. Morgan Cazenove, UBS or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to their Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph (8) above or to any cause beyond their respective control;
  - (d) they will not be entitled to exercise any remedy of rescission for misrepresentation at any time after their Electronic Application; and
  - (e) in respect of the New Ordinary Shares for which their Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by CDP, for and on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company.
- (15) The Applicant should ensure that their personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise their Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in their address, failing which the notification letter on successful allocation will be sent to their mailing address last registered with CDP.
- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in their own name and without qualification. The Company will reject any application by any person acting as nominee.
- (17) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the Nil Paid Rights Allocations accepted by the Applicant.

**(e) Combination Application**

In the event that an Entitled Depositor accepts the Nil Paid Rights Allocations, by way of a RAF, any other application form for the New Ordinary Shares and/or by way of an Electronic Application through an ATM of a Participating Bank, the New Ordinary Shares will be allocated in such manner as the Company or CDP may, in their absolute discretion, deem fit. If such applications are not accepted by the Company or CDP for any reason

and the New Ordinary Shares are not allocated to the Applicant, the amount paid on application will be refunded, without interest or any share of revenue or other benefit arising therefrom, by any one or a combination of the following:

- (i) by means of a cheque or demand draft in US dollars and sent BY ORDINARY POST at the Entitled Depositor's own risk to their mailing address registered with CDP (if the Entitled Depositor accepts directly through CDP); and/or
- (ii) by crediting the Entitled Depositor's bank account in Singapore dollars with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund at the Entitled Depositor's own risk (if the Entitled Depositor accepts through an ATM of a Participating Bank).

In determining the total number of New Ordinary Shares represented by Nil Paid Rights Allocations which an Entitled Depositor can validly accept, the Company and/or CDP are entitled, and the Entitled Depositor hereby authorises the Company and/or CDP to take into consideration:

- (i) the total number of New Ordinary Shares represented by the Nil Paid Rights Allocations which the Entitled Depositor has validly accepted, whether under the RAF and/or any other application form for New Ordinary Shares (including by way of an Electronic Application);
- (ii) the total number of New Ordinary Shares represented by the Nil Paid Rights Allocations standing to the credit of the "Free Balance" of the Entitled Depositor's Securities Account which is available for acceptance; and
- (iii) the total number of New Ordinary Shares represented by the Nil Paid Rights Allocations which has been disposed of by the Entitled Depositor.

**(f) Personal Data Privacy**

By completing and delivering a RAF and/or any other application form for the New Ordinary Shares and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM screen of the relevant Participating Bank, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Relevant Parties for the purpose of facilitating his acceptance of the New Ordinary Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

**(g) General**

It is the responsibility of the Entitled Depositors or the Purchasers (as the case may be) to ensure that the RAF is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance which does not comply with the terms and instructions contained herein and in the RAF, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the RAF on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision. EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS DOCUMENT, ACCEPTANCE OF THE NIL PAID RIGHTS ALLOCATIONS IS IRREVOCABLE.

No receipt or acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. The Entitled Depositors or the Purchasers (as the case may be) can check the status of their acceptance of the Nil Paid Rights Allocations through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your six (6) digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to the Entitled Depositors or the Purchasers (as the case may be) will be sent BY ORDINARY POST to their respective mailing addresses in Singapore as maintained in the records of CDP, and AT THEIR OWN RISK.

### **3. Splitting and transfer of Provisional Allotment Letters**

If Qualifying Shareholders whose Nil Paid Rights are represented by a Provisional Allotment Letter wish to take up only part of their Nil Paid Rights and to transfer the remainder, or to transfer all the Nil Paid Rights but to different persons, the Provisional Allotment Letter may be split (in accordance with the instructions printed on it) if lodged, by post or by hand (during normal business hours only), with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England; or M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; so as to arrive no later than 3.00 p.m. (local time) on Wednesday, 1st April 2015. If you hold Ordinary Shares through CDP, please refer to paragraph 2.2 above.

The Nil Paid Rights comprised in any Provisional Allotment Letter or split Provisional Allotment Letter may, save as required by the laws of certain foreign jurisdictions, be transferred by renouncing such Nil Paid Rights and handing the relevant Provisional Allotment Letter intact to the person through or to whom the transfer is being made. Once renounced, a Provisional Allotment Letter will become a negotiable document in bearer form. After 11.00 a.m. (local time) on Tuesday, 7th April 2015, the latest time for acceptance and payment in full for persons who are not Depositors, Provisional Allotment Letters will cease to be valid. New Ordinary Shares will thereafter be in registered form.

### **4. Registration and trading arrangements**

Qualifying Shareholders who receive Provisional Allotment Letters and who wish to dispose of their Nil Paid Rights should note that the New Ordinary Shares will be traded in nil paid form in London and Singapore.

Nil Paid Rights Allocations, however, cannot be traded on the Singapore Exchange unless the Existing Ordinary Shares pursuant to which the Nil Paid Rights Allocations are granted are held through CDP. Qualifying Shareholders should consult their stockbroker or other professional adviser if they wish to dispose of their Nil Paid Rights.

The New Ordinary Shares are expected to be listed on the London Stock Exchange, the Bermuda Stock Exchange and the Singapore Exchange. Ordinary Shares traded on the Singapore Exchange must be settled through CDP.

There will be no trading in fully-paid Provisional Allotment Letters.

Qualifying Shareholders who wish to sell the New Ordinary Shares for which they have subscribed or who receive registered share certificates in respect of New Ordinary Shares and who subsequently wish to trade their New Ordinary Shares should consult their stockbroker or other professional adviser for advice as to the settlement of dealings and as to the registration of their securities within the local settlement systems, if appropriate.

### **5. Documents of title**

Where a Provisional Allotment Letter has been accepted and paid for, it will not be returned.

Definitive certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by no later than Monday, 20th April 2015 (or, where payment is made by a US dollar banker's draft not drawn on a bank in Singapore, such later date as the relevant banker's draft is cleared).

As it is expected that trading in the fully-paid New Ordinary Shares on the London Stock Exchange, the Bermuda Stock Exchange and the Singapore Exchange will commence on Wednesday, 8th April 2015 prior to the despatch of the certificates, shareholders should, prior to trading, be aware of the settlement requirements that may be applicable. New Ordinary Shares within the CDP system will be allocated to the respective Entitled Depositors' accounts before trading commences.

### **6. Procedure in respect of New Ordinary Shares not taken up**

If payment in full for any New Ordinary Shares provisionally allotted has not been received by the relevant closing times set out in this document, the provisional allotment of New Ordinary Shares will be deemed to have been declined, in which event it will lapse.

An equivalent number of New Ordinary Shares to those that are deemed to have been declined will be allotted and issued to CDP for the account of Jardine Strategic at the Issue Price in accordance with the Underwriting Agreement on terms that, if places for any such shares can be procured at a premium (after expenses) over the Issue Price, such shares shall be transferred to the accounts maintained by such places within CDP in accordance with the terms of the Placing Agreement.

J.P. Morgan Cazenove and UBS will endeavour to procure, by not later than 5 p.m. (Singapore time) on 9th April 2015, places for the New Ordinary Shares that are deemed to have been declined, if a premium (after expenses) over the Issue Price can be obtained.

Notwithstanding the above, J.P. Morgan Cazenove and UBS may cease to endeavour to procure any such places if, in their reasonable opinion, it is unlikely that any such place(s) can be so procured at such a price by such time.

If places are procured in accordance with the arrangements described in this paragraph 6, any premium over the Issue Price less the expenses of procuring places (including any applicable brokerage and other commissions and any amounts attributable to value added tax and currency conversion costs) shall be paid (subject as provided in this paragraph 6), without interest and pro rata to the relevant lapsed Nil Paid Rights:

- (i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter relating to those Nil Paid Rights;
- (ii) where the Nil Paid Rights Allocations were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights Allocations in CDP; and
- (iii) to the extent not provided above, where an entitlement to New Ordinary Shares was not taken up by an Excluded Shareholder, to such Excluded Shareholder.

Payments to the relevant Qualifying Shareholders will be made in the currency in which the relevant recipient would receive dividends on Ordinary Shares, while payments to the relevant Depositors will be made in US dollars. No payment will be made of amounts of less than US\$5.00, which amounts will be aggregated and retained for the benefit of the Company.

Neither the Company, Jardine Strategic, J.P. Morgan Cazenove nor UBS shall be responsible for any loss, expense or damage (whether actual or alleged) arising from the terms or timing of any such placing. Cheques for the amounts due will be sent by post, at the risk of the persons entitled, to their registered addresses. J.P. Morgan Cazenove and UBS will be entitled to retain any brokerage fees, commissions or other benefit received in connection with these arrangements.

## **7. Withdrawal rights**

Persons who have the right to withdraw their acceptances under Section 87Q(4) of the FSMA after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must do so by lodging a written notice of withdrawal (which shall not be in the form of a notice sent by facsimile or any other form of electronic communication), which must include the full name and address of the person wishing to exercise such statutory withdrawal rights, with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England; or M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, so as to be received no later than two business days after the date on which the supplementary prospectus was published, such withdrawal being effective as at receipt of the written notice of withdrawal. Notice of withdrawal given by any other means or which is deposited with or received by Capita Asset Services or M & C Services after the expiry of such period will not constitute a valid withdrawal. Furthermore, the Company will not permit the exercise of withdrawal rights after the allotment of the New Ordinary Shares to such Qualifying Shareholder becoming unconditional, save as required by statute. In such circumstances, Qualifying Shareholders are advised to consult their professional advisers, including their legal advisers, as this might be a matter of law.

Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of paragraph 6 above as if the entitlement had not been validly taken up.

## **8. Overseas Shareholders**

This document has been approved by the FCA, being the competent authority in the United Kingdom, and authorised by the Securities and Futures Commission of Hong Kong for registration in Hong Kong.

### **8.1 General**

**The making or acceptance of the proposed offer of Nil Paid Rights, Nil Paid Rights Allocations and/or New Ordinary Shares to persons who have registered addresses outside Australia, Bermuda, Hong Kong, Singapore and the United Kingdom, or who are located or resident in countries other than Australia,**

**Bermuda, Hong Kong, Singapore and the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for New Ordinary Shares or otherwise deal in their rights to such New Ordinary Shares. Any Shareholder who is in any doubt as to his position should consult an appropriate professional adviser without delay.**

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Australia, Bermuda, Hong Kong, Singapore and the United Kingdom wishing to subscribe for New Ordinary Shares or otherwise deal in his rights to such New Ordinary Shares to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. **The comments set out in this paragraph 8 are intended as a general guide only and any Qualifying Shareholder or Entitled Depositor who is in doubt as to their position should consult their professional adviser without delay.**

Receipt of this document, a Provisional Allotment Letter and/or a RAF or the crediting of Nil Paid Rights Allocations to a Securities Account will not constitute an offer in those jurisdictions in which it would be illegal to make or accept an offer and, in those circumstances, this document, the Provisional Allotment Letter and/or RAF must be treated as sent (or made available) for information only and should not be copied or redistributed.

Save as set out in this paragraph 8, no action has been or will be taken in any jurisdiction (other than Australia, Bermuda, Hong Kong, Singapore and the United Kingdom) that would permit a public offer or distribution of the New Ordinary Shares, the Nil Paid Rights, the Nil Paid Rights Allocations, the Provisional Allotment Letters or the RAFs or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the New Ordinary Shares, the Nil Paid Rights, the Nil Paid Rights Allocations, the Provisional Allotment Letters and the RAFs may not be distributed, offered or sold, directly or indirectly, and this document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes (or who otherwise access this document) should inform themselves about and observe any restrictions on the distribution of this document and the offer or distribution of the New Ordinary Shares, the Nil Paid Rights, the Nil Paid Rights Allocations, the Provisional Allotment Letters and the RAFs contained in this document. Any failure to comply with these restrictions might constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to acquire any of, or a distribution of, the New Ordinary Shares, the Nil Paid Rights, the Nil Paid Rights Allocations, the Provisional Allotment Letters and the RAFs to any person in any jurisdiction to whom it is unlawful to make or accept such offer, distribution or solicitation in such jurisdiction.

Nil Paid Rights will be provisionally allotted to all Qualifying Shareholders on the Register at the Record Date, including Overseas Shareholders. However, neither the Provisional Allotment Letters nor the RAFs will be sent to Excluded Shareholders, and neither will the Nil Paid Rights Allocations be credited to Securities Accounts of, nor the RAFs will be sent to, Non-Entitled Depositors, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. The fact that Nil Paid Rights will be provisionally allotted to all Qualifying Shareholders on the Register at the Record Date, including Overseas Shareholders, does not constitute an offer to Shareholders or Depositors: (i) with a registered address, or resident, in one of the Restricted Territories; (ii) subject to certain exceptions, in the United States or any of the other Restricted Territories; or (iii) with a registered address in the United States, or who hold on behalf of, or for the account or benefit of, persons with a registered address in the United States or located in the United States, or to Shareholders or Depositors who hold on a non-discretionary basis on behalf of, or for the account or benefit of, any person who is in the United States. Any such Shareholders or Depositors will not be entitled to take up rights in the Rights Issue, unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person in the United States or any Restricted Territory receiving or being given access to a copy of this document, a Provisional Allotment Letter or RAF and/or receiving a credit of Nil Paid Rights Allocations to a Securities Account may treat the same as constituting an invitation or offer to them nor should they in any event use the Provisional Allotment Letter or RAF or deal with Nil Paid Rights Allocations unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to and accepted by them or the Provisional Allotment Letter or RAF (as the case may be) could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this document, the Provisional Allotment Letter

and the RAF are to be treated as sent (or made available) for information only and should not be copied or redistributed.

Accordingly, persons (including, without limitation, custodians, nominees and trustees) receiving or being given access to a copy of this document and/or a Provisional Allotment Letter or RAF or whose Securities Account is credited with Nil Paid Rights Allocations should not, in connection with the Rights Issue, distribute or send the same or transfer Nil Paid Rights or Nil Paid Rights Allocations in or into any jurisdiction where to do so would or might contravene local security laws or regulations including, but not limited to, those of the United States and the Restricted Territories. If a Provisional Allotment Letter, a RAF or a credit of Nil Paid Rights Allocation is received by any person in any such territory, or by their agent or nominee, they must not seek to take up the rights referred to in the Provisional Allotment Letter, the RAF or in this document or renounce the Provisional Allotment Letter or RAF or transfer the Nil Paid Rights or Nil Paid Rights Allocations unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a Provisional Allotment Letter or a RAF or transfer Nil Paid Rights or Nil Paid Rights Allocations into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 8.

The Company reserves the right to treat as invalid and will not be bound to allot or issue any New Ordinary Shares in respect of any acceptance or purported acceptance of the offer of New Ordinary Shares which:

- (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any of the other Restricted Territories; or
- (ii) in the case of a Provisional Allotment Letter or RAF, provides an address for delivery of the share certificates in, or, in the case of a credit of New Ordinary Shares to a Securities Account, to a Depositor whose registered address is in, the United States or any of the other Restricted Territories or any other jurisdiction outside Australia, Bermuda, Hong Kong, Singapore or the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit or which does not make the warranty set out in the Provisional Allotment Letter or RAF (as the case may be) to the effect that the person accepting and/or renouncing and/or otherwise disposing of the provisional allotment does not have a registered address and is not otherwise located in the United States or one of the other Restricted Territories and is not acquiring the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares in the United States or one of the other Restricted Territories or where the Company believes acceptance of such Provisional Allotment Letter or RAF (as the case may be) may infringe applicable legal or regulatory requirements.

Subject to paragraphs 8.2 to 8.7 below, any person (including, without limitation, agents, nominees and trustees) outside Australia, Bermuda, Hong Kong, Singapore and the United Kingdom, wishing to take up their rights under the Rights Issue must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. **The comments set out in this paragraph 8 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.**

The attention of Overseas Shareholders resident or with registered addresses in the United States or any of the other Restricted Territories is drawn to paragraphs 8.2 to 8.7 below. Entitlements to Nil Paid Rights to which Shareholders with registered addresses in the United States or any of the other Restricted Territories would otherwise be entitled and Nil Paid Rights Allocations that would have otherwise been credited to the Securities Accounts of Depositors with registered addresses in the United States or any of the other Restricted Territories will be aggregated with entitlements to Nil Paid Rights and with Nil Paid Rights Allocations which have not been taken up by other Shareholders and dealt with as described in paragraph 6 of this Part II.

Despite any other provision of this document, the Provisional Allotment Letter or the RAF, the Company reserves the right to permit any Qualifying Shareholder or Depositor to take up or deal in his rights on the terms and conditions set out in this document if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Those Qualifying Shareholders and Depositors who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 2.1 and 2.2 of this Part II.

## 8.2 Member States of the European Economic Area (other than the United Kingdom)

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (except the UK) (each, a “Relevant Member State”), none of the New Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations have been offered or will be offered pursuant to the Rights Issue to the public in that Relevant Member State prior to the publication of this document in relation to the New Ordinary Shares, the Nil Paid Rights and the Nil Paid Rights Allocations, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (as defined below), except that an offer of such Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares may be made to the public in that Relevant Member State:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares, Nil Paid Rights or Nil Paid Rights Allocations shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in that Relevant Member State.

For the purposes of this provision, the expression “an offer of New Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations to the public” in relation to any New Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations to be offered so as to enable an investor to decide to subscribe for the New Ordinary Shares, the Nil Paid Rights or the Nil Paid Rights Allocations, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## 8.3 United States

The Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws of any State or other jurisdictions of the United States. Subject to certain exceptions, the Provisional Allotment Letters, the RAFs, the Nil Paid Rights, the Nil Paid Rights Allocations and the New Ordinary Shares are not being offered or sold, directly or indirectly, in the United States. Accordingly, this document is not being sent into the United States in connection with and does not constitute an offer of, or an invitation to subscribe for or to purchase, any Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares in the United States.

No Provisional Allotment Letters or RAFs will be sent to any holders of Ordinary Shares whose registered addresses are in the United States. Provisional Allotment Letters or RAFs contained in envelopes sent from or post-marked in the United States will be deemed to be invalid. Persons with registered addresses in the United States on the Record Date will be Excluded Shareholders. In addition, persons with registered addresses in the United States (other than Qualifying Account Holders, as such term is defined below) whose Ordinary Shares are held by a third party with a registered address outside the United States will be Excluded Shareholders. Excluded Shareholders will be treated as non-exercising holders in accordance with paragraph 6 above. Provisional Allotment Letters and RAFs sent to Shareholders who are holding Ordinary Shares for the account of such Excluded Shareholders will be non-renounceable to the extent of such account holdings and the rights comprised therein may only be taken up subject to satisfactory compliance with applicable securities laws, as determined in the sole judgement of the Company.

To the extent that a person in the United States is a broker or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that holds Ordinary Shares in a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US person, such broker or other professional fiduciary may participate in the Rights Issue **provided** that it does so solely in its capacity as a holder of such account, and **provided further** that it confirms in writing to the Company, in care of M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, prior to 11.00 a.m. (Singapore time) on

Thursday, 2nd April 2015, that it is a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) for the benefit or account of a non-US person and that it is acting solely in its capacity as a holder of such account (such account holder being herein referred to as a “Qualifying Account Holder”).

To give effect to the foregoing restrictions, each Shareholder exercising rights to purchase the New Ordinary Shares will be required to represent and warrant that:

- (i) I/We understand that the New Ordinary Shares to be issued to me/us and the Provisional Allotment Letters or RAFs, as the case may be, have not been and will not be registered under the Securities Act or under the securities laws of any State of the United States and, accordingly, the New Ordinary Shares, the Provisional Allotment Letter or RAF and the rights existing thereunder may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any State of the United States.
- (ii) I am not/None of us is in the United States or acting for the account or benefit of anyone in the United States, other than for Qualifying Account Holders.

The arrangements described in paragraph 6 above will apply to the entitlements of other beneficial owners in the United States whose Ordinary Shares are being held for their account by a third party with an address outside the United States in the event that such third party is unable to make the declarations set out above.

#### **8.4 Australia**

The offer contained in this document is being made to persons in Australia in reliance on Class Order 00/183 issued by the Australian Securities and Investments Commission (“ASIC”). No prospectus, product disclosure statement or other disclosure document has been lodged with ASIC in relation to the Rights Issue. This document does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any New Ordinary Shares acquired under the Rights Issue by persons in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the Rights Issue, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring New Ordinary Shares must observe such Australian on-sale restrictions.

This document contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

#### **8.5 Restricted Territories and Other Overseas Territories**

Due to restrictions under the securities laws of the Restricted Territories, no Provisional Allotment Letters or RAFs will be sent to, and no Nil Paid Rights Allocations will be credited to a Securities Account of, any Qualifying Shareholder or Depositor (as the case may be) with a registered address in any of the Restricted Territories and the arrangements described in paragraph 6 above will apply to the Nil Paid Rights and the Nil Paid Rights Allocations to which such Qualifying Shareholders or Depositors were entitled. The Nil Paid Rights, the Nil Paid Rights Allocations, the New Ordinary Shares, the Provisional Allotment Letters and the RAFs have not been and will not be registered under the securities laws of any Restricted Territory and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption, from and in compliance with (or in a transaction not subject to), any applicable securities laws.

There will be no public offer of the Nil Paid Rights, the Nil Paid Rights Allocations or the New Ordinary Shares in any of the Restricted Territories and no offer of New Ordinary Shares is being made by virtue of this document, the Provisional Allotment Letters or the RAFs into the Restricted Territories.

Any person in a Restricted Territory who obtains a copy of this document or a Provisional Allotment Letter or a RAF is required to disregard them, except with the consent of the Company.

Notwithstanding the foregoing, if a Qualifying Shareholder or Depositor (as the case may be) with a registered address in any of the Restricted Territories can demonstrate to the satisfaction of the Company that receipt, and acceptance, of the offer in such jurisdiction will not breach applicable securities laws then the Company in its absolute discretion (in consultation with Jardine Strategic) may either, if such Qualifying Shareholder is a not a Depositor, arrange for him to be sent a Provisional Allotment Letter or, if he is a Depositor, arrange for him to be sent a RAF and for Nil Paid Rights Allocations to be credited to his relevant Securities Account.

Qualifying Shareholders and Depositors who are located in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights and Nil Paid Rights Allocations.

## **8.6 Further representations and warranties**

### **8.6.1 Qualifying Shareholders**

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein makes the representations and warranties set out below to the Company, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction. In the absence of such proof, the representations and warranties referred to above are that: (a) such person is not located or resident in, and is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within the United States or any of the other Restricted Territories; (b) such person is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire or subscribe for New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (c) such person is not accepting, renouncing or requesting registration on a non-discretionary basis for a person located or resident in the United States or any of the other Restricted Territories or any jurisdiction referred to in (b) above at the time the instruction to accept, renounce or request was given; and (d) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any of the other Restricted Territories or any jurisdiction referred to in (b) above.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it (a) appears to the Company to have been executed in or despatched from the United States or any of the other Restricted Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement in any jurisdiction; (b) provides an address in the United States or any of the other Restricted Territories for delivery of share certificates for New Ordinary Shares (or any jurisdiction outside Australia, Bermuda, Hong Kong, Singapore or the United Kingdom in which it would be unlawful to deliver such certificates); or (c) purports to exclude any of the representations and warranties required by this paragraph 8.6.

### **8.6.2 Depositors within CDP**

An Entitled Depositor who makes a valid acceptance in accordance with the procedures set out in paragraph 2.2 of this Part II makes the representations and warranties set out below to the Company, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction. In the absence of such proof, the representations and warranties referred to above are that: such person (a) is not located within or resident in the United States or any of the other Restricted Territories; (b) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire or subscribe for Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares; (c) is not accepting on a non-discretionary basis for a person located within or resident in the United States or any of the other Restricted Territories or any jurisdiction referred to in (b) above at the time the instruction to accept was given; and (d) is not acquiring Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Nil Paid Rights Allocations or New Ordinary Shares into the United States or any of the other Restricted Territories or any jurisdiction referred to in (b) above.

The Company may treat as invalid any RAF if it: (a) appears to the Company to have been despatched from the United States or any of the other Restricted Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement in any jurisdiction; or (b) purports to exclude any of the representations and warranties required by this paragraph 8.6.

## 8.7 Waiver

The provisions of this paragraph 8 and of any other terms of the Rights Issue relating to Qualifying Shareholders and Entitled Depositors with registered addresses in, or who are located in, the United States or any of the Restricted Territories may be waived, varied or modified as regards specific Qualifying Shareholder(s), specific Entitled Depositor(s) or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 8.7 which refer to Qualifying Shareholders shall include references to the person or persons executing a Provisional Allotment Letter (or a RAF, as the case may be) and, in the event of more than one person executing a Provisional Allotment Letter (or a RAF, as the case may be), the provisions of this paragraph 8.7 shall apply jointly to each of them.

## 9. Times and dates

The Company shall, in its discretion and after consultation with its advisers, be entitled to amend the dates that dealings in Nil Paid Rights and Nil Paid Rights Allocations commence or amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority and the Singapore Exchange and make an announcement via a Regulatory Information Service approved by the UK Listing Authority. **In the event such an announcement is made, Qualifying Shareholders and Entitled Depositors may not receive any further written communication in respect of such amendment or extension of the dates included in this document.**

If a supplementary prospectus is issued by the Company two or fewer business days prior to the latest time and date for acceptance and payment in full under the Rights Issue specified in this document (or such later date as may be agreed between the Company and Jardine Strategic), the latest date for acceptance and payment in full under the Rights Issue shall be extended to the date that is three business days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## 10. Governing law

Save as otherwise provided in this document and the RAFs in relation to Electronic Applications by Entitled Depositors, the terms and conditions of the Rights Issue as set out in this document, the Provisional Allotment Letter and the RAFs and any non-contractual obligations arising out of or in relation to the Rights Issue shall be governed by, and construed in accordance with, English law.

## 11. Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter and any non-contractual obligations arising out of or in connection with them. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Shareholders and Entitled Depositors, other than, subject to certain exceptions, those with a registered address, or resident in, the United States or one of the other Restricted Territories, Qualifying Shareholders and Entitled Depositors irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART III – INFORMATION ON THE MANDARIN ORIENTAL GROUP

### 1. Introduction and Business Overview

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels, resorts and residences in Asia, Europe and the Americas. The Group operates, or has under development, 44 hotels representing almost 11,000 rooms in 24 countries, with 20 hotels in Asia, 10 in The Americas and 14 in Europe, Middle East and North Africa. Hong Kong is the only city where the Group owns more than one hotel – both The Excelsior and the Mandarin Oriental, Hong Kong – in addition to managing the Landmark Mandarin Oriental, Hong Kong. As an international gateway destination which benefits from strong corporate and leisure demand, with an increasing number of visitors from mainland China in recent years, Hong Kong generates a substantial portion of the Group's revenues and profit. In addition, the Group operates, or has under development, 15 *Residences at Mandarin Oriental* connected to its properties worldwide. The Group has equity interests in a number of its properties and net assets worth approximately US\$3.2 billion as at 31st December 2014. Capitalising on the strength of its brand, the Group also operates hotels on behalf of third party owners that require no equity investment by the Group.

The Company, being the parent company of the Group, is incorporated in Bermuda and has a standard listing on the main market of the London Stock Exchange as its primary listing, with secondary listings in Bermuda and Singapore. MOHG, which operates from Hong Kong, manages the activities of the Group's hotels. Mandarin Oriental is a member of the Jardine Matheson Group.

### 2. The Group's Strategy

The Group's aspiration is to be recognised widely as the best global luxury hotel group, which it aims to achieve by investing in the Group's facilities and its people. The strategy of the Group is to open the hotels currently under development, while continuing to seek further selective opportunities for expansion around the world. This strategy, combined with a strong balance sheet, is designed to achieve long-term growth in both earnings and net asset value.

The strategic objectives of the Group are:

- being recognised as the world's best luxury hotel group;
- strengthening the Group's competitive position;
- increasing the number of rooms under operation to 10,000; and
- achieving a strong financial performance.

### 3. The Group's History

The Group began with the opening by Hongkong Land of its flagship property, "The Mandarin", in Hong Kong in 1963, and a second opening of The Excelsior Hotel in Causeway Bay in 1973. In 1974, Mandarin International Hotels Limited was formed as a hotel management company. In 1974, Mandarin International Hotels Limited's hotel interests expanded further through the acquisition of a 49 per cent. interest in "The Oriental", Bangkok, resulting in two "flagship" hotels for the Group. In 1985, the Company rationalised its corporate structure by combining "The Mandarin" in Hong Kong and "The Oriental" in Bangkok under a common name, Mandarin Oriental Hotel Group. In 1987, Mandarin Oriental Hotel Group was floated under the name of Mandarin Oriental International Limited, when it was demerged from Hongkong Land, with a net asset value of US\$277 million. Since the 1990s, the Group has expanded globally and now operates, or has under development, 44 hotels representing close to 11,000 rooms in 24 countries.

### 4. The Group's Business Divisions and Activities

The Group is operated on a worldwide basis in four regions: Hong Kong; Other Asia; Europe; and The Americas.

The following table sets out a breakdown of the Group's revenues by geographical area:

<u>By geographical area</u>	31st December US\$m			
	2014 (unaudited)	2013	2012	2011
Hong Kong	249.5	245.9	238.8	231.2
Other Asia	118.9	131.6	140.9	127.5
Europe	249.6	226.0	208.8	194.7
The Americas	61.9	65.1	59.8	60.8
<b>Total</b>	<b>679.9</b>	<b>668.6</b>	<b>648.3</b>	<b>614.2</b>

The following table sets out a breakdown of the Group's underlying EBITDA (earnings before interest, tax, depreciation and amortisation) from subsidiaries by geographical area:

<u>By geographical area</u>	31st December US\$m				
	2014 (unaudited)	2013	2012 (restated) <sup>(1)</sup>	2012 (unrestated)	2011
Hong Kong	85.1	83.0	84.3	86.3	81.0
Other Asia	29.9	30.1	25.8	25.8	18.8
Europe	67.6	54.8	23.4	23.4	28.8
The Americas	3.2	3.9	2.5	2.5	1.7
<b>Total</b>	<b>185.8</b>	<b>171.8</b>	<b>136.0</b>	<b>138.0</b>	<b>130.3</b>

**Note:**

(1) Amounts restated to reflect a change in accounting policy upon adoption of IAS19 (amended 2011) 'Employee Benefits'.

The Group has two distinct business segments:

- **Hotel ownership:** where the Group both owns (or leases) and operates the hotel and, in the case of ownership, assumes all the benefits and risks associated with ownership. The Group owns hotels where it is considered strategically important to do so. Rooms owned or leased by the Group at the end of 2014 totalled approximately 4,900, representing 63 per cent. of the Group's rooms.
- **Hotel and Residences branding and management:** where the Group brands and manages the hotel for third party owners, and brands and manages *Residences at Mandarin Oriental*.

The Group derives hotel management revenues from royalties for use of the Group's brand and from base and incentive management fees, and also provides the system infrastructure necessary for the hotel to operate. Management fees and royalties are linked to total hotel revenue and may have an additional incentive fee linked to profitability and/or cash flow. The terms of these agreements vary, but are often long term (for example 10 years or more). The Group's responsibilities under the management agreement typically include hiring, training and supervising the managers and employees that operate the hotels under the relevant brand standards. The Group prepares annual budgets for the hotels that it manages, and property owners are responsible for funding periodic maintenance and repair on a basis to be allocated by the Group. In order to gain access to central reservations systems, global and regional brand marketing and brand standards and procedures, owners are typically required to make a further contribution. In certain cases, property owners may insist on performance targets, with consequences for management fees and sometimes the contract itself (including, on occasion, the right of termination), if those targets are not met. At the end of 2014, 2,933 (37 per cent.) of the Group's rooms were operated under management contracts.

*Residences at Mandarin Oriental* are residential condominium apartments built adjacent to a Group hotel by the developer and sold to individual members of the public. The Group derives revenues principally from licence fees paid by the developer for use of the Group's brand in marketing the residences for sale, and also from management fees for services provided to the residences owners. The Group's responsibilities under the residences management agreement typically include hiring, training and supervising the managers and employees that operate the residences under the relevant brand standards. The Group prepares annual budgets for the residences it manages, and residences owners are responsible for funding periodic maintenance and repair to common areas on a basis to be allocated by the Group, as well as maintaining their own residences. The Group also benefits incrementally from revenues at the adjoining Group hotel for various products and services provided to branded residences owners, such as spa treatments, food and beverage.

The following table sets out a breakdown of the Group's revenues by business activity:

<b>By business activity</b>	<b>31st December US\$m</b>			
	<b>2014 (unaudited)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Hotel ownership	634.2	637.8	619.6	570.1
Hotel and Residences branding and management	77.1	62.7	59.9	73.9
Less: Intra-segment revenue	(31.4)	(31.9)	(31.2)	(29.8)
<b>Total</b>	<b>679.9</b>	<b>668.6</b>	<b>648.3</b>	<b>614.2</b>

## 5. Selected Financial Information

The following table sets out certain summary financial information in respect of the Group for the years ended 31st December 2014, 31st December 2013, 31st December 2012 and 31st December 2011. Other than the items identified as having been extracted or derived from the relevant audited consolidated financial statements, all other figures presented within this table are unaudited.

	<b>For the year ended 31st December (US\$ m)</b>				
	<b>2014</b>	<b>2013</b>	<b>2012 (restated)<sup>(5)</sup></b>	<b>2012 (unrestated)</b>	<b>2011</b>
Combined total revenue of hotels under management <sup>(1)</sup>	1,389.9	1,360.8	1,283.3	1,283.3	1,196.4
Underlying EBITDA (Earnings before interest, tax, depreciation and amortisation) <sup>(2)</sup>	217.3	208.7	172.6	174.6	163.0
Underlying profit attributable to shareholders <sup>(3)(6)</sup>	97.0	93.2	69.2	70.8	59.0
Profit attributable to shareholders <sup>(6)</sup>	97.0	96.3	70.7	72.3	67.5
Underlying earnings per share <sup>(3)(6)</sup> (US¢)	9.67	9.30	6.93	7.09	5.92
Earnings per share <sup>(6)</sup> (US¢)	9.67	9.61	7.08	7.24	6.78
Dividends per share <sup>(6)</sup> (US¢)	7.00	7.00	7.00	7.00	6.00
Net asset value per share <sup>(6)</sup> (US\$)	0.95	0.99	0.95	0.95	0.91
Adjusted net asset value per share <sup>(4)</sup> (US\$)	3.14	3.05	2.88	2.88	2.70
Net debt/shareholders' funds <sup>(6)</sup>	42%	48%	14%	14%	12%
Net debt/adjusted shareholders' funds <sup>(4)</sup>	13%	16%	5%	5%	4%

### Notes:

- (1) Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100 per cent. of revenue from associate and managed hotels.
- (2) EBITDA of subsidiaries plus the Group's share of EBITDA of associates.
- (3) Underlying profit attributable to shareholders and underlying earnings per share exclude non-trading items such as gains on disposals, provisions against asset impairment and writeback thereof.
- (4) The adjusted net asset value per share and net debt/adjusted shareholders' funds have been adjusted to include the market value of the Group's freehold and leasehold interests which are carried in the consolidated balance sheet at amortised cost.
- (5) Amounts restated to reflect a change in accounting policy upon adoption of IAS19 (amended 2011) 'Employee Benefits'.
- (6) Extracted or derived from the consolidated financial information contained within the Group's unaudited preliminary results announcement for the financial year ended 31st December 2014 or the audited consolidated financial statements for each of the financial years ended 31st December 2013, 2012 and 2011, as appropriate.

## 6. Current Trading, Trends and Prospects

On 5th March 2015, the Company announced its results for the year ended 31st December 2014. The following information was provided on the current trading of the Group's business:

### "Overview

Against the background of challenging conditions in some markets, Mandarin Oriental did well to achieve an improvement in underlying profit in 2014. The Group benefited from resilient demand from the leisure sector, the geographic diversification of its portfolio and the receipt of US\$15 million of branding fees in relation to the ongoing sales of *The Residences at Mandarin Oriental* in Bodrum.

### Group Review

In Hong Kong, the Group's two wholly-owned hotels performed well compared to last year, although their results were impacted by demonstrations in the city during the final quarter. Mandarin Oriental, Tokyo benefited from improved visitor arrivals to the city, while occupancy at the Bangkok property continued to be affected by the ongoing political uncertainty in the country. The performances of the Group's other Asian hotels were broadly stable.

The results in Europe benefited from further stabilisation of the Paris hotel and an improvement in Geneva, which more than offset weaker demand in London.

In The Americas, while the majority of the Group's hotels reported higher revenue per available room, the overall result was impacted by lower demand in Washington D.C. when compared to the prior year, which included the 2013 Presidential Inauguration.

#### *Outlook*

While trading conditions in a number of markets are expected to remain challenging, the Group is in a strong competitive position. Over the longer term, Mandarin Oriental will benefit from the strength of its brand, the increasing number of travellers from emerging markets, particularly mainland China, the limited new supply of luxury hotels in its key mature markets, and the phased opening of new hotels and *Residences* under development."

Based on the information available to the Directors at the date of this document, the Directors believe that there has been no material change in the broad trend of current trading since 5th March 2015 and the outlook for the Group's trading for the full financial year remains in line with the Directors' expectations.

## **7. Employees**

The number of employees employed by the Group as of 31st December 2014, 2013, 2012 and 2011 was as follows:

<b>By geographical area</b>	<b>31st December</b>			
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Hong Kong	1,819	1,860	1,873	1,881
Other Asia	5,969	6,261	6,681	5,545
Europe	1,850	1,750	1,747	1,678
The Americas	2,863	2,763	2,833	2,559
<b>Total</b>	<b>12,501</b>	<b>12,634</b>	<b>13,134</b>	<b>11,663</b>

As of 10th March 2015 (the latest practicable date prior to the publication of this document), the number of employees of the Group in Hong Kong, Other Asia, Europe and The Americas was 1,825, 5,798, 2,066 and 2,769, respectively.

## PART IV – OPERATING AND FINANCIAL REVIEW OF MANDARIN ORIENTAL GROUP

### 1. Business performance and operating and financial review

#### 1.1 Operating and financial review for the year ended 31st December 2014

##### Results

##### *Overall*

The Group uses EBITDA to analyse operating performance. Total underlying EBITDA including the Group's share of underlying EBITDA from associates is shown below:

	<b>2014</b> <b>US\$m</b> <b>(unaudited)</b>	2013 US\$m
Subsidiaries	<b>185.8</b>	171.8
Associates	<b>31.5</b>	36.9
Underlying EBITDA	<b><u>217.3</u></b>	<u>208.7</u>

##### *Subsidiaries*

	<b>2014</b> <b>US\$m</b> <b>(unaudited)</b>	2013 US\$m
EBITDA from subsidiaries	<b>185.8</b>	171.8
Depreciation and amortisation	<b>(65.0)</b>	(60.0)
Operating profit	<b><u>120.8</u></b>	<u>111.8</u>

In 2014, underlying EBITDA from subsidiaries increased by US\$14.0 million or 8 per cent., to US\$185.8 million. Excluding the US\$7.5 million of one-off credits recorded in 2013 related to the Group's acquisition of the Paris freehold interest, 2014 EBITDA increased by US\$21.5 million or 13 per cent., of which US\$14.9 million was due to branding fees received in relation to the ongoing sales of *The Residences at Mandarin Oriental* in Bodrum.

In Hong Kong, while political demonstrations in the city impacted performance during the last quarter of the year, Mandarin Oriental, Hong Kong maintained its RevPAR in line with the record levels achieved in 2013 and reported an increase in both revenue and EBITDA. The Group's other wholly-owned Hong Kong hotel, The Excelsior, which was also impacted by the political demonstrations in the city, maintained overall revenue and EBITDA in line with prior year, despite a 4 per cent. decline in RevPAR due to a robust performance in Food and Beverage. In Tokyo, the continued recovery in visitor arrivals resulted in a strong improvement in operating performance, although a weaker Japanese Yen meant that performance gains were not fully reflected in the US dollar results. While the Jakarta hotel reported improved performance in local currency terms, a weaker Indonesian Rupiah meant that its EBITDA contribution was lower when translated into US dollars. In Manila, despite a decline in trading following the announcement of the hotel's pending closure in June, and payment of associated closure costs, the hotel's contribution during the nine months until its closure in September was broadly in line with 2013.

Softer demand in London led to a lower contribution from the hotel, while further stabilisation of the Paris hotel operation resulted in both higher revenue and EBITDA, after excluding the one-off credits related to the acquisition of the building's freehold interest in 2013. In Munich, the hotel maintained RevPAR and EBITDA broadly in line with the prior year, while improved performance in Geneva led to an increased contribution from the hotel.

In The Americas, softer city-wide demand resulted in a lower contribution from Washington D.C. hotel.

In 2014, the contribution from management activities increased by US\$15.8 million, or 73 per cent., to US\$37.3 million, from US\$21.5 million in the prior year, primarily due to the US\$14.9 million of branding fees received from the ongoing sale of *The Residences at Mandarin Oriental* in Bodrum.

## *Associates*

The Group's share of results from associates was as follows:

	<b>2014</b> <b>US\$m</b> <b>(unaudited)</b>	2013 US\$m
Underlying EBITDA from associates	<b>31.5</b>	36.9
Non-trading items:		
Writeback of provision against asset impairment	<u>—</u>	<u>3.1</u>
EBITDA from associates	<b>31.5</b>	40.0
Depreciation and amortisation	<b>(12.1)</b>	(12.2)
Operating profit	<b>19.4</b>	27.8
Less: net financing charges tax	<b>(3.5)</b>	(3.5)
	<b>(3.6)</b>	(3.7)
Share of results of associates	<b><u>12.3</u></b>	<b><u>20.6</u></b>

In total, the Group's share of underlying EBITDA from associates decreased by US\$5.4 million or 15 per cent. to US\$31.5 million in 2014, primarily due to weaker performance in Bangkok as a result of the ongoing political uncertainty.

In Singapore, a city-wide softening in demand led to a slightly lower EBITDA contribution from the Group's 50 per cent. owned hotel during the year, while contribution from the Group's 25 per cent. owned hotel in Kuala Lumpur was in line with the prior year.

In The Americas, both the Group's 25 per cent. owned hotels in New York and Miami maintained their respective competitive positions, with EBITDA contributions in line with the prior year.

Depreciation and amortisation of associates were at a similar level as 2013, as were the Group's share of net financing charges from associates and share of tax.

## *Non-trading items*

In 2013, there was a non-trading gain of US\$3.1 million reflecting a writeback of a provision for asset impairment made by an associate.

## *Net financing charges*

Net financing charges for the Group's subsidiaries increased to US\$17.3 million in 2014 from US\$15.8 million in 2013. This increase is principally due to the upfront hedging and transaction costs associated with the refinancing of the Group's London and Hong Kong facilities during the year.

## *Interest cover*

EBITDA is used as an indicator of the Group's ability to service debt and finance its future capital expenditure. Interest cover in 2014 calculated as EBITDA (including the Group's share of EBITDA from associates) over net financing charges (including the Group's share of net financing charges from associates), was 10.4 times compared with 10.8 times in 2013.

## *Tax*

The tax charge for 2014 of US\$19.0 million was slightly lower than US\$19.8 million in 2013. The underlying effective tax rate for the year was 21 per cent., unchanged from the prior year.

## Cash flow

The Group's consolidated cash flows are summarised as follows:

	2014 US\$m (unaudited)	2013 US\$m
Operating activities	160	157
Investing activities:		
– Capital expenditure on existing properties	(29)	(36)
– Acquisition of Paris freehold interest	—	(382)
– Payment for Munich expansion	(17)	—
– Repayment of loans to associates	4	—
– Purchase of intangible assets	(3)	(3)
– Other	(1)	(1)
Financing activities:		
– Net (repayment)/drawdown of borrowings	(29)	199
– Dividends paid	(70)	(70)
– Other	—	3
<b>Net increase /(decrease) in cash</b>	<b>15</b>	<b>(133)</b>
Cash and cash equivalents at 1st January	316	453
Effect of exchange rate changes	(7)	(4)
<b>Cash and cash equivalents at 31st December</b>	<b>324</b>	<b>316</b>

The Group's cash flows from operating activities were US\$160 million in 2014, an increase of US\$3 million from the US\$157 million inflow in 2013.

Under investing activities, capital expenditure on existing properties was US\$29 million in 2014, compared to US\$36 million in 2013.

In March 2014, the Group entered into an agreement to expand the Munich hotel through the construction of a mixed-use complex on an adjacent site that will include new hotel rooms and other facilities estimated to open in 2021. The Group's total investment in the project, which will also include a refurbishment of the existing hotel's 73 rooms, is estimated at €124 million (US\$134 million) in today's terms. Total costs paid by the Group during the year in relation to the project amounted to US\$17 million.

In 2013, the Group paid US\$382 million to complete the acquisition of the freehold rights of the building housing Mandarin Oriental, Paris and two prime street-front retail units. The Paris acquisition was funded by US\$201 million dollars of new debt facilities, with the remainder paid from Group cash reserves.

## Dividends

The Board is recommending a final dividend of US¢5.00 per share for a full-year dividend of US¢7.00 per share (2013: US¢7.00 per share). No scrip alternative is being offered in respect of the dividend. The final dividend is payable on 13th May 2015 to shareholders on the register of members at the close of business on Friday, 20th March 2015.

## Supplementary information

Although the Group's accounting policy in respect of its freehold land and buildings and the building component of owner-occupied leasehold properties is based on the cost model, the Directors continue to review their fair market values in conjunction with independent appraisers on an annual basis. The fair market value of both freehold and leasehold land and buildings is used by the Group to calculate adjusted net assets, which the Directors believe gives important supplementary information regarding net asset value per share and gearing as outlined below:

	2014 (unaudited)		2013	
	US\$m	Per share US\$	US\$m	Per share US\$
Shareholders' funds/net assets at amortised cost	956	0.95	989	0.99
Add surplus for fair market value of freehold and leasehold land and buildings	<u>2,196</u>	<u>2.19</u>	<u>2,072</u>	<u>2.06</u>
Adjusted shareholders' funds/net assets	<u>3,152</u>	<u>3.14</u>	<u>3,061</u>	<u>3.05</u>

On an IFRS basis, the Group's consolidated net debt of US\$403 million at 31st December 2014 was 42 per cent. of shareholders' funds, compared with consolidated net debt of US\$479 million at 31st December 2013 which was 48 per cent. of shareholders' funds. Taking into account the fair market value of the Group's interests in freehold and leasehold land, gearing was 13 per cent. of adjusted shareholders' funds at 31st December 2014, compared with 16 per cent. at 31st December 2013.

### Treasury activities

The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objective is to manage exchange and interest rate risks and to provide a degree of certainty in respect of costs. The Group has fixed or capped interest rates on 43 per cent. of its gross borrowings.

In respect of specific hotel financing, borrowings are normally taken in the local currency to hedge partially the investment and the projected income. At 31st December 2014, the Group's net assets/(liabilities) were denominated in the following currencies:

	Net assets/ (liabilities)		Adjusted net assets*	
	US\$m	%	US\$m	%
Hong Kong Dollar	(14)	(1)	1,704	54
Euro	287	30	393	12
United States Dollar	322	34	371	12
United Kingdom Sterling	120	13	205	7
Singapore Dollar	48	5	183	6
Thai Baht	28	3	95	3
Swiss Franc	111	11	111	3
Others	54	5	90	3
	<u>956</u>	<u>100</u>	<u>3,152</u>	<u>100</u>

\* see supplementary information section above.

Included on the Group's consolidated balance sheet is cash at bank of US\$324.6 million (2013: US\$316.4 million) which, after the deduction of US\$0.3 million (2013: US\$0.7 million) of bank overdraft facilities, is shown in the Group's consolidated cash flow as cash and cash equivalents of US\$324.3 million (2013: US\$315.7 million).

The Group, excluding associates, had committed borrowing facilities totalling US\$861 million, of which US\$728 million was drawn at 31st December 2014. The principal amounts due for repayment are as follows:

	Facilities Committed	Facilities Drawn	Unused Facilities
	US\$m	US\$m	US\$m
Within one year	217	217	-
Between one and two years	2	2	-
Between two and three years	3	3	-
Between three and four years	-	-	-
Between four and five years	638	505	133
Beyond five years	1	1	-
	<u>861</u>	<u>728</u>	<u>133</u>

At 31st December 2014, the Group had US\$133 million of committed, undrawn facilities in addition to its net cash balances of US\$324 million. During the year, the Group refinanced US\$638 million of secured committed facilities (US\$187 million in London and US\$451 million in Hong Kong) for five years. The average tenor of the Group's borrowings was 3.7 years (2013: 1.1 years), with US\$217 million of committed facilities due to mature before the end of 2015.

## 1.2 Operating and financial review for the years ended 31st December 2013, 31st December 2012 and 31st December 2011

A review of Mandarin Oriental's financial condition and operating results for the year ended 31st December 2013, including selected statistical and other information, can be found on pages 4 to 16, pages 19 to 23 and pages 44 to 49 of the Annual Report and Accounts 2013, which is incorporated by reference as set out in Part VIII (*Documentation Incorporated by Reference*).

A review of Mandarin Oriental's financial condition and operating results for the year ended 31st December 2012, including selected statistical and other information, can be found on pages 4 to 16, pages 19 to 23 and pages 42 to 47 of the Annual Report and Accounts 2012, which is incorporated by reference as set out in Part VIII (*Documentation Incorporated by Reference*).

A review of Mandarin Oriental's financial condition and operating results for the year ended 31st December 2011, including selected statistical and other information, can be found on pages 4 to 16, pages 19 to 23 and pages 42 to 45 of the Annual Report and Accounts 2011, which is incorporated by reference as set out in Part VIII (*Documentation Incorporated by Reference*).

### 1.3 Other

The audit reports for each of the financial years ended 31st December 2013, 31st December 2012 and 31st December 2011 were unqualified. Reference should also be made to the 2014, 2013, 2012 and 2011 financial information incorporated by reference into this document: see Part V (*Financial Information of Mandarin Oriental Group*), the Risk Factors on pages 9 to 24 of this document and the strategy section in paragraph 2 of Part III (*Information on the Mandarin Oriental Group*) of this document.

Investors should read the whole of this document and the documents incorporated by reference into this document and should not just rely solely on key and summarised information.

## 2. Liquidity and capital resources

### Cash flows for the years ended 31st December 2014 and 2013

The following table sets out the Company's consolidated cash flows for the years ended 31st December 2014 and 2013.

	<b>For the years ended 31st December</b>	
	<b>2014 (unaudited)</b>	<b>2013</b>
	(US\$ m)	
Net cash inflow from operating activities	159.5	156.9
Net cash outflow from investing activities	(45.6)	(422.3)
Net cash (outflow)/inflow from financing activities	(98.5)	132.0
Net increase/(decrease) in cash and cash equivalents	15.4	(133.4)
<b>Cash and cash equivalents at end of year</b>	<b>324.3</b>	<b>315.7</b>

*Net cash inflow from operating activities.* Net cash inflows from operating activities increased by US\$2.6 million, or 2 per cent., from an inflow of US\$156.9 million in the year ended 31st December 2013 to an inflow of US\$159.5 million in the year ended 31st December 2014.

*Net cash inflow/(outflow) from investing activities.* Net cash flows from investing activities decreased by US\$376.7 million, or 89 per cent., from an outflow of US\$422.3 million in the year ended 31st December 2013 to an outflow of US\$45.6 million in the year ended 31st December 2014. This decrease was primarily due to US\$382 million paid in 2013 to complete the Group's Paris acquisition.

*Net cash outflow from financing activities.* Net cash flows from financing activities decreased by US\$230.5 million, or 175 per cent., from an inflow of US\$132.0 million in the year ended 31 December 2013 to an outflow of US\$98.5 million in the year ended 31 December 2014. This decrease was primarily due to US\$201 million of new borrowings drawn in 2013 to complete the Group's Paris acquisition.

### Cash flows for the years ended 31st December 2013 and 2012

Discussion of the Group's cash flows for the years ended 31st December 2013 and 2012 is incorporated by reference from the Annual Report and Accounts 2013 and the Annual Report and Accounts 2012, which are incorporated by reference in this document as described in Part VIII (*Documentation Incorporated by Reference*).

## Capitalisation and indebtedness

The following tables shows the capitalisation and the indebtedness and cash of the Group as at 31st December 2014. The figures for the capitalisation of the Group have been extracted without material adjustment from the 2014 Preliminary Results, which are incorporated by reference in this document as described in Part VIII (*Documentation Incorporated by Reference*) and are unaudited.

	<b>As at 31st December 2014</b>
	<b>(US\$ m)</b>
	<b>(unaudited)</b>
<b>Total current debt</b>	
– Guaranteed <sup>(1)</sup>	203.4
– Secured	7.6
– Unguaranteed / unsecured	6.0
	<b>217.0</b>
<b>Total non-current debt (excluding current portion of long-term debt)</b>	
– Guaranteed	-
– Secured	509.0
– Unguaranteed / unsecured	1.7
	<b>510.7</b>
<b>Shareholders' equity</b>	
– Share capital	50.2
– Share premium	188.2
– Capital reserves	283.1
	<b>521.5</b>

### Note:

(1) Amounts represent borrowings by subsidiaries which have been guaranteed by the Company.

There has been no material change in the capitalisation of the Group, as set out in the table above, since 31st December 2014.

The following table sets out the Company's consolidated net indebtedness as at 31st December 2014. The figures for cash and indebtedness of the Group have been extracted from the Group's unaudited accounting records as at 31st December 2014.

	<b>As at 31st December 2014</b>
	<b>(US\$ m)</b>
	<b>(unaudited)</b>
Cash	324.6
Cash equivalent	-
Trading securities	-
<b>Total liquidity</b>	<b>324.6</b>
Current bank debt	(0.3)
Current portion of non-current debt	(211.0)
Other current financial debt	(5.7)
<b>Total current financial debt</b>	<b>(217.0)</b>
<b>Net current financial indebtedness</b>	<b>107.6</b>
Non-current bank loans	(507.1)
Bonds issued	-
Other non-current loans	(3.6)
<b>Non-current financial indebtedness</b>	<b>(510.7)</b>
<b>Net financial indebtedness</b>	<b>(403.1)</b>

## Indirect and contingent indebtedness

As at 31st December 2014, the Group had guaranteed banking facilities made available to an associate of US\$21.6 million. Except for this amount, as at 31st December 2014 the Group had no other indirect or contingent indebtedness.

## Funding

The Group's principal sources of funds are long-term borrowings, bank revolving credit and term loan facilities and cash flow from operating activities. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines from

high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31st December 2014, total available borrowing facilities amounted to US\$861 million (2013: US\$882 million) of which US\$728 million (2013: US\$795 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities totalled US\$133 million (2013: US\$87 million), in addition to cash balances of US\$325 million. There were no undrawn uncommitted facilities (2013: nil).

The average tenor of the Group's borrowings was 3.7 years (2013: 1.1 years), with US\$217 million of committed facilities due to mature before the end of 2015.

As at 31st January 2015, being the latest practicable date prior to the publication of this document, the Group had cash balances of US\$319 million and outstanding bank loans and overdrafts of US\$705 million.

#### *Mandarin Oriental Hyde Park Limited Facilities Agreement*

On 23rd May 2014, Mandarin Oriental Hyde Park Limited ("MOHP") entered into a facilities agreement for a term facility and a revolving facility with The Royal Bank of Scotland plc, Hong Kong Branch as arranger and The Royal Bank of Scotland plc, London Branch as agent and security trustee.

Pursuant to the MOHP Facilities Agreement, a term loan facility in the amount of £80,000,000 (the "MOHP Term Loan Facility") and a revolving facility in the amount of £40,000,000 (the "MOHP Revolving Loan Facility", together with the MOHP Term Loan Facility, the "MOHP Facilities") were made available to MOHP. The MOHP Facilities will mature on 29th May 2019. As at 31st January 2015 (the latest practicable date prior to the publication of this document), the full amount of the MOHP Term Loan Facility and £5,000,000 of the MOHP Revolving Loan Facility were utilised.

The MOHP Facilities were made available to MOHP for general working capital purposes, for application towards refinancing certain existing indebtedness of MOHP, and for the renovation of Mandarin Oriental Hyde Park, London. The MOHP Facilities are secured over certain assets owned by MOHP.

The MOHP Facilities Agreement contains customary representations and warranties, financial covenants, undertakings and events of default, subject to certain qualifications and exceptions.

#### *Mandarin Oriental, Hong Kong Limited Facilities Agreement*

On 23rd July 2014, Mandarin Oriental, Hong Kong Limited ("MOHK") entered into a facilities agreement for a multicurrency term and revolving loan facilities (the "MOHK Facilities Agreement") with a consortium of banks as arrangers and Standard Chartered Bank (Hong Kong) Limited as agent and security agent.

Pursuant to the MOHK Facilities Agreement, a multicurrency term loan facility in the amount of HK\$2,000,000,000 (the "MOHK Term Loan Facility") and a revolving facility in the amount of HK\$1,500,000,000 (the "MOHK Revolving Loan Facility", together with the MOHK Term Loan Facility, the "MOHK Facilities") were made available to MOHK. The MOHK Facilities will mature in five years from the date of the MOHK Facilities Agreement. As at 31st January 2015 (the latest practicable date prior to the date of publication of this document), the full amount of the MOHK Term Loan Facility and HK\$890,000,000 of the MOHK Revolving Loan Facility were utilised.

The MOHK Facilities were made available to MOHK for general corporate purposes. The MOHK Facilities are secured over certain assets owned by MOHK.

The MOHK Facilities Agreement contains customary representations and warranties, financial covenants, undertakings and events of default, subject to certain qualifications and exceptions.

#### *Mandarin Oriental, Paris Facilities Agreement*

On 21st December 2012, Mandarin Oriental Finance Company (BVI) Limited ("MOFINCO") entered into two bilateral three year debt facilities agreements with The Hongkong and Shanghai Banking Corporation Limited and Credit Agricole Corporate and Investment Bank, Hong Kong Branch.

The MOFINCO Facilities Agreements comprise a term loan facility in the amount of €100,000,000 with The Hongkong and Shanghai Banking Corporation Limited, and a €50,000,000 revolving credit facility with Credit Agricole Corporate and Investment Bank, Hong Kong Branch. The MOFINCO Facilities Agreements will mature on 21st December 2015, at which time the Company also has the right to extend the Facilities

Agreements for a further two years, following payment of an already agreed extension fee. As at 31st January 2015 (the latest practicable date prior to the publication of this document), the full amounts of the MOFINCO Facilities Agreements were utilised.

The MOFINCO Facilities Agreements were made available for the acquisition of the freehold interest in the building housing Mandarin Oriental, Paris and two retail units.

The MOFINCO Facilities Agreements contain customary representations and warranties, financial covenants, undertakings and events of default, subject to certain qualifications and exceptions.

## Commitments

The Company has various contractual obligations and commercial commitments to make future payments, including bank loans, overdrafts and operating lease obligations. The following table summarises the Company's future obligations (including interest up until 31st December 2014) under these contracts and commitments as of 31st December 2014.

	<b>2014</b>	<b>2013</b>
	<b>(unaudited)</b>	<b>(US\$ million)</b>
<b>Capital commitments:</b>		
Authorised not contracted	139.8	9.2
Contracted not provided	<u>26.7</u>	<u>11.9</u>
	<b><u>166.5</u></b>	<b><u>21.1</u></b>
<b>Operating lease commitments:</b>		
Total commitments under operating leases		
– due within one year	6.9	8.9
– due between one and two years	6.4	7.5
– due between two and three years	6.2	6.8
– due between three and four years	5.8	6.7
– due between four and five years	5.5	6.6
– due beyond five years	<u>87.6</u>	<u>112.7</u>
	<b><u>118.4</u></b>	<b><u>149.2</u></b>

## Treasury policies

The Group's treasury function co-ordinates, under the directions of the Board of the Company, financial risk management policies and their implementation. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps and caps, and forward foreign exchange contracts as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. It is the Group's policy not to enter into derivative transactions for speculative purposes. The Group has fixed or capped interest rates on 43 per cent. of its gross borrowings.

## Principal investments and acquisitions

On 8th February 2013, the Group completed the acquisition of the freehold interest in the building housing Mandarin Oriental, Paris and two prime street-front retail units from Société Foncière Lyonnaise for €290.0 million (US\$388.9 million). The Group had paid €10.0 million (US\$13.1 million) advance deposit in late 2012; and the remaining balance together with transaction expenses of US\$5.9 million was paid in February 2013. The acquisition was partly funded by new five-year €150.0 million (US\$201.1 million) debt facilities, with the balance from the Group's cash reserves.

## PART V – FINANCIAL INFORMATION OF MANDARIN ORIENTAL GROUP

### 1. Basis of Financial Information

The unaudited financial statements of the Company contained in the 2014 Preliminary Results, the unaudited financial statements of the Company contained in the 2014 Half Year Results, the financial statements of the Company included in the audited consolidated annual accounts of the Group for the financial year ended 31st December 2013 contained in the Annual Report and Accounts 2013, the financial statements of the Company included in the audited consolidated annual accounts of the Group for the financial year ended 31st December 2012 contained in the Annual Report and Accounts 2012 and the financial statements of the Company included in the audited consolidated annual accounts of the Group for the financial year ended 31st December 2011 contained in the Annual Report and Accounts 2011, together with the respective audit reports thereon (as applicable), are incorporated by reference into this document, as described in Part VIII (*Documentation Incorporated by Reference*) of this document.

The audit reports for the financial years ended 31st December 2013, 2012 and 2011 were unqualified. The financial statements for the years ended 31st December 2013, 2012 and 2011 were prepared in accordance with IFRS.

### 2. Cross Reference List

The following list is intended to enable investors to identify easily specific items of historical financial information which have been incorporated by reference into this document.

#### 2.1 Unaudited financial information for the year ended 31st December 2014

The page numbers below refer to the relevant pages of the 2014 Preliminary Results:

- Consolidated Profit and Loss Account – page 18;
- Consolidated Statement of Comprehensive Income – page 19;
- Consolidated Balance Sheet – page 20;
- Consolidated Statement of Changes in Equity – page 21;
- Consolidated Cash Flow Statement – page 22; and
- Notes to the Financial Information – pages 23 to 31.

#### 2.2 Financial statements for the six months ended 30th June 2014

The page numbers below refer to the relevant pages of the 2014 Half Year Results:

- Consolidated Profit and Loss Account – page 5;
- Consolidated Statement of Comprehensive Income – page 6;
- Consolidated Balance Sheet – page 7;
- Consolidated Statement of Changes in Equity – page 8;
- Consolidated Cash Flow Statement – page 9; and
- Notes to the Financial Statements – pages 10 to 18.

#### 2.3 Financial statements for the year ended 31st December 2013 and Independent Auditors' Report thereon together with restated comparative information for the year ended 31st December 2012

The page numbers below refer to the relevant pages of the Annual Report and Accounts 2013:

- Consolidated Profit and Loss Account – page 26;
- Consolidated Statement of Comprehensive Income – page 27;
- Consolidated Balance Sheet – page 28;
- Consolidated Statement of Changes in Equity – page 29;
- Consolidated Cash Flow Statement – page 30;

- Notes to the Financial Statements – pages 52 to 81;
- Independent Auditors’ Report – page 84; and
- Directors’ emoluments – pages 88 and 89.

#### **2.4 Financial statements for the year ended 31st December 2012 (un-restated) and Independent Auditors’ Report thereon**

The page numbers below refer to the relevant pages of the Annual Report and Accounts 2012:

- Consolidated Profit and Loss Account – page 26;
- Consolidated Statement of Comprehensive Income – page 27;
- Consolidated Balance Sheet – page 28;
- Consolidated Statement of Changes in Equity – page 29;
- Consolidated Cash Flow Statement – page 30;
- Notes to the Financial Statements – pages 50 to 73;
- Independent Auditors’ Report – page 76; and
- Directors’ emoluments – pages 80 and 81.

#### **2.5 Financial statements for the year ended 31st December 2011 and Independent Auditors’ Report thereon**

The page numbers below refer to the relevant pages of the Annual Report and Accounts 2011:

- Consolidated Profit and Loss Account – page 26;
- Consolidated Statement of Comprehensive Income – page 27;
- Consolidated Balance Sheet – page 28;
- Consolidated Statement of Changes in Equity – page 29;
- Consolidated Cash Flow Statement – page 30;
- Notes to the Financial Statements – pages 48 to 71;
- Independent Auditors’ Report – page 74; and
- Directors’ emoluments – page 78.

## PART VI – TAXATION

*The following discussion is a summary of certain United Kingdom, Bermuda and Singapore tax considerations relating to the New Ordinary Shares. The discussion is based upon laws and relevant interpretations thereof in effect on the date of this document, all of which are subject to change, possibly with retroactive effect. It is intended as a general guide and is not exhaustive. Any Shareholders who are in any doubt as to their tax position should consult their professional advisers.*

### 1. UK TAXATION

The following statements do not constitute tax advice and are intended only as a general guide to the position under current United Kingdom law as applied in England and Wales and HM Revenue & Customs (“HMRC”) published practice (which may not be binding on HMRC) as at the date of this document, and such law and practice is subject to change (possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of holders of the Existing Ordinary Shares and apply only to persons who are resident and, in the case of individuals only, domiciled for tax purposes in the United Kingdom for United Kingdom tax purposes and who are beneficial owners of Existing Ordinary Shares holding their Existing Ordinary Shares as an investment. They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from United Kingdom taxation and Shareholders who have (or are deemed to have) acquired their Existing Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. Any person who is in any doubt as to their tax position, or who is subject to taxation or domiciled in any jurisdiction other than the United Kingdom, should consult their own professional adviser.

#### 1.1 Taxation and Chargeable Gains

Although not free from doubt, for the purposes of United Kingdom taxation of capital gains (“CGT”), the issue of the New Ordinary Shares should be regarded as a reorganisation of the share capital of the Company.

Accordingly, you should not be treated as making a disposal of all or part of your holding of Existing Ordinary Shares by reason of taking up all or part of your rights to New Ordinary Shares. No liability to CGT in respect of the New Ordinary Shares should arise if you take up your entitlement to New Ordinary Shares in full.

For CGT purposes, your Existing Ordinary Shares and New Ordinary Shares should be treated as the same asset acquired at the time you acquired your Existing Ordinary Shares. The subscription monies for your New Ordinary Shares should be added to the base cost of your existing holding(s).

In the case of a corporate Shareholder, indexation allowance will apply to the amount paid for the New Ordinary Shares only from, generally, the date the monies for the New Ordinary Shares are paid or liable to be paid.

If you sell all or some of the New Ordinary Shares allotted to you, or your rights to subscribe for them, or if you allow or are deemed to have allowed your rights to lapse and receive a cash payment in respect of them, you may, depending on your circumstances, incur a liability to tax on any capital gain realised. However, if the proceeds resulting from the disposal of your rights to subscribe for New Ordinary Shares or lapse of such rights are “small” as compared to the value of the Existing Ordinary Shares in respect of which the rights arose, you may be treated as making no disposal for the purpose of CGT. No liability to CGT will then arise as a result of the disposal or lapse of the rights, but the proceeds will be deducted from the base cost of your holding of Existing Ordinary Shares. HMRC interprets “small” as 5 per cent. or less of the value of the Existing Ordinary Shares in respect of which the rights arose or £3,000 or less, regardless of whether or not it would pass the 5 per cent. test.

An individual Shareholder who has ceased to be resident for tax purposes in the United Kingdom for a period of five years or less and who disposes of all or part of his New Ordinary Shares (or his right to subscribe for them or receives a cash payment in respect of the lapse of such rights) during that period of temporary non-residence may be, depending on their circumstances, liable on his return to the United Kingdom to capital gains tax arising during the period of absence, subject to any available exemption or relief.

#### 1.2 Dividends

The United Kingdom taxation summary below is written on the basis that the Company is and remains resident in Bermuda and is not resident in the United Kingdom and will therefore be subject to the Bermuda tax regime and not (save in respect of any United Kingdom source income) the United Kingdom tax regime. Dividends paid by the Company will, on this basis, be regarded as Bermuda dividends rather than United Kingdom dividends.

The Company will not be required to withhold amounts on account of United Kingdom taxation at source when paying a dividend.

A United Kingdom resident individual Shareholder who receives a dividend from the Company and who holds less than 10 per cent. of the Company's issued share capital will be entitled to a tax credit which may be set off against the Shareholder's total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received. Such an individual United Kingdom resident Shareholder who is liable to income tax at a rate not exceeding the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. In the case of such an individual United Kingdom resident Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend. Such Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax. In the case of an individual United Kingdom resident Shareholder who is liable to income tax at the additional rate, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend. As a result, the Shareholder will have to account for additional income tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.6 per cent. of the cash dividend received) to the extent that the gross dividend falls above the threshold for the additional rate of income tax when it is treated as the top slice of the Shareholder's income.

Shareholders who are within the charge to United Kingdom corporation tax will be subject to corporation tax on dividends paid by the Company, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class.

A United Kingdom resident individual Shareholder who is not liable to income tax in respect of the gross dividend and other United Kingdom resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

### **1.3 Stamp Duty and SDRT**

No stamp duty or SDRT will be payable on the issue of New Ordinary Shares or on the issue of Provisional Allotment Letters or split Provisional Allotment Letters.

No stamp duty or SDRT will be payable on the registration of Provisional Allotment Letters, whether by the original holders or their renounees.

A purchaser of Nil Paid Rights represented by Provisional Allotment Letters on or before the latest time for registration or renunciation will not generally be liable to pay stamp duty. An agreement to transfer Nil Paid Rights or New Ordinary Shares should not give rise to a charge to SDRT.

No stamp duty will be payable on a transfer or sale of New Ordinary Shares, provided that any instrument of transfer is not executed in the United Kingdom, and does not relate to any property situate or to any matter or thing done or to be done, in the United Kingdom.

If a Shareholder wishes to transfer its New Ordinary Shares from one register to another (e.g. from the Jersey Branch Register to the Singapore Branch Register or the Principal Register), then, provided the transfer is neither in contemplation of, nor part of a wider transaction involving, a sale or transfer of the New Ordinary Shares to a third party, no UK stamp duty or SDRT should arise in respect of such transfer.

The statements in this paragraph 1.3 are made on the assumption that none of the Provisional Allotment Letters, the Nil Paid Rights, or the Ordinary Shares are registered in any register kept in the UK.

## **2. Bermuda Taxation**

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by the Shareholders in respect of the Ordinary Shares. The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature

of estate duty or inheritance tax, such tax shall not, until 28th March 2016, be applicable to the Company or to any of its operations or to the Ordinary Shares, or to any of its debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda.

### **3. Singapore Taxation**

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could disagree with the summary set out below.

The statements below are not to be regarded as advice on the tax position of any holder of the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters or of any person acquiring, selling or otherwise dealing with the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters or participating in the Rights Issue or on any tax implications arising from the acquisition, sale or other dealings in respect of the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters or any person's participation in the Rights Issue. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to participate in the Rights Issue and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of their participation in the Rights Issue. The statements below are based on the assumption that the Company is not a tax resident in Singapore for Singapore income tax purposes and does not carry out any business activities or operations in Singapore.

#### **3.1 Dividend Distributions**

Under current Singapore legislation there is no withholding tax in Singapore applicable to dividends paid by the Company.

As the Company is incorporated in Bermuda, is not tax resident in Singapore for Singapore tax purposes and does not carry out any business activities or operations in Singapore, dividends paid by the Company should generally be considered as sourced outside Singapore (unless the Ordinary Shares are held as part of a trade or business carried on in Singapore in which event the dividends may be considered as sourced in Singapore).

Foreign-sourced dividends received or deemed received in Singapore by an individual in Singapore will be exempt from Singapore income tax (except where such income is received by a Singapore tax resident individual through a partnership in Singapore).

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore (subject to certain exceptions) and on foreign-sourced income received or deemed to be received in Singapore (subject to certain exceptions).

However, foreign-sourced dividends received or deemed to be received in Singapore by Singapore tax resident companies on or after 1st June 2003 are exempt from tax if certain prescribed conditions are met, including the following:

- (i) such dividends are subject to tax of a similar character to income tax under the law of the jurisdiction from which such dividends are received (the tax referred to being, where the dividends are paid by a company which is tax resident in the territory from which the dividends are received, the tax paid in that territory by the company in respect of its income out of which the dividends are paid, and/or the tax paid on the dividends in the territory from which the dividends are received); and
- (ii) at the time the dividends are received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the dividends are received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0 per cent.

As a concession, the "subject to tax condition" in (i) above would, with effect from 30th July 2004, be considered met for foreign-sourced dividends which are exempt from tax in the foreign jurisdiction from which the foreign-sourced dividends are received if the exemption is due to a tax incentive granted by the foreign jurisdiction for carrying out substantive business activities in that jurisdiction. Generally, substantive business activities refer to

business activities that are carried out through staff with certain expertise and actual expenditure is incurred to carry out the activities. There are certain specified administrative methods which the Comptroller may be prepared to accept as proof that the “subject to tax” condition in (i) above is met in respect of foreign-sourced dividends.

The Inland Revenue Authority of Singapore (“IRAS”) has announced that if the conditions for exemption of foreign-sourced dividends described above are not met, the IRAS may nevertheless consider granting an exemption on such foreign-sourced dividends received by tax resident taxpayers on a case-by-case basis under certain specified scenarios and subject to certain conditions being met.

Non-Singapore tax resident corporate taxpayers are subject to income tax on foreign-sourced dividends received or deemed received in Singapore (subject to certain exceptions).

The corporate tax rate in Singapore is 17.0 per cent. with effect from the year of assessment 2010. In addition, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company’s chargeable income otherwise subject to normal taxation is exempt from corporate tax. New companies will, subject to certain conditions, be eligible for full tax exemption on the first S\$100,000 and 50.0 per cent. tax exemption on the next S\$200,000 of normal chargeable income a year for each of the company’s first three consecutive years of assessment.

### **3.2 Gains on disposal of Ordinary Shares**

Singapore does not impose tax on capital gains (i.e. gains which are considered to be capital in nature) but imposes tax on income. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters (or any part thereof) may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“FRS 39”) for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters (or any part thereof) is made. Investors who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Ordinary Shares, Nil Paid Rights, Nil Paid Rights Allocations or Provisional Allotment Letters (or any part thereof) or participation in the Rights Issue.

### **3.3 Stamp Duty**

No stamp duty is payable in Singapore for (i) the issue, splitting or renunciation of Provisional Allotment Letters, (ii) the issue of New Ordinary Shares, (iii) the transfer of the Ordinary Shares not registered on the Singapore Branch Register, or (iv) the electronic transfer of the Ordinary Shares effected through CDP where there is no instrument of conveyance, assignment or transfer required to convey, assign or transfer any interest in the Ordinary Shares. Where an instrument of conveyance, assignment or transfer is executed in respect of the transfer of any interest in any of the Ordinary Shares registered on the Singapore Branch Register, stamp duty is payable on such instrument of conveyance, assignment or transfer at the rate of 0.2 per cent. of the consideration for, or market value of, the relevant Ordinary Shares, whichever is higher. The stamp duty is borne by the transferee unless there is an agreement to the contrary.

## PART VII – ADDITIONAL INFORMATION

### 1. Responsibility

The Company and the Directors, whose names appear in paragraph 9 of this Part VII, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

### 2. Information about the Company

The Company was incorporated and registered in Bermuda on 9th December 1986 under the Bermuda Companies Act as a limited company with exempted status with registered number EC12510.

The principal legislation under which the Company operates, and under which the Ordinary Shares have been created, is the Bermuda Companies Act. As an “exempted company”, the Company is authorised to carry on business outside Bermuda but may not (except in certain limited circumstances) carry on business within Bermuda. The Company is domiciled in Bermuda.

The address of the registered office of the Company is Jardine House, 33-35 Reid Street, Hamilton, Bermuda. The telephone number of the Company’s registered office is (1 441) 292 0515. MOHG, a wholly-owned subsidiary of the Company, whose principal place of business is at 7th Floor, 281 Gloucester Road, Causeway Bay, Hong Kong, manages the activities of the Group’s hotels.

The business of the Company, and its principal activity, is to act as the ultimate holding company of the Group.

### 3. Share capital

#### 3.1 Current share capital

3.1.1 As at 10th March 2015 (being the latest practicable date prior to the date of this document), the authorised, issued and fully paid share capital of the Company was as follows:

Class of Share	Authorised		Issued and fully paid	
	Number	Amount US\$	Number	Amount US\$
Ordinary Shares of US\$0.05 each	1,500,000,000	75,000,000	1,003,723,677	50,186,183.85

3.1.2 The authorised, issued and fully paid share capital of the Company immediately following completion of the Rights Issue (disregarding any Ordinary Shares which may be issued after 10th March 2015 (being the latest practicable date prior to the date of this document) as a result of the exercise of any Share Options) is expected to be as follows:

Class of Share	Authorised		Issued and fully paid	
	Number	Amount US\$	Number	Amount US\$
Ordinary Shares of US\$0.05 each	1,500,000,000	75,000,000	1,254,654,596	62,732,729.80

**Note:**

The number of Ordinary Shares in issue immediately following completion of the Rights Issue assumes that the maximum number of New Ordinary Shares is issued, before reduction to take account of fractional entitlements which are being rounded down and disregarded.

3.1.3 As at 10th March 2015 (being the latest practicable date prior to the date of publication of this document), there are no shares in the Company held by or on behalf of the Company itself or by any of its subsidiaries.

3.1.4 As at 10th March 2015 (being the latest practicable date prior to the date of publication of this document), the Company had 32,375,000 Share Options outstanding pursuant to the 2005 Plan, each of which will entitle the holder thereof to exchange each such Share Option for one Ordinary Share, and 1,890,000 Share Awards outstanding pursuant to the LTIP, each of which will entitle the participant thereof a conditional right to receive one free Ordinary Share. Further details are set out in paragraph 13 of this Part VII (*Additional Information*). Other than as disclosed in this paragraph and paragraph 10 of this Part VII, no capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

3.1.5 The Company has not issued any outstanding convertible securities, exchangeable securities or securities with warrants, and there are no outstanding acquisition rights and/or obligations over unissued capital or any undertakings to increase the capital of the Company.

3.1.6 As of the date of this document, the Company has no listed or unlisted securities not representing share capital.

#### 3.2 History of share capital

3.2.1 As at 1st January 2011, being the first day covered by the historical financial information incorporated by reference into this document, 996,348,742 Ordinary Shares were in issue and fully paid or credited as fully

paid and there were no preference shares in issue. The following changes in the authorised and issued share capital of the Company have occurred since 1st January 2011:

- (i) on 29th March 2011, the Company issued 250,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (ii) on 16th May 2011, the Company issued 200,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (iii) on 6th October 2011, the Company issued 500,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (iv) on 15th March 2012, the Company issued 400,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (v) on 3rd April 2012, the Company issued 1,500,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (vi) on 14th June 2012, the Company issued 1,000,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (vii) on 22nd June 2012, the Company issued 200,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (viii) on 12th March 2013, the Company issued 66,867 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (ix) on 20th March 2013, the Company issued 1,700,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (x) on 20th May 2013, the Company issued 93,800 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xi) on 18th June 2013, the Company issued 51,685 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xii) on 3rd September 2013, the Company issued 550,000 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xiii) on 30th October 2013, the Company issued 21,220 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xiv) on 14th November 2013, the Company issued 119,252 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xv) on 9th December 2013, the Company issued 53,734 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xvi) on 4th April 2014, the Company issued 10,555 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xvii) on 8th April 2014, the Company issued 40,222 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xviii) on 17th April 2014, the Company issued 21,420 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xix) on 28th April 2014, the Company issued 245,218 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xx) on 28th May 2014, the Company issued 38,663 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xxi) on 8th July 2014, the Company issued 233,296 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan;
- (xxii) on 22nd September 2014, the Company issued 17,356 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan; and
- (xxiii) on 1st December 2014, the Company issued 61,647 fully paid Ordinary Shares upon the exercise of Share Options under the 2005 Plan.

Since 31st December 2014, there has been no issue of share or loan capital of the Company, fully or partly paid, either in cash or for other consideration, and (other than in connection with the Rights Issue and the exercise of Share Options) no such issues are currently proposed.

3.2.2 The number of Ordinary Shares outstanding as at 1st January 2014, being the first day of the Company's last complete financial year, and as at 31st December 2014, being the last day of the Company's last complete financial year, was:

	<u>Authorised</u>	<u>Issued and fully paid</u>
1st January 2014	1,500,000,000	1,003,055,300
31st December 2014	1,500,000,000	1,003,723,677

### **3.3 Rights Issue shares**

3.3.1 Subject to Admission, pursuant to the Rights Issue, up to 250,930,919 New Ordinary Shares will be issued at a price of US\$1.26 per New Ordinary Share. This will result in the issued ordinary share capital of the Company increasing by approximately 25.0 per cent. Qualifying Shareholders and Entitled Depositors who take up their pro rata entitlements in full will suffer no dilution to their interests in the Company. Qualifying Shareholders and Entitled Depositors who do not take up any of their rights to subscribe for the New Ordinary Shares and Non-Entitled Depositors will be diluted by 20.0 per cent. following the Rights Issue.

3.3.2 The New Ordinary Shares will have the same rights in all respects as the Existing Ordinary Shares (including the right to receive all dividends or other distributions declared after the date of issue of the New Ordinary Shares), except that such New Ordinary Shares will not rank for the final dividend of US\$5.00 per Existing Ordinary Share payable on Wednesday, 13th May 2015 to Shareholders on the register at the close of business on Friday, 20th March 2015.

3.3.3 The ISIN for the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being BMG578481068. The ISIN for the Nil Paid Rights is BMG578481555.

### **3.4 Directors' authorities**

3.4.1 At the annual general meeting of the Company held on 7th May 2014, an ordinary resolution was passed by the members of the Company which unconditionally authorised the Directors to exercise all the powers of the Company to allot or issue shares and to make and grant offers, agreements and options which would or might require shares to be allotted, issued or disposed of up to an aggregate nominal amount of US\$16.7 million. The authority will expire at the conclusion of the next annual general meeting or on 6th August 2015, whichever is the earlier.

3.4.2 Following the transfer to a standard listing from a premium listing on the London Stock Exchange in May 2014, certain areas of the Listing Rules no longer applied to the Company, including pre-emption rights over the issue of new shares. At the time of the move to a standard listing, however, the Company stated that it intended to maintain certain governance principles, including that at each annual general meeting, the Company will seek shareholder approval to issue new shares for up to 33 per cent. of the Company's issued share capital, of which up to 5 per cent. (other than by way of a rights issue or pursuant to the Share Incentive Schemes) can be issued for cash consideration.

3.4.3 No pre-emptive rights exist under Bermuda law in relation to issues of new shares by the Company.

3.4.4 The New Ordinary Shares which are the subject of the Rights Issue have been provisionally allotted (nil paid) to all Qualifying Shareholders by a resolution of the Board and created in accordance with the laws of Bermuda.

### **3.5 Disclosure of shareholding ownership**

The Disclosure and Transparency Rules require a member to notify the Company if the voting rights held by such member (including by way of certain financial instruments) reach, exceed or fall below 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. or 75 per cent. Under the Disclosure and Transparency Rules, certain voting rights in the Company may be disregarded.

## **4. Memorandum of Association and Bye-laws**

The following description of the Memorandum of Association and Bye-laws summarises certain key provisions in effect as at the date of this document. Such summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Memorandum of Association and Bye-laws, which are available for inspection at the Company's registered office and the address specified in paragraph 25 of this Part VII (*Additional Information*).

The Memorandum of Association provides, amongst other things, that the Company's principal objects are to carry on the business of an investment holding company. The objects of the Company are set out in clause 7 of the Memorandum of Association.

The Bye-laws were adopted pursuant to a resolution passed on 9th March 1987, and amended pursuant to resolutions passed on 27th April 1987, 22nd October 1990, 5th June 1991, 7th June 1993 and 5th June 1995, and contain provisions to the following effect:

#### **4.1 Share rights**

Subject to the provisions of the Bermuda Companies Act, and without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred, qualified or other special rights, privileges or conditions, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Directors may determine, or as the Company may from time to time by ordinary resolution determine, and the Company may issue any shares which are, or at the option of the Company are liable, to be redeemed.

Subject to the Bye-laws and to the Bermuda Companies Act, the unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper but so that no shares shall be issued at a discount.

#### **4.2 Voting rights**

Subject to any special rights or restrictions as to voting attached by or in accordance with the Bye-laws to any class of shares, on a show of hands every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy except in the case of a proxy who is a director or other officer of the Company or any of its subsidiaries (provided that no proxy may be required by a Shareholder to vote on a show of hands) shall have one vote and on a poll every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy or by attorney shall have one vote for every share of which he is the holder.

#### **4.3 Dividends and other distributions**

Subject to the Bye-laws and in accordance with the provisions of the Bermuda Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

If the Directors believe that the profits of the Company justify such payment, they may declare and pay dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates. They may also declare and pay interim dividends on shares of any class in amounts and on dates and periods as they think fit. Provided the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring a preference for any loss they may suffer by reason of the payment of interim dividends on any shares having deferred rights.

Except as otherwise provided by the rights attached to shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated for these purposes as paid on the share.

Any dividend which has remained unclaimed for twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

#### **4.4 Winding up**

If the Company is wound up the liquidator may, with the authority of a special resolution of the Shareholders, divide amongst the Shareholders *in specie* or in kind the whole or any part of the assets of the Company.

The liquidator may, with the like authority, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in any other company for distribution among the Shareholders, or may enter into any other arrangement whereby the Shareholders may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits or receive any other benefits from such other company.

Alternatively, the liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator shall think fit. No Shareholder shall be compelled to accept any shares or other property in respect of which there is any liability.

#### **4.5 Variation of rights**

Subject to the provisions of the Bermuda Companies Act, whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

#### **4.6 Transfer of shares**

Subject as provided below, any Shareholder may transfer all or any of his shares by instrument of transfer in any form which the Directors may approve. The instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion to do so.

The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares which are not fully paid, and they may refuse to register any transfer of shares on which the Company has a lien. The Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly.

The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the relevant registration office or, as the case may be, the transfer office, 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 to do so).

Under Bermuda law and the Bye-laws, there are no redemption or pre-emption rights on transfer attaching to the shares.

#### **4.7 Alteration of share capital**

Subject to the Bermuda Companies Act, the Company may, if authorised by an ordinary resolution of the Shareholders, increase its share capital; consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; sub-divide all or any of its shares into shares of a small amount than is fixed by the Memorandum of Association; make provision for the issue and allotment of shares which do not carry any voting rights; and cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Subject to any authorisation or consent required by law, the Company may by special resolution reduce its share capital or any share premium account or other undistributable reserve in any manner permitted by law.

#### **4.8 Purchase of own shares by the Company**

The Company may from time to time, subject to the provisions of the Bermuda Companies Act, purchase its own shares in any manner authorised by the Bermuda Companies Act. Under the Bermuda Companies Act, all shares repurchased by the Company shall be cancelled upon repurchase unless the Company holds the same as treasury shares. The Company can only hold treasury shares if it is authorised to do so by its memorandum of association or bye-laws and in accordance with the relevant provisions of the Bermuda Companies Act. The memorandum of association and bye-laws of the Company currently do not allow the Company to hold treasury shares.

#### **4.9 General meetings**

##### **4.9.1 Annual general meeting**

The annual general meeting shall be held once in every year at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors.

##### **4.9.2 Convening of special general meetings**

All other general meetings are called special general meetings and may be held in such place or places in the world as the Directors may from time to time determine. The Directors may whenever they think fit, and shall on

requisition in accordance with the Bermuda Companies Act, proceed with proper expedition to convene a special general meeting at such time and place as they may determine.

The Board shall convene a special general meeting on the requisition of Shareholders holding at the date of the deposit of the requisition no less than one-tenth of the total voting rights of all Shareholders having at the said date a right to vote at general meetings of the Company.

#### **4.9.3 *Notice of general meetings, etc.***

Any annual general meeting and any special general meeting at which it is proposed to pass a special resolution shall be called by at least 21 clear days' notice in writing and any other special general meeting by at least 14 clear days' notice in writing, given to all members other than those members who are not entitled to receive such notices under the provisions of the Bye-laws.

This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting by all of the Shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the Shareholders entitled to attend and vote at the meeting holding not less than 95 per cent. in nominal value of the shares entitled to vote at such meeting.

#### **4.9.4 *Quorum***

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The quorum required for a general meeting of Shareholders is three or more Shareholders who are entitled to vote and who are present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy.

### **4.10 Directors**

#### **4.10.1 *General powers***

Without prejudice to the powers of the Permanent and Managing Director, the business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Bermuda Companies Act or by the Bye-laws required to be exercised by the Company in general meeting.

The Permanent and Managing Director shall have all the powers customarily conferred on a managing director and such powers may not be revoked, withdrawn, altered or varied by the Directors.

#### **4.10.2 *Appointment of Directors***

Unless otherwise determined by the Company in general meeting, the Board shall consist of not less than three Directors and there shall be no maximum number. Directors may be appointed by the Company in annual general meetings. A Director shall not be required to hold any share of the Company by way of qualification.

The Chairman for the time being of Jardine Matheson, or any Director of the Company from time to time nominated by him, shall be the Chairman of the Directors. The Directors may elect from their number a President, Vice-President and Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. The Chairman may also hold the office of President, Vice-President and/or Permanent and Managing Director.

#### **4.10.3 *Retirement of Directors by rotation***

At each annual general meeting one-third of the Directors shall retire from office by rotation, provided that no Director holding office as Executive Chairman or Managing Director or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director who retires is eligible for re-election.

#### **4.10.4 Removal of Directors by resolution of the Company**

The Company may by special resolution remove any Director from office (notwithstanding any provision of the Bye-laws or of any agreement between the Company and such Director, but without any prejudice to any claim he may have for damages for breach of such agreement).

#### **4.10.5 Vacancies of the Board**

The Directors shall have the power to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. The office of Director shall be vacated if:

- (a) he shall become prohibited by law from acting as a Director;
- (b) he shall resign by writing under his hand left at the Office or at the Head Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (c) he shall have a receiving order made against him or shall compound with his creditors generally; or
- (d) an order shall be made by any court claiming jurisdiction in that behalf on the ground of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person to exercise powers with respect to his property or affairs.

The office of a Director (other than the Permanent and Managing Director) shall be vacated in any of the following events, namely:

- (a) if he shall be absent from meetings of the Directors for six months without authority of a resolution of the Directors, and the Directors resolve that his office be vacated; or
- (b) if he shall be removed from office by notice in writing served upon him signed by 75 per cent. or more of his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### **4.10.6 Proceedings of the Board**

Subject to the provisions of the Bye-laws, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

The quorum necessary for the transaction of business at a meeting of the Board may be fixed from time to time by the Directors, provided that the quorum shall not be fixed at less than three and, unless so fixed at any other number, shall be three. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting of the Board shall have a second or casting vote.

#### **4.10.7 Disclosure of Directors' interests**

A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Bermuda Companies Act.

Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution in respect of any matter in which he has any material interest (other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company).

Subject to the Bermuda Companies Act, a Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

- (d) any proposal concerning any other company in which he is interested only as an officer or creditor or as a shareholder or beneficially interested in shares of that company, provided that neither he nor his wife nor any of his children under the age of 21 is the holder of or beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of the Bye-laws to be a material interest in all circumstances); or
- (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme which does not accord to him any privilege or advantage not generally accorded to the class of persons to which such fund or scheme relates.

#### **4.10.8 *Remuneration of Directors***

The ordinary remuneration of the Directors shall be determined by ordinary resolution of the Company in general meeting from time to time and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Any Director who holds any executive office (including for this purpose the office of President, Vice President, Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits, commission or otherwise as the Directors or any duly authorised committee of the Directors may determine.

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise in or about the business of the Company.

#### **4.10.9 *Borrowing powers***

Subject to the provisions of the Bermuda Companies Act and the Bye-laws, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### **4.10.10 *Powers of the Directors***

The Directors may:

- (a) delegate any of their powers or discretions to committees consisting of one or more members of their body and one or more other persons as provided in the Bye-laws. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors;
- (b) establish any regional or local boards, committees or agencies for managing any of the affairs of the Company, in any part of the world;
- (c) arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies;
- (d) exercise all the powers of the Company, without recourse to the Company in general meeting, to continue the Company in a country or jurisdiction outside Bermuda as if it had been incorporated under the laws of that other country or jurisdiction and to be discontinued under the Bermuda Companies Act, to the extent that the continuation of the Company is so permitted by the Bermuda Companies Act; and
- (e) appoint any company, firm or person or any fluctuating body of persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions as they may think fit.

Any Director may at any time appoint any person (including another Director) to be his alternate Director and may at any time terminate such appointment.

#### **4.10.11 Indemnification of Directors and officers**

Subject to the provisions of the Bermuda Companies Act, the Directors, Managing Directors, alternate Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all liabilities incurred by any of them by reason of any act done or omitted in the execution of their duty in their respective offices, except such as they shall incur or sustain through their own wilful neglect or default.

### **5. Mandatory takeover bids, squeeze-out and sell-out rules**

The Bermuda Companies Act does not contain any takeover regulations applicable to shareholders of Bermuda companies, whether public companies or not. However, the Company is subject to the Bermuda Mandarin Oriental International Limited Consolidation and Amendment Act 1988, as amended (the “Takeover Act”) and the Bermuda Takeover Code for Mandarin Oriental International Limited of 1993 as last amended on 30th May 2008 (the “Takeover Code”), and therefore shareholders are entitled to the protection afforded by the Takeover Act and the Takeover Code, including the provisions summarised below.

#### **5.1 Mandatory bids**

Under Section 15 of the Takeover Act and Regulation 10 of the Takeover Code, subject to certain limited exceptions, any person who (i) acquires shares of the Company which (when aggregated with shares owned or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of the Company; or (ii) acquires shares of a Relevant Company (being any company incorporated in Bermuda to which an enactment and regulations having substantially the same effect as the Takeover Act and the Takeover Code apply) which controls the Company or owns shares of the Company which when aggregated with the shares of the Company owned by such person (and persons acting in concert with him) represent control of the Company, and such shares (when aggregated with the shares of such Relevant Company owned by persons acting in concert with him) carry more than 50 per cent. of the voting rights of such Relevant Company; or (iii) owns, together with persons acting in concert with him, shares of the Company carrying not less than 30 per cent., but not more than 50 per cent., of the voting rights of the Company and he or any person acting in concert with him acquires in any 12-month period additional shares of the Company carrying more than one per cent. of the voting rights of the Company, shall make an offer in accordance with the Takeover Code to acquire all the shares of each class of the Company, whether voting or non-voting.

#### **5.2 Squeeze-out**

Under section 102 of the Bermuda Companies Act, where a scheme or contract involving the transfer of shares or any class of shares in a company to an acquirer is, within four months after the making of the offer by the transferee company, accepted by the holders of 90 per cent. in value of the shares which are the subject of the offer (other than shares already held at the date of the offer by the acquirer or its nominee or subsidiary), the acquirer can at any time within two months of reaching the 90 per cent. threshold compulsorily acquire the shares of dissenting shareholders. It would do so by sending a notice to dissenting shareholders telling them that it will acquire compulsorily their shares and then, if the Bermuda Supreme Court has not, on an application made by the dissenting shareholder within one month from the date the notice was given, ordered to the contrary, the acquirer would execute an instrument of transfer in respect of the outstanding shares held by the dissenting shareholders in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Bermuda Companies Act must be the same as the consideration that was available under the takeover offer.

Under section 103 of the Bermuda Companies Act, shareholders holding not less than 95 per cent. of the shares in a company may give notice to the remaining shareholders of the intention to acquire their shares on the terms set out in the notice. The same terms must be offered to all remaining shareholders whose shares are to be acquired. Dissenting shareholders have a right to apply to the Bermuda Supreme Court to appraise the value of their shares. This right must be exercised within one month of their receiving the notice of compulsory acquisition. The acquirer may, within one month of the court’s appraisal, acquire all the shares involved at the price fixed by the court or choose to cancel the notice. If a dissenting shareholder applies to the court and is successful in obtaining a higher value, the acquirer must pay that higher value to all shareholders being squeezed out (unless it chooses to cancel the notice of compulsory acquisition, return any shares already acquired and refund the purchase price paid for such shares).

It is also possible to effect a squeeze-out of minority shareholders by a court-approved scheme of arrangement under section 99 of the Bermuda Companies Act or by an amalgamation under sections 104 to 109 of the Bermuda Companies Act.

### **5.3 Sell-out**

There are no rules or provisions relating to sell-out rules under Bermuda law.

## **6. Corporate Governance Code**

Bermuda does not have a corporate governance code.

The Company's primary listing on the London Stock Exchange is a standard listing on the main market, following the transfer from a premium listing in May 2014. Under a standard listing, the Company is subject to the Listing Rules (other than those which apply only to companies with a premium listing), the Disclosure and Transparency Rules, the Prospectus Rules and the market abuse provisions of the FSMA. The Company, therefore, is bound by the rules in relation to continuous disclosure, periodic financial reporting, disclosure of interests in shares and market abuse, including the rules governing insider dealing, market manipulation and the disclosure of price sensitive information. The Company is also subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the main market of the London Stock Exchange.

Following the transfer to a standard listing from a premium listing, the main areas of the Listing Rules that no longer applied to the Company were in respect of significant transactions, related party transactions, pre-emption rights over the issue of new shares, share repurchases and the need to comply or explain non-compliance with the Corporate Governance Code. At the time of the move to a standard listing, however, the Company stated that it intended to maintain certain governance principles in the following areas:

- (a) when assessing a significant transaction, being a larger transaction which would be classified as a class 1 transaction under the provisions of the Listing Rules (having regard to the basis on which such provisions were applied to the Company on the date of transfer to a standard listing), the Company will engage an independent financial adviser to provide a fairness opinion on the terms of the transaction;
- (b) in the event of a related party transaction, being a transaction with a related party which would require a sponsor to provide a fair and reasonable opinion under the provisions of the Listing Rules (having regard to the basis on which such provisions were applied to the Company on the date of transfer to a standard listing), the Company will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned;
- (c) further, as soon as the terms of a significant transaction or a related party transaction are agreed, an announcement will be issued by the Company providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company;
- (d) at each annual general meeting, the Company will seek shareholder approval to issue new shares for up to 33 per cent. of the Company's issued share capital, of which up to 5 per cent. (other than by way of a rights issue or pursuant to the Share Incentive Schemes) can be issued for cash consideration;
- (e) the Company will continue to adhere to its Securities Dealing Rules, which follow the UK Model Code as applied to the Company on the date of transfer to a standard listing; and
- (f) the Company will continue its policies and practices in respect of risk management and internal controls.

## **7. Board Structure**

The Company has its dedicated executive management under the Group Chief Executive. The Memorandum of Association of the Company also provides for the chairman of Jardine Matheson to be, or to appoint, the Managing Director of the Company. Reflecting this, and the Jardine Matheson group's 73.45 per cent. interest in the Company's share capital, the Group Chief Executive and the Managing Director meet regularly. Similarly, the board of the Hong Kong-based Group management company, MOHG, and its finance committee are chaired by the Managing Director and include Group executives as well as Jardine Matheson's deputy managing director, group finance director, group strategy director and group general counsel.

The presence of Jardine Matheson representatives on the Board and on the board of MOHG as well as on its audit and finance committees, provides an added element of stability to the Company's financial planning and

supervision, enhancing its ability to raise finance and take a long-term view of business development. It also eases the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial strengths.

The Directors of the Company retain full power to manage the business affairs of the Company, other than matters reserved to be exercised by the Company in General Meeting under Bermuda legislation or the Company's Bye-laws. Among the matters on which the Board decides are the Group's business strategy, its annual budget, dividends and major corporate activities.

The Company currently has a Board of 17 Directors, details of which are set out in paragraph 9.1 of this Part VII. The Chairman has been appointed in accordance with the provisions of the Bye-laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company. The Board composition and operation helps to provide the Company with the necessary stability as it seeks to grow its business.

The role of the Chairman is to lead the Board as it oversees the Group's strategic and financial direction, while the principal role of the Managing Director is to act as chairman of MOHG and of its finance committee. Ben Keswick is currently appointed to both positions. The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Group Chief Executive, Edouard Ettegui. The implementation of the Group's strategy is delegated to the Company's executive management, with decision-making authority within designated financial parameters delegated to the MOHG finance committee.

The Board is scheduled to hold four meetings in 2015 and ad hoc procedures are adopted to deal with urgent matters. In 2014, one meeting was held in Bermuda and three were held in Asia. The Board receives high quality, up to date information for each of its meetings. In addition, certain Directors of the Company who do not serve on the board of MOHG and who are based outside Asia regularly visit Asia and Bermuda to discuss the Group's business, as well as to participate in the four strategic reviews that precede the regular Board meetings. These Directors are not directly involved in the operational management of the Group's business activities, but their knowledge and close oversight of the Group's affairs reinforces the process by which business is reviewed before consideration at Board meetings.

## **8. Audit Committee, Risk Management and Internal Control**

The Board has established within MOHG an audit committee (the "Audit Committee"), the current members of which are Adam Keswick, Mark Greenberg, James Riley and Giles White; they have extensive knowledge of the Group while at the same time not being directly involved in operational management. The chairman, group chief executive and chief financial officer of MOHG, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. The Audit Committee meets and reports to the Board semi-annually.

Prior to completion and announcement of the half-year and year-end results, a review of the financial information and of any issues raised in connection with the preparation of the results, including the adoption of new accounting policies, is undertaken by the Audit Committee with the executive management and a report is received from the external auditors. The external auditors also have access to the full Board, in addition to the group chief executive, chief financial officer and other senior executives.

The Audit Committee keeps under review the nature, scope and results of the audits conducted by the internal audit function. The Audit Committee's responsibilities extend to reviewing the effectiveness of both the internal and external audit functions; considering the independence and objectivity of the external auditors; and reviewing and approving the level and nature of non-audit work performed by the external auditors.

The Board has overall responsibility for the Group's systems of risk management and internal control. The Board has delegated to the Audit Committee responsibility for reviewing areas of risk and uncertainty, the operation and effectiveness of the Group's systems of internal control and the procedures by which these are monitored. The Audit Committee considers the systems and procedures on a regular basis, and reports to the Board semi-annually. The systems of internal control are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss.

Executive management is responsible for the implementation of the systems of internal control throughout the Group. The internal audit function also monitors the effectiveness of the systems of internal control and the approach taken by the business units to risk. The internal audit function is independent of the operating businesses and reports its findings, and recommendations for any corrective action required, to the Audit Committee.

The Group has in place an organizational structure with defined lines of responsibility and delegation of authority. There are established policies and procedures for financial planning and budgeting; for information and reporting systems; for assessment of risk; and for monitoring the Group's operations and performance. The information systems in place are designed to ensure that the financial information reported is reliable and up to date.

The Company's policy on commercial conduct underpins the Group's internal control process, particularly in the area of compliance. The policy is set out in the Group's Code of Conduct, which is a set of guidelines to which every employee must adhere that requires that all Group companies comply with all laws of general application, all rules and regulations that are industry specific and proper standards of business conduct, and is reinforced and monitored by an annual compliance certification process.

The Audit Committee has also been given the responsibility to oversee the effectiveness of the formal procedures for employees to raise any matters of serious concern, and is required to review any reports made under those procedures that are referred to it by the internal audit function.

The terms of reference of the Audit Committee can be found on the Company's website at [www.mandarinoriental.com](http://www.mandarinoriental.com).

## 9. Directors and Senior Management

### 9.1 Directors

The Directors of the Company are listed below:

<b>Name</b>	<b>Age</b>	<b>Position</b>
<b>Directors</b>		
Ben Keswick	42	Chairman and Managing Director
Edouard Ettedgui	63	Group Chief Executive
Stuart Dickie	52	Chief Financial Officer
Mark Greenberg	45	Non-Executive Director
Julian Hui	53	Non-Executive Director
Adam Keswick	42	Non-Executive Director
Sir Henry Keswick	76	Non-Executive Director
Simon Keswick	72	Non-Executive Director
Lord Leach of Fairford	80	Non-Executive Director
Dr Richard Lee	77	Non-Executive Director
Lincoln K. K. Leong	54	Non-Executive Director
Anthony Nightingale	67	Non-Executive Director
Lord Powell of Bayswater, KCMG	73	Non-Executive Director
Lord Sassoon, Kt	59	Non-Executive Director
James Watkins	69	Non-Executive Director
Percy Weatherall	57	Non-Executive Director
Giles White	61	Non-Executive Director

Each of the Directors' business address is Jardine House, 33-35 Reid Street, Hamilton, Bermuda.

Mr Giles White is to retire from the Board of the Company on 31st July 2015.

Summary biographical details of each of the Directors are as follows:

#### **Ben Keswick\***

*Chairman and Managing Director*

Mr Ben Keswick joined the Board as Managing Director in 2012 and became Chairman in 2013. He has held a number of executive positions since joining the Jardine Matheson group in 1998, including finance director and then chief executive officer of Jardine Pacific between 2003 and 2007 and, thereafter, group managing director of Jardine Cycle & Carriage until 2012. He has an MBA from INSEAD. Mr Keswick is chairman of Jardine Matheson Limited and Jardine Cycle & Carriage and a commissioner of Astra. He is also chairman and managing director of Dairy Farm International Holdings and Hongkong Land Holdings, managing director of Jardine Matheson and Jardine Strategic, and a director of Jardine Pacific and Jardine Motors.

\* *Executive Director*

**Edouard Ettedgui\***

*Group Chief Executive*

Mr Ettedgui joined the Board in 1998 and is managing director of MOHG. He was formerly group finance director of Dairy Farm International Holdings, prior to which he was business development director of British American Tobacco. He has extensive international experience in both financial and general management.

**Stuart Dickie\***

*Chief Financial Officer*

Mr Dickie joined the Board as Chief Financial Officer in 2010. He was director of Corporate Finance of the Group from 2000. Prior to joining the Group, Mr Dickie was a senior manager at PricewaterhouseCoopers in Hong Kong from 1994 to 2000. He is a Chartered Accountant and a Member of the Association of Corporate Treasurers.

**Mark Greenberg**

Mr Greenberg joined the Board in 2006. He is group strategy director of Jardine Matheson. He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. He is also a director of Jardine Matheson Limited, Dairy Farm International Holdings, Hongkong Land Holdings and Jardine Cycle & Carriage, and a commissioner of Astra and Bank Permata.

**Julian Hui**

Mr Hui joined the Board in 1994. He is an executive director of Owens Company and a director of Central Development and Jardine Strategic.

**Adam Keswick**

Mr Adam Keswick joined the Board in 2012. He is deputy managing director of Jardine Matheson, chairman of Jardine Pacific, and chairman and chief executive of Jardine Motors. He has held a number of executive positions since joining the Jardine Matheson group from N M Rothschild & Sons in 2001, including group strategy director and, thereafter, group managing director of Jardine Cycle & Carriage between 2003 and 2007. Mr Keswick is also deputy chairman of Jardine Matheson Limited, and a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Strategic and Zhongsheng Group Holdings.

**Sir Henry Keswick**

Sir Henry joined the Board in 1988. He is chairman of Jardine Matheson, having first joined the group in 1961, and is also chairman of Jardine Strategic. He is a director of Dairy Farm International Holdings and Hongkong Land Holdings. He is also vice chairman of the Hong Kong Association.

**Simon Keswick**

Mr Simon Keswick joined the Board in 1986 and was Chairman of the Company from 1986 to 2013. He joined the Jardine Matheson group in 1962 and is a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Matheson and Jardine Strategic.

**Lord Leach of Fairford**

Lord Leach joined the Board in 1987. He is deputy chairman of Jardine Lloyd Thompson, and a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Matheson and Jardine Strategic. He is also a member of the supervisory board of Paris Orléans. He joined the Jardine Matheson group in 1983 after a career in banking.

**Dr Richard Lee**

Dr Lee joined the Board in 1987. Dr Lee's principal business interests are in the manufacturing of textiles and apparel in Southeast Asia, and he is the honorary chairman of TAL Apparel. He is also a director of Jardine Matheson and Hongkong Land Holdings.

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\* *Executive Director*

**Lincoln K. K. Leong**

Mr Leong joined the Board in 2012. He is a Chartered Accountant and has extensive experience in the accountancy and investment banking industries. Mr Leong is also acting chief executive officer of MTR Corporation and a non-executive director of Hong Kong Aircraft Engineering Company.

**Anthony Nightingale**

Mr Nightingale joined the Board in 2006 and was Managing Director of the Company from 2006 to 2012. He is also a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Cycle & Carriage, Jardine Matheson, Jardine Strategic, China Xintiandi, Prudential and Schindler, and a commissioner of Astra. Mr Nightingale also holds a number of senior public appointments, including acting as a non-official member of the Commission on Strategic Development, a Hong Kong representative to the Asia Pacific Economic Cooperation (APEC) Business Advisory Council and a member of the UK ASEAN Business Council Advisory Panel. He is chairman of The Sailors Home and Missions to Seamen in Hong Kong.

**Lord Powell of Bayswater, KCMG**

Lord Powell joined the Board in 1992. He was previously Private Secretary and adviser on foreign affairs and defence to British Prime Ministers, Baroness Thatcher and Rt Hon John Major. He is a director of Hongkong Land Holdings, LVMH Moët Hennessy Louis Vuitton, Matheson & Co, Northern Trust Corporation and Textron Corporation. Previously president of the China-Britain Business Council and chairman of the Singapore-British Business Council, he is currently a British Business Ambassador. He is an independent member of the House of Lords.

**Lord Sassoon, Kt**

Lord Sassoon joined the Board in 2013. He began his career at KPMG, before joining SG Warburg (later UBS Warburg) in 1985. From 2002 to 2006 he was in the United Kingdom Treasury as a civil servant, where he had responsibility for financial services and enterprise policy. Following this, he chaired the Financial Action Task Force; and conducted a review of the UK's system of financial regulation. From 2010 to 2013 Lord Sassoon was the first Commercial Secretary to the Treasury and acted as the Government's Front Bench Treasury spokesman in the House of Lords. He is a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Lloyd Thompson and Jardine Matheson. He is also chairman of the China-Britain Business Council.

**James Watkins**

Mr Watkins joined the Board in 1997. He was a director and group general counsel of Jardine Matheson from 1997 to 2003. Mr Watkins qualified as a solicitor in 1969 and was formerly a partner of Linklaters. He is also a director of Advanced Semiconductor Manufacturing Corporation, Asia Satellite Telecommunications Holdings, Global Sources, Hongkong Land Holdings, IL&FS India Realty Fund II and Jardine Cycle & Carriage.

**Percy Weatherall**

Mr Weatherall joined the Board in 2000 and was Managing Director from 2000 to 2006. He first joined the Jardine Matheson group in 1976 and retired from executive office in 2006. He is also a director of Dairy Farm International Holdings, Hongkong Land Holdings, Jardine Matheson and Jardine Strategic. He is chairman of Corney & Barrow and the Nith District Salmon Fishery Board.

**Giles White**

Mr White joined the Board in 2009. He is the Jardine Matheson group general counsel. He was previously Asia managing partner of Linklaters based in Hong Kong, prior to which he was the firm's head of global finance and projects in London. Mr White is also a director of Jardine Matheson Limited, Dairy Farm International Holdings and Jardine Matheson.

Set out below are the directorships and partnerships held by the Directors (other than, where applicable, directorships held in subsidiaries of the Company), in the five years prior to the date of this document:

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Ben Keswick	Big Standard Limited Connaught Investors (BVI) Limited Connaught Investors Limited Connaught Luxembourg S.à r.l. (formerly Connaught Luxembourg S.A.) Dairy Farm International Holdings Limited Dairy Farm Management Services Limited Hongkong Land China Holdings Limited Hongkong Land Holdings Limited Hongkong Land Limited J S Holdings Luxembourg S.à r.l. Jardine Cycle & Carriage Limited (formerly Cycle & Carriage Limited) Jardine, Matheson & Co., Limited Jardine Matheson Holdings Limited Jardine Matheson Limited Jardine Motors Group Limited (formerly Jardine International Motors Management Limited) Jardine Pacific Limited (formerly Jardine Pacific Management Limited) Jardine Securities (BVI) Limited Jardine Securities Limited Jardine Strategic Holdings Limited Jardine Strategic Investments Pte. Limited (formerly Jardine Strategic Malaysian Investments Pte Limited and Wiston Pte Ltd) Jardine Strategic Singapore Pte. Ltd (formerly Frengin Pte Ltd) JMH Finance Holdings Limited JMH Investments Limited JMH Management Holdings Limited JMH Treasury Limited JSH Treasury Limited Keswick Foundation Limited Maxim's Caterers Limited Mindset Limited PT Astra International Tbk The Hongkong Land Co., Limited The Shek O Development Company, Limited	Cycle & Carriage Bintang Berhad Jardine Matheson (Bermuda) Ltd. Jardine Strategic Finance Limited Jardine Strategic Investment Holdings GmbH MCL Land Limited Mindset Care Limited OHTL Public Company Limited (formerly The Oriental Hotel (Thailand) Public Company Limited) PT Jakarta Land PT United Tractors Tbk
Edouard Ettedgui	Asas Klasik Sdn Bhd Chaophaya Development Corporation Ltd Marina Bay Hotel Pte Ltd Mindset Limited OHTL Public Company Limited (formerly The Oriental Hotel (Thailand) Public Company Ltd)	None

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Stuart Dickie	<p>Asas Klasik Sdn Bhd  Baan Rim Naam Chao Phraya Company Limited  Bagan Hotel Holding (Thailand) Company Ltd  Bagan Hotel Holding Company (BVI) Limited  Chaophaya Development Corporation Ltd  Mandarin Resorts and Hotel Management Private Limited  Marina Bay Hotel Pte Ltd  OHTL Public Company Limited (formerly The Oriental Hotel (Thailand) Public Company Ltd)  The Society for AIDS Care Ltd</p>	None
Mark Greenberg	<p>Dairy Farm International Holdings Limited  Dairy Farm Management Services Limited  Hongkong Land Holdings Limited  Hongkong Land Limited  Jardine Asia Capital Limited  Jardine Cycle &amp; Carriage Limited  Jardine Matheson Holdings Limited  Jardine Matheson Limited  Jardine Motors Group Limited  Jardine Pacific Limited  JRE Asia Capital Management Limited (formerly Jardine Rothschild Asia Capital Management Limited)  PT Astra International Tbk  PT Bank Permata Tbk  Riverview Designs Limited</p>	<p>Gammon Capital Management Limited  Jardine Lloyd Thompson Limited  JRE Asia Capital Limited (formerly Jardine Rothschild Asia Capital Limited)  Mindset A Home Limited  Mindset B Home Limited</p>
Julian Hui	<p>9 Ashley Road Inc  Affluent Island Limited  Alson Enterprise Ltd  Amery Investment Limited  Anquila Corporation  Athol Investment Limited  Bathol Investment Limited  Billion Impact Limited  CP Investment Limited (formerly CP Land Limited)  CP Land Management Limited (formerly HFPD Property Management Ltd)  CP Property Services Limited  Canace Limited  Cathol Investment Limited  Catler Holdings Ltd  Central Building (BVI) Limited  Central Development (Finance) Limited  Central Development (Overseas) Limited  Central Development International Holdings Ltd  Central Development Limited  Central Management Limited  Craigmount No. 1 (BVI) Limited  Craigmount No. 2 (BVI) Limited  Crown Capital Ent Ltd</p>	Falconridge Limited

**Name****Current directorships / partnerships****Past directorships / partnerships**

Cuisine Art & Foods Enterprise Limited  
Dallia International Limited  
Easton Development Ltd  
Elva Investment Limited  
Escorial Investment Limited  
Eson Development Ltd  
Essen Holdings Ltd  
Four Square International Ltd  
Foxglove Limited  
Gloss Shine Ltd  
Gordona S A  
Guardian House (BVI) Ltd  
Harson Investment Limited  
Highcliff Investment Limited  
Hillford Investments Ltd  
Induna Limited  
Jardine Strategic Holdings Limited  
JM Quacky Limited  
Keybridge Holdings Inc  
Key Stone Investment Property Corporation  
Max Frontier Ltd  
Melford Estate Limited  
Mercury Investor Limited  
Merra Limited  
Natsuko Incorporated  
No.28 Queen's Road Central Limited  
Ourmi (Hong Kong) Limited  
Owens Company Limited  
Parison Investments Ltd  
Patoka Limited  
Pointpiper Investment Limited  
Quill Crest Limited  
Renford Development Limited  
Sai Cheong Development Limited  
Sai Cheong Investment Company Limited  
Saucillo Limited  
Seacrest Fir Incorporated  
Senna Limited  
Shariott International Inc  
Shun Cheong Holdings Inc  
Techina Enterprises Limited  
Time Gear Limited  
Top Corporate Assets Ltd  
Topmind Corporation  
Trade Century Holdings Ltd  
Wah Chuen Investment Company Limited  
Wai Fung Plaza Limited  
Well Flown Limited  
Well Glided Limited  
Wemmer Limited  
Whito Trustee Holding Corporation  
Ultra Gear Limited  
Yan Pui (Hong Kong) Company Limited  
Yau Tong Holding Limited

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Adam Keswick	Dairy Farm International Holdings Limited Dairy Farm Management Services Limited Fu Tung Holdings Limited Gammon China Limited Hongkong Land China Holdings Limited Hongkong Land Holdings Limited Hongkong Land Limited Jardine Matheson Holdings Limited Jardine Matheson Limited Jardine Matheson (China) Limited Jardine Motors Group Holdings Limited (formerly Jardine International Motor Holdings Limited) Jardine Motors Group Limited (formerly Jardine International Motors Management Limited) Jardine Pacific Holdings Limited Jardine Pacific Limited (formerly Jardine Pacific Management Limited) Jardine Schindler Holdings Limited Jardine Strategic Holdings Limited Jardine, Matheson & Co., Limited JMH Finance Holdings Limited JMH Investments Limited JMH Management Holdings Limited JMH Treasury Limited JRE Asia Capital Management Limited (formerly Jardine Rothschild Asia Capital Management Limited) JSH Treasury Limited Maxim's Caterers Limited (Alternate Director to Ben Keswick) Mindset Limited OHTL Public Company Limited (formerly The Oriental Hotel (Thailand) Public Company Limited) Rothschilds Continuation Holdings AG The Hongkong Land Co., Limited Zhongsheng Group Holdings Limited Zung Fu Company Limited	Fleet Trans International Co. Limited Freight-Trans International Co., Limited Gammon Capital Management Limited HACTL Investment Holdings Limited Hong Kong Air Cargo Industry Services Limited Hong Kong Air Cargo Terminals Limited Jardine Matheson & Co. (Macau) Limited Jardine Motors (China) Limited Jardine OneSolution Holdings (C.I.) Limited Jardine OneSolution Holdings Limited Jardine OneSolution Limited Jardine Properties Investments Limited Jardine Restaurants Victoria S.A. JEC (HK) Holdings Limited JRE Asia Capital Limited (formerly Jardine Rothschild Asia Capital Limited) KFC Vietnam Joint Venture Company Limited Pandora Asset Holdings Limited Pandora Asset One Limited Pandora Asset Two Limited Pizza Hut Hong Kong Management Limited Pizza Vietnam Holdings Limited Pizza Vietnam Limited RoomPlus (Self Storage) Limited Strawberry Hill Development Limited The Jardine Engineering Corporation, Limited TYS Limited
Sir Henry Keswick	Dairy Farm International Holdings Limited Hongkong Land Holdings Limited JMH Finance Holdings Limited JMH Investments Limited JMH Management Holdings Limited JMH Treasury Limited JSH Treasury Limited Jardine Matheson Holdings Limited Jardine Securities Limited Jardine Strategic Holdings Limited Matheson & Co., Limited The Foundation and Friends of the Royal Botanic Gardens, Kew	Rothschilds Continuation Holdings AG

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Simon Keswick	Dairy Farm International Holdings Limited Head of Zeus Ltd Hongkong Land Holdings Limited JMH Finance Holdings Limited JMH Investments Limited JMH Management Holdings Limited Jardine Motors Group Holdings Limited (formerly Jardine International Motor Holdings Limited) Jardine Matheson Holdings Limited Jardine Pacific Holdings Limited Jardine Securities Limited Jardine Strategic Holdings Limited Matheson & Co., Limited Matheson Financial Holdings Ltd Matheson (London Properties) Ltd	Hongkong Land International Holdings Limited Imavillagebicycle.com Ltd Jardine Lloyd Thompson Group plc Jardine Motors Group UK Limited (formerly Jardine Motors Group plc) Keswick Foundation Limited
Lord Leach of Fairford	Dairy Farm International Holdings Limited Hongkong Land Holdings Limited Jardine Lloyd Thompson Group plc Jardine Matheson Holdings Limited Jardine Motors Group Holdings Limited (formerly Jardine International Motor Holdings Limited) Jardine Motors Group UK Limited (formerly Jardine Motors Group plc) Jardine Strategic Holdings Limited Matheson & Co., Limited Open Europe Limited Paris Orléans Vote No Limited	Rothschilds Continuation Holdings AG
Dr Richard Lee	Bon Biz Inc. Bothrife Development Ltd Delight Success Investments Limited Firm Top Company Limited Fortune Yard Ltd Fortunespark International Ltd Hongkong Land Holdings Limited Jardine Matheson Holdings Limited Keyson Limited Kiangsu Chekiang and Shanghai Residents (Hong Kong) Association Kingboard Ltd Leeman Properties Ltd Lees Holdings Inc. Lees Investment Corporation Lu Feng Company Limited Mazyland Ltd Mighty Profit Limited Mutual Fortune Ltd Newpark International Ltd Pine Lodge Limited Pinkstar Ltd Polycheer Limited Promate Properties Limited Shanghai Commercial Bank Ltd	Asia Industrial Development Co Ltd Atlantis Development Ltd Cheong Shun Garments Co Ltd Frontlink Ltd Highlead International Ltd Mandarin Clothing Company Limited Metrofar Enterprise Co Ltd Newpark International Development Co Ltd Oxwood Limited Pacific Apparel (Dongguan) Ltd Pen Apparel Sdn Bhd Penang Textile Sdn Bhd Ramtex Sales Corp Ramtex Yarns & Fabrics, LLC (Merged by Ramtex Fabrics Inc and Ramtex Inc) SBT Macao Commercial Offshore Ltd TAG Holdings Inc. TAL Apparel (Jersey) Ltd TAL Apparel (S) Pte Limited TAL Global Alliances Ltd Taltech Limited TAP Apparel Holdings Inc. TAP Reserve Inc. Textile Alliance Apparel (Dongguan) Limited

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
	Skycity Development Limited South China Textile Ltd South China (Jersey) Holdings Limited Southnice Investments Ltd Startex International Inc. TAL Apparel Limited Talsec Ltd Textile Alliance Limited The Lees Charitable Foundation Ltd The Tiger Investment & Finance Co Ltd Weaver Ltd Whitley Investments SA	Textile Alliance Apparel (Shenzhen) Limited Thai Alliance Textiles Company Limited Thai Garment Export Company Limited The Apparel Group, Limited The Apparel Logistics Group, Inc Upper Stream Corporation
Lincoln K. K. Leong	Alderbridge Holdings Limited Beijing MTR Corporation Limited Candiman Limited Energetic Island Limited Fontana Enterprises Limited Gainsborough Associates Limited Hangzhou MTR Corporation Limited Henry G. Leong Estates Limited HGL Continuation (Cayman) Limited HGL Investments Limited Hong Kong Aircraft Engineering Company Limited Hong Kong Railway Corporation Limited Linsan Investment Limited London Overground Rail Operations Ltd Marching Joy Investment Limited Marching Success Investment Limited Metro Trains Melbourne Pty. Ltd. MTR (Shanghai Project Management) Limited MTR Beijing Line 4 Investment Company Limited MTR China Commercial Management No. 1 Holdings Limited MTR China Consultancy Company Limited MTR China Property Holdings Limited MTR Consultancy (Beijing) Co. Limited MTR Corporation (Australia) Pty Limited MTR Corporation (C.I.) Limited MTR Corporation (Essex Thameside) Limited MTR Corporation (Shenzhen) Limited MTR Corporation (UK) Limited MTR Corporation Limited MTR Engineering Services Limited MTR Finance Lease (001) Limited MTR Hangzhou Line 1 Investment Company Limited MTR Property (Shenzhen) Company Limited MTR Property (Tianjin) No. 1 Company Limited MTR Property (Tianjin) No. 2 Company Limited	Fasttrack Insurance Ltd MTR Property (Beijing) No. 1 Company Limited Octopus Holdings Limited Tai Ping Carpets International Limited

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
	MTR Property Development (Shenzhen) Company Limited MTR Shenyang Holdings Limited MTR Shenyang Investment Holdings Limited MTR Shenyang Property No. 1 Limited MTR Shenzhen Investment Holding Limited MTR Stockholm AB Ngong Ping 360 Limited Ocean Heritage Investment Limited Permanent Cayman Investments Limited Permanent Holdings (Cayman) Limited Permanent Success Limited Shenyang MTR Corporation Limited (In liquidation) Sylon Enterprises Limited Syvan Investments Limited Sywest Investment Limited Tianjin TJ-Metro MTR Construction Company Limited Vanprop Investments Limited Winlong Investments Limited Winson Estates Limited	
Anthony Nightingale	China Xintiandi Limited Dairy Farm International Holdings Limited Hongkong Land Holdings Limited Jardine Cycle & Carriage Limited (formerly Cycle & Carriage Limited) Jardine Matheson Holdings Limited Jardine Strategic Holdings Limited Kosbest Ltd Mereworth Investments Limited P.T. Astra International Tbk Prudential plc Schindler Holding Ltd. The Friends of Uppingham School Limited The Hong Kong – APEC Trade Policy Study Group Limited (formerly Hong Kong APEC Trade Study Group Limited)	Connaught Investors (BVI) Limited Connaught Investors Limited Connaught Luxembourg S.à r.l. (formerly Connaught Luxembourg S.A.) CRUPE International Holdings (Singapore) Pte Ltd Dairy Farm Management Services Limited Gammon China Limited Hongkong Land China Holdings Limited Hongkong Land Limited J S Holdings Luxembourg S.à r.l. Jardine, Matheson & Co., Limited Jardine Matheson (China) Limited Jardine Matheson Limited Jardine Motors Group Holdings Limited (formerly Jardine International Motor Holdings Limited) Jardine Motors Group Limited (formerly Jardine International Motors Management Limited) Jardine Pacific Holdings Limited Jardine Pacific Limited (formerly Jardine Pacific Management Limited) Jardine Rothschild Asia Capital Limited Jardine Schindler Holdings Limited Jardine Schindler Manufacturing (BVI) Ltd Jardine Securities (BVI) Limited Jardine Securities Limited Jardine Strategic Investment Holdings GmbH

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
		Jardine Strategic Investments Pte. Limited (formerly Jardine Strategic Malaysian Investments Pte Limited and Wiston Pte Ltd) Jardine Strategic Singapore Pte Ltd (formerly Frengin Pte Ltd) JMH Finance Holdings Limited JMH Investments Limited JMH Management Holdings Limited JMH Treasury Limited JSH Treasury Limited Maxim's Caterers Limited Mindset Limited Schindler Manufacturing (Malaysia) Sdn. Bhd. The Hongkong Land Co., Ltd.
Lord Powell of Bayswater, KCMG	Atlantic Partnership Financière Agache Hongkong Land Holdings Limited LVMH Moët Hennessy Louis Vuitton S.A. LVMH Services Limited (Moët-Hennessy Louis Vuitton) Matheson & Co., Limited Northern Trust Corporation Textron Corporation The British Museum Trust Limited UK – China Forum	Capital Generation Partners Services Limited (formerly Safinvest Ltd.) Caterpillar Inc. Magna Holdings Northern Trust Global Services Limited Schindler Holding Singapore Millennium Foundation Limited
Lord Sassoon, Kt	Dairy Farm International Holdings Limited Hongkong Land Holdings Limited Hongkong Land International Holdings Limited Jardine Lloyd Thompson Group plc Jardine Matheson Holdings Limited Matheson & Co., Limited	The Merchants Trust PLC
James Watkins	Advanced Semiconductor Manufacturing Corporation Limited Asia Satellite Telecommunications Holdings Limited Global Sources Limited Hongkong Land Holdings Limited IL&FS India Realty Fund II LLC Jardine Cycle & Carriage Limited The Shek O Development Company, Limited White Sword Limited	MCL Land Limited
Percy Weatherall	Corney & Barrow Group Ltd Dairy Farm International Holdings Limited Hongkong Land Holdings Limited Jardine Matheson Holdings Limited Jardine Strategic Holdings Limited Matheson & Co., Limited Nith Catchment Fishery Trust Nith District Salmon Fishery Board Overfingland Nominees Ltd Weatherall Foods Ltd Yorkshire Game Ltd	None

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Giles White	Clare Investment Overseas (PTC) Limited (formerly Clare Investment and Trustee Company Limited) Connaught Investment Holdings B.V. Dairy Farm International Holdings Limited Dairy Farm Management Services Limited DFI Mauritius Ltd Hongkong Land China Holdings Limited Hongkong Land Limited Hongkong Land (Europe) B.V. (formerly Hongkong Land (PPI) B.V.) Hongkong Land (Philippines) B.V. Jardine Airport Services B.V. Jardine Matheson Europe B.V. Jardine Matheson Holdings Limited Jardine Matheson International Services Limited Jardine Matheson Limited Jardine Motors Group Limited (formerly Jardine International Motors Management Limited) Jardine Pacific Limited (formerly Jardine Pacific Management Limited) JM Corporate Services (Mauritius) Limited JMH Treasury Limited JOSTM B.V. JSH Treasury Limited JSH (Mauritius) Limited Mindset A Home Limited Mindset B Home Limited Mulgrave Corporation B.V. Singapore International Arbitration Centre Tedwhitten JV Co., Ltd The Verandah Company (PTC) Limited (formerly The Verandah Trust Company Limited)	Jardine Pacific Finance Cyprus Limited (formerly Kalisa Limited) J I Motor Holdings B.V. (formerly Jardine International Motor Holdings B.V.) Mulgrave Asian Holdings B.V.

## 9.2 Senior Management

In addition to Ben Keswick, Edouard Ettetdgui, Stuart Dickie, Mark Greenberg, Adam Keswick and Giles White described above, the following are also MOHG Directors, and their responsibilities are as indicated below.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Richard Baker	52	Executive Vice President, Operations Director – Asia
Kieren Barry	51	Group Counsel
Paul Clark	52	Group Director of Human Resources
Jan Goessing	56	Executive Vice President, Operations Director – The Americas
Michael Hobson	58	Chief Marketing Officer
Christoph Mares	48	Executive Vice President, Operations Director – EMEA
James Riley	53	Jardine Matheson Group Finance Director
Terry Stinson	64	Development Director and President, The Americas

The business address of each of the above MOHG Directors is 7th Floor, 281 Gloucester Road, Causeway Bay, Hong Kong.

Summary biographical details of each of the above MOHG Directors are as follows:

**Richard Baker**

*Executive Vice President, Operations Director – Asia*

Richard Baker is Executive Vice President, Operations Director – Asia, responsible for the operations of the Group's current and future portfolio of hotels in this region, as well as the global operational functions of the Group's Spas and Residences at Mandarin Oriental projects. Mr Baker joined Mandarin Oriental in 2006 as General Manager, Corporate in the Americas and took up the role of Executive Vice President, Operations Director – The Americas in 2008. He moved to Asia to take up his current role in 2013 and is based in the Group's Hong Kong office.

Mr Baker has over 20 years' experience in luxury hotel management, holding senior management positions with Rosewood Hotels and Resorts and Four Seasons.

**Kieren Barry**

*Group Counsel*

Kieren Barry is Group Counsel and is responsible for overseeing all aspects of the Group's legal services worldwide. He joined Mandarin Oriental in 2006 and is based at the Group's Hong Kong office.

Prior to joining Mandarin Oriental, Mr Barry worked in private practice as a litigator then commercial property lawyer, moving in-house as Senior Legal Counsel for all InterContinental, Crowne Plaza and Holiday Inn hotels in Asia Pacific, and later as General Counsel for an international sports and leisure group in Switzerland.

Mr Barry holds degrees in Classics and Law from Auckland University, and is admitted to the High Court of New Zealand as a Barrister and Solicitor.

**Paul Clark**

*Group Director of Human Resources*

Paul Clark is Group Director of Human Resources, responsible for establishing, implementing and evaluating global HR strategies, policies, systems and programmes for the Group. He joined Mandarin Oriental in 2006 and is based at the Group's Hong Kong office.

Mr Clark has over 30 years' experience in the hospitality industry. Prior to joining Mandarin Oriental, he held the position of Vice President, Human Resources for The Ascott Group based in Singapore.

From 1980 to 2003, he held numerous positions with InterContinental Hotels Group in Europe and Asia-Pacific. His final position there was as Regional Director of Human Resources, Australia, New Zealand, South Pacific.

**Jan Goessing**

*Executive Vice President, Operations Director – The Americas*

Jan Goessing is Executive Vice President, Operations Director – The Americas, responsible for the operations of the Group's current and future portfolio of hotels in this region. He also oversees and supervises the global operational function of Rooms. Mr Goessing joined the Group in 1994 as Hotel Manager of Mandarin Oriental, Hong Kong and has subsequently been General Manager of four of the Group's award-winning properties, including Washington, Bangkok and New York. He is based in the Group's New York office.

Prior to joining Mandarin Oriental, Mr Goessing held senior management positions throughout the United States; in Chicago, Boston and Beverly Hills with the Regent-Beverly Wilshire. He has also worked for InterContinental and Kempinski Hotels in Luxembourg and Germany early in his career.

**Michael Hobson**

*Chief Marketing Officer*

Michael Hobson is Chief Marketing Officer responsible for overseeing the Group's sales and marketing strategies on a global basis. He joined Mandarin Oriental in this capacity in 1994 and is based at the Group's Hong Kong office.

Mr Hobson has more than 30 years' experience in the hospitality industry. He began his career with Grand Metropolitan in 1978, concentrating on sales and development and was stationed in the United Kingdom, Latin America, the United States, Singapore and Hong Kong.

Prior to joining Mandarin Oriental he was Vice President of Sales and Marketing Worldwide for Omni Hotels Asia-Pacific. He also worked with Shangri-La Hotels and Resorts as Group Director of Sales and Marketing.

Mr Hobson holds an MBA from the University of Leicester having previously studied Hotel and Catering Operations at Brighton Technical College in the United Kingdom.

### **Christoph Mares**

*Executive Vice President, Operations Director – EMEA*

Christoph Mares is Executive Vice President, Operations Director – Europe, Middle East and Africa, responsible for the Group’s current and future portfolio across the region. He is also responsible for overseeing Mandarin Oriental’s global food and beverage operations. He re-joined Mandarin Oriental in his current position in 2009, and is based at the Group’s London office.

Mr Mares has over 20 years’ experience in luxury hotel management around the world. He first joined Mandarin Oriental in 2000, and held senior management positions within the Group’s portfolio of hotels in London, Paris and Munich. Prior to his current role, in 2008, Mr Mares was appointed Chief Operating Officer for Emaar Hospitality Group LLC, based in Dubai.

### **James Riley**

*Jardine Matheson Group Finance Director*

James Riley is group finance director of Jardine Matheson. A Chartered Accountant, he joined the Jardine Matheson group from Kleinwort Benson in 1993. He was appointed chief financial officer of Jardine Cycle & Carriage in 1994, and from 1999 to 2005 he was responsible for the businesses grouped under Jardine Pacific. He is also a director of Dairy Farm International Holdings, Jardine Matheson Limited and The Hongkong and Shanghai Banking Corporation.

### **Terry Stinson**

*Development Director and President, The Americas*

Terry Stinson is Development Director and President, The Americas. He is responsible for overseeing the Group’s global Development and Technical Services departments and works closely with the Group’s external partners on the continued development and execution of new Mandarin Oriental projects around the world. Mr Stinson joined Mandarin Oriental in 1997 as Group Development Director, and was promoted to his current role in 2008. He is based at the Group’s Atlanta office, and is the Group’s most senior representative in The Americas.

Mr Stinson has extensive experience in the hotel industry, including ten years with The Ritz-Carlton Hotel Company where, as Executive Vice President, he spent four years overseeing all of their development activities. Prior to this he was General Counsel of the company, responsible for all legal affairs, including the negotiation of new joint ventures and management agreements.

Mr Stinson holds an Engineering degree from Vanderbilt University and a J.D. from the University of Tennessee.

Set out below are the directorships and partnerships (other than, where applicable, directorships held in subsidiaries of the Company) held by the MOHG Directors (other than those who are also the Directors), in the five years prior to the date of this document:

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
Richard Baker	None	None
Kieren Barry	None	None
Paul Clark	None	None
Jan Goessing	None	None
Michael Hobson	Elite Capital Investments Limited	None
Christoph Mares	None	None

<u>Name</u>	<u>Current directorships / partnerships</u>	<u>Past directorships / partnerships</u>
James Riley	<p>CIL (Finance) Limited (formerly JSH Investments Limited)</p> <p>Connaught Investors Limited</p> <p>Dairy Farm International Holdings Limited</p> <p>Dairy Farm Management Services Limited</p> <p>Hongkong Land China Holdings Limited</p> <p>Hongkong Land Limited</p> <p>Hongkong Land (Europe) B.V. (formerly Hongkong Land (PPI) B.V.)</p> <p>Hong Kong Tennis Foundation Limited</p> <p>Jardine Asia Capital Limited</p> <p>Jardine, Matheson &amp; Co., Limited</p> <p>Jardine Matheson Holdings Limited</p> <p>Jardine Matheson Limited</p> <p>Jardine Matheson (Finance) Limited</p> <p>Jardine Matheson (Malaysia) Sdn Bhd</p> <p>Jardine Motors Group Holdings Limited (formerly Jardine International Motor Holdings Limited)</p> <p>Jardine Motors Group Limited (formerly Jardine International Motors Management Limited)</p> <p>Jardine Pacific Limited</p> <p>Jardine Schindler Holdings Limited</p> <p>Jardine Securities Investment Company Limited</p> <p>Jardine Strategic Investments Pte. Limited (formerly Jardine Strategic Malaysian Investments Pte Limited and Wiston Pte Ltd)</p> <p>Jardine Strategic Singapore Pte Ltd (formerly Frengin Pte Ltd)</p> <p>JM Corporate Services (Mauritius) Limited</p> <p>JMH Investments Limited</p> <p>JMH Treasury Limited</p> <p>JRE Asia Capital Management Limited (formerly Jardine Rothschild Asia Capital Management Limited)</p> <p>JSH Asian Holdings Limited (formerly Scarlett International Holdings Ltd)</p> <p>JSH Treasury Limited</p> <p>JSH (Mauritius) Limited</p> <p>Lockhart Insurance Company Limited</p> <p>Matheson &amp; Co. International Limited</p> <p>Matheson Investments Limited (formerly JMH Investments Limited)</p> <p>Mindset A Home Limited</p> <p>Mindset B Home Limited</p> <p>Mindset Limited</p> <p>Scotlanka (Private) Limited</p> <p>Tedwhitten JV Co., Ltd</p> <p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>XTC on Ice Gelato Limited</p> <p>Zung Fu Company Limited</p>	<p>CIL (L) Limited</p> <p>Jardine Schindler Manufacturing (BVI) Limited</p> <p>Jardine Strategic Finance Limited</p> <p>JRE Asia Capital Investments Limited (formerly Smart Trinity Holdings Limited)</p> <p>Schindler Manufacturing (Malaysia) Sdn Bhd</p>
Terry Stinson	None	<p>Metro Atlanta Recovery Residences, Inc.</p> <p>1010 Midtown Residential Condominium Association, Inc.</p>

- 9.3 Save as described below, there is no family relationship between any of the Company's Directors or the MOHG Directors:
- (a) Sir Henry Keswick and Simon Keswick are brothers;
  - (b) Ben Keswick is the son of Simon Keswick and a cousin of Adam Keswick and Percy Weatherall;
  - (c) Adam Keswick is a nephew of Sir Henry Keswick and Simon Keswick and a cousin of Ben Keswick and Percy Weatherall; and
  - (d) Percy Weatherall is a nephew of Sir Henry Keswick and Simon Keswick and a cousin of Ben Keswick and Adam Keswick.
- 9.4 As at the date of this document, none of the Directors and the MOHG Directors has at any time within the past five years:
- (a) save as disclosed in paragraphs 9.1 and 9.2 above, been a director or partner of any companies or partnerships; or
  - (b) had any convictions in relation to fraudulent offences (whether spent or unspent); or
  - (c) been adjudged bankrupt or has entered into any individual voluntary arrangements; or
  - (d) been a director of any company at the time of or within a 12 month period preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with such company's creditors generally or with any class of creditors of such company; or
  - (e) been a partner of any partnership at the time of or within a 12 month period preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or
  - (f) owned any assets which has been placed in receivership; or
  - (g) been a partner of any partnership at the time of or within a 12 month period preceding any assets thereof being the subject of a receivership; or
  - (h) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
  - (i) ever been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company.
- 9.5 Julian Hui, Adam Keswick, Ben Keswick, Sir Henry Keswick, Simon Keswick, Lord Leach of Fairford, Anthony Nightingale and Percy Weatherall are also directors of Jardine Strategic, which will be receiving a commission fee in respect of its underwriting of the Underwritten Shares as part of the Rights Issue. In addition, Mark Greenberg, Adam Keswick, Ben Keswick, Sir Henry Keswick, Simon Keswick, Lord Leach of Fairford, Dr Richard Lee, Anthony Nightingale, Lord Sassoon, Percy Weatherall, Giles White and James Riley are directors of Jardine Matheson, which is the parent company of Jardine Strategic.
- 9.6 Save for their capacities as persons legally and beneficially interested in the Ordinary Shares, and save as disclosed above, there are:
- (a) no actual or potential conflicts of interest between any duties to the Company of the Directors and the MOHG Directors and their respective private interests and/or other duties; and
  - (b) no arrangements or understandings with major Shareholders, members, suppliers or others, pursuant to which any Director or MOHG Director was selected.

## 10. Directors' and MOHG Directors' interests

10.1 The interests of the Directors and MOHG Directors, and their immediate families, in the share capital of the Company (all of which, unless otherwise stated, are beneficial) on the date of this document and as they are expected to be immediately following the Rights Issue, including as a percentage of the Enlarged Share Capital (assuming full take up by the Directors and MOHG Directors of their entitlements under the Rights Issue), are as follows (not including options disclosed below):

<i>Directors</i>	Shares beneficially held at the date of this document		Shares beneficially held immediately following the Rights Issue	
	No.	% (to nearest 0.001%)	No.	%
Edouard Ettedgui	10,000,000	0.996	12,500,000	0.996
Stuart Dickie	216,867	0.022	271,083	0.022
Simon Keswick	19,858	0.002	24,822	0.002
Lincoln K. K. Leong	103,806	0.010	129,757	0.010
<b><i>MOHG Directors (other than those who are also the Directors)</i></b>				
Kieren Barry	60,000	0.006	75,000	0.006
Jan Goessing	250,000	0.025	312,500	0.025
James Riley	15,000	0.001	18,750	0.001

### Note:

The number of Ordinary Shares in issue immediately following completion of the Rights Issue assumes that the maximum number of New Ordinary Shares is issued, before reduction to take account of fractional entitlements which are being rounded down and disregarded.

The Directors and the MOHG Directors have the same voting rights as all other Shareholders.

10.2 Details of the Directors' and MOHG Directors' interests in the Ordinary Shares subject to options and awards under the Share Incentive Schemes are set out below:

Name	Number of Ordinary Shares over which Share Options or Share Awards granted as at 10th March 2015	Exercise price	Share Options exercisable between / Share Awards vesting date
<b><i>Directors</i></b>			
Edouard Ettedgui	1,200,000	1.8760	14th March 2010 and 13th March 2017
	4,000,000	1.7240	14th March 2011 and 13th March 2018
	200,000	1.4380	12th March 2012 and 11th March 2020
	750,000	1.4380	12th March 2013 and 11th March 2020
	750,000	1.7100	9th March 2014 and 8th March 2022
	750,000	1.7100	9th March 2015 and 8th March 2022
	750,000	1.6650	15th March 2015 and 14th March 2023
	750,000	1.6650	15th March 2016 and 14th March 2023
Stuart Dickie	150,000	1.8760	14th March 2010 and 13th March 2017
	700,000	2.1080	11th March 2014 and 10th March 2021
	700,000	1.7100	9th March 2015 and 8th March 2022
	700,000	1.6650	15th March 2016 and 14th March 2023
	235,000	N/A	14th March 2017
<b><i>MOHG Directors (other than those who are also the Directors)</i></b>			
Richard Baker	150,000	1.8760	14th March 2010 and 13th March 2017
	300,000	1.7240	14th March 2011 and 13th March 2018
	400,000	2.1080	11th March 2014 and 10th March 2021
	400,000	1.7100	9th March 2015 and 8th March 2022
	400,000	1.6650	15th March 2016 and 14th March 2023
	135,000	N/A	14th March 2017
Kieren Barry	200,000	1.4380	12th March 2013 and 11th March 2020
	250,000	1.6650	15th March 2016 and 14th March 2023
	135,000	N/A	14th March 2017

Name	Number of Ordinary Shares over which Share Options or Share Awards granted as at 10th March 2015	Exercise price	Share Options exercisable between / Share Awards vesting date
Paul Clark	250,000	1.2740	6th October 2009 and 5th October 2016
	250,000	1.4380	12th March 2013 and 11th March 2020
	250,000	1.6650	15th March 2016 and 14th March 2023
	135,000	N/A	14th March 2017
Jan Goessing	100,000	1.8760	14th March 2010 and 13th March 2017
	200,000	1.7100	9th March 2015 and 8th March 2022
	85,000	N/A	14th March 2017
Michael Hobson	400,000	1.8760	14th March 2010 and 13th March 2017
	300,000	1.7240	14th March 2011 and 13th March 2018
	400,000	0.7025	13th March 2012 and 12th March 2019
	400,000	1.4380	12th March 2013 and 11th March 2020
	400,000	2.1080	11th March 2014 and 10th March 2021
	400,000	1.7100	9th March 2015 and 8th March 2022
	400,000	1.6650	15th March 2016 and 14th March 2023
135,000	N/A	14th March 2017	
Christoph Mares	400,000	1.4380	12th March 2013 and 11th March 2020
	400,000	2.1080	11th March 2014 and 10th March 2021
	500,000	1.7100	9th March 2015 and 8th March 2022
	400,000	1.6650	15th March 2016 and 14th March 2023
	135,000	N/A	14th March 2017
Terry Stinson	600,000	1.8760	14th March 2010 and 13th March 2017
	1,000,000	1.7240	14th March 2011 and 13th March 2018
	900,000	0.7025	13th March 2012 and 12th March 2019
	700,000	1.4380	12th March 2013 and 11th March 2020
	900,000	2.1080	11th March 2014 and 10th March 2021
	800,000	1.7100	9th March 2015 and 8th March 2022
	700,000	1.6650	15th March 2016 and 14th March 2023

10.3 As at 10th March 2015 (being the latest practicable date prior to the date of this document), there are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.

## 11. Interests of major Shareholders

Insofar as is known to the Company, the name of each person who, directly or indirectly, has an interest in 5 per cent. or more of the Company's issued share capital, and the amount of such person's interest, as at 10th March 2015 (being the latest practicable date prior to the publication of this document) are as follows:

Name	Shares No.	%
Jardine Strategic Holdings Limited	737,275,281 <sup>(1)</sup>	73.45

### Note:

(1) By virtue of its interest in Jardine Strategic, Jardine Matheson was deemed to be interested in the same number of Ordinary Shares.

As at 10th March 2015 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person, save for Jardine Strategic and, through Jardine Strategic, Jardine Matheson, who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company nor is it aware of any arrangements, save for the holding of shares by Jardine Strategic, the operation of which may, at a subsequent date, result in a change in control of the Company. Jardine Strategic does not have different voting rights from other Shareholders.

Following the Rights Issue, assuming no Share Options are exercised and no Share Awards become vested between 10th March 2015 (being the latest practicable date prior to the publication of this document) and completion of the Rights Issue:

- (i) to the extent all Qualifying Shareholders and Entitled Depositors take up their respective rights under the Rights Issue in full, the proportionate shareholdings in the Company's issued share capital will remain unchanged; and

- (ii) if no Qualifying Shareholder or Entitled Depositor (other than Jardine Strategic) takes up rights under the Rights Issue and if no places for the New Ordinary Shares which are not taken up are procured in accordance with the Placing Agreement, the proportionate shareholding of Jardine Strategic (and, through Jardine Strategic, Jardine Matheson) in the Company's issued share capital would increase from 73.45 per cent. to 78.76 per cent., and the proportionate shareholding of existing Shareholders would be diluted by 20.0 per cent., as a result of the underwriting by Jardine Strategic.

## 12. Directors' and MOHG Directors' service agreements, letters of appointment and remuneration

- 12.1 There are no existing or proposed service contracts between any Director or MOHG Director, and the Company or its subsidiary undertakings, providing entitlement to any benefits upon termination.
- 12.2 In addition to the options and awards under the Share Incentive Schemes disclosed in paragraphs 10 and 13 of this Part VII, the aggregate remuneration, including bonuses and benefits in kind, granted by the Group to the Directors and MOHG Directors for services in all capacities to the Group in respect of the financial year ended 31st December 2014 was US\$13.6 million.
- 12.3 The total amount set aside or accrued by the Group to provide pension, retirement or similar benefits to the Directors and the MOHG Directors in the financial year ended 31st December 2014 was US\$0.5 million.

## 13. Share Incentive Schemes

Awards or options are outstanding under two employee share plans operated by the Group: the 2005 Plan and the LTIP, as follows:

Share Incentive Scheme	Type of award	Number of shares	Weighted average exercise price
2005 Plan	Option	32,375,000	US\$1.6917
LTIP	Option	0	N/A
LTIP	Conditional award	1,890,000	N/A

Since March 2014, the LTIP has replaced the 2005 Plan as the principal vehicle for grants of share incentives to employees. It is intended that no further options will be granted under the 2005 Plan.

The key terms of the LTIP and the 2005 Plan are summarised below.

### 13.1 Types of awards

The LTIP allows the Board or a duly authorised committee of the Board to grant:

- conditional awards which are rights to receive shares for free automatically to the extent the award vests; and
- options, under which the participant can buy shares, to the extent his award has vested, by paying an exercise price (which may be zero) set by the Board or a duly authorised committee of the Board when the award is granted.

The 2005 Plan only allows for options with an exercise price based on the share price at the time of grant.

### 13.2 Eligibility

Awards under the LTIP can be granted to employees (including Executive Directors) of the Company, its subsidiaries and companies in which the Company or its subsidiaries have at least a 20 per cent. interest and to general managers or senior management executive in hotels managed by the Group (even though he or she may not be employed by the Group).

### 13.3 Grant of awards

Subject to the limits below, the Directors will decide who will be granted awards and over how many shares.

### 13.4 Plan limits

In any 10 year period, not more than 5 per cent. of the issued ordinary share capital of the Company may be issued or be issuable under awards under the LTIP and all other discretionary share incentive plans adopted by the Company.

This does not include awards which have lapsed or released, rights to acquire shares granted before the date of adoption of the LTIP and any treasury shares transferred to satisfy an award will be counted as if new shares had

been issued, for so long as it is considered best practice to do so (although the Company's constitution does not currently allow for treasury shares).

### **13.5 Vesting of awards**

Awards under the LTIP and options under the 2005 Plan will normally vest three years after grant or after such other period as the Board or a duly authorised committee of the Board may set when the award or option is granted.

When granting an award, the Board or a duly authorised committee of the Board may make its vesting conditional on the achievement of a condition relating to the performance of the Group, the participant and/or the business in which he works. The performance condition will normally be tested over at least three years. An award subject to a performance condition will only vest to the extent that it is satisfied or waived.

In addition, the Board or a duly authorised committee of the Board can reduce the extent to which an award vests or delay vesting if there is a restatement of results or a failure of risk management.

The participant can normally exercise an option (under either the 2005 Plan or the LTIP), to the extent it has vested, until (at the latest) the 10th anniversary of the date of grant.

The Company can decide to satisfy an award in cash instead of issuing or transferring shares.

### **13.6 Leaving employment**

Options under the 2005 Plan lapse if the participant's employment is terminated for cause. If he leaves because of ill-health, injury, disability, redundancy, retirement or sale of his employer, the options may become exercisable for a limited period on leaving, to the extent that any performance condition is satisfied to the date of leaving. If he leaves in other circumstances, the options lapse to the extent they are not already exercisable.

An award under the LTIP will normally lapse if the participant leaves employment. However, if he leaves because of ill-health, injury, disability, redundancy (or in other circumstances if the Directors so decide), the award will continue in effect or may vest early. If he resigns, retires or leaves because of a sale of his employer or in other circumstances if the Directors so decide, his award will only lapse to the extent it has not then vested.

Where an award under the LTIP vests on or after leaving, the Board or a duly authorised committee of the Board will determine the extent to which it vests, taking account of any performance condition and the fact that the participant left early.

An option is only exercisable for a shortened period after leaving employment.

### **13.7 Takeovers**

Awards will generally vest and options become exercisable early on a takeover. Alternatively, participants may be allowed or required to exchange their awards for awards over shares in any body corporate determined by the acquiring company.

Where an award vests in these circumstances, the Board or a duly authorised committee of the Board will determine the extent to which it vests, taking account of any performance condition and the fact that the award is vesting early.

### **13.8 Rights issues, demergers etc.**

The number of shares subject to an award (and/or the exercise price, in the case of an option) may be adjusted to reflect a rights issue, demerger or any variation in the share capital of the Company.

### **13.9 General**

Awards are not transferable (except to personal representatives on death) and are not pensionable and participants are not required to pay for the grant of an award.

Any shares issued following the vesting of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

### 13.10 Amendments

The Board or a duly authorised committee of the Board can amend the Share Incentive Schemes in any way. However, shareholder approval will normally be required to amend certain provisions of the 2005 Plan to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital and the amendment powers.

## 14. Subsidiaries and corporate structure

### 14.1 Corporate structure

The Company is the holding company of the Group, which comprises the Company and its subsidiary undertakings.

### 14.2 Significant subsidiary and associated undertakings

The significant subsidiary and associated undertakings of Mandarin Oriental are described on pages 82 and 83 of the Annual Report and Accounts 2013, as described in Part VIII (*Documentation Incorporated by Reference*) of this document. During the period from 31st December 2013 to 10th March 2015 (the latest practicable date prior to the publication of this document), there were no new significant subsidiary or associated undertakings.

## 15. Property, plant and equipment

15.1 Details of the material properties of the Group are set out below:

Property	Principal Use	Ownership Interest	Profile	Tenure / Leasehold
Mandarin Oriental, Hong Kong	Hotel	100	501 rooms	Lease expiry 2895
The Excelsior, Hong Kong	Hotel	100	884 rooms	Lease expiry 2842
Mandarin Oriental, Tokyo	Hotel	100	178 rooms	Lease expiry 2035
Mandarin Oriental, Jakarta	Hotel	96.9	272 rooms	Lease expiry 2023
Mandarin Oriental Hyde Park, London	Hotel	100	194 rooms	Freehold
Mandarin Oriental, Geneva	Hotel	92.6	197 rooms	Lease expiry 2040
Mandarin Oriental, Munich	Hotel	100	73 rooms	Freehold
Mandarin Oriental, Paris	Hotel	100	138 rooms	Freehold
Mandarin Oriental, Washington D.C.	Hotel	80	397 rooms	Freehold
Mandarin Oriental, Singapore	Hotel	50	527 rooms	Lease expiry 2079
River City Shopping Complex, Bangkok	4-storey shopping mall	49	47,567 m <sup>2</sup>	Freehold
Mandarin Oriental, Bangkok	Hotel	44.9	393 rooms	Various freehold/leasehold
Mandarin Oriental, Kuala Lumpur	Hotel	25	632 rooms	Freehold
Mandarin Oriental, New York	Hotel	25	244 rooms	Freehold
Mandarin Oriental, Miami	Hotel	25	326 rooms	Freehold

15.2 The Group's properties include offices, retail outlets and residential units. The Directors believe that, other than those listed above, no single property is material to the Group's operations or financial position.

## 16. Auditors

PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, United Kingdom, a member firm of the Institute of Chartered Accountants in England and Wales, were auditors of the Company for the financial years ended 31st December 2013, 2012 and 2011 and are currently the auditors of the Company. PricewaterhouseCoopers LLP have no material interest in the Company.

## 17. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by the Company or any member of the Group and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this document:

### 17.1 Underwriting Agreement

Pursuant to an underwriting agreement dated 5th March 2015 between the Company and Jardine Strategic, Jardine Strategic has irrevocably undertaken to take up its entire pro rata entitlement of New Ordinary Shares, amounting to 184,318,820 New Ordinary Shares, and agreed to subscribe for up to 66,612,099 New Ordinary Shares on terms that, if places for any such shares can be procured at a premium (after expenses) over the Issue Price, such shares shall be transferred to the accounts maintained by such places within CDP in accordance with the terms of the Placing Agreement.

In consideration of its services under the Underwriting Agreement, and subject to its obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated, Jardine Strategic will be paid a commission fee of 1.5 per cent. of the aggregate value of the Underwritten Shares at the Issue Price, whether or not it is called upon to subscribe for any of the New Ordinary Shares under the Underwriting Agreement.

The Company shall pay (whether or not Jardine Strategic's obligations under this Agreement become unconditional) all costs and expenses of, or in connection with, the Rights Issue, the allotment and issue of the New Ordinary Shares.

The Company has given certain customary representations, warranties and indemnities to Jardine Strategic as to the accuracy of the information contained in this document and other relevant documents, and in relation to other matters relating to the Group and its business.

The obligations of Jardine Strategic under the Underwriting Agreement are subject to certain conditions including, amongst others:

- (a) UK Admission becoming effective by no later than 17th March 2015 (or such later date as Jardine Strategic and the Company may agree); and
- (b) dealings in the Nil Paid Rights Allocations commencing on the Singapore Exchange no later than 17th March 2015 (or such later date as Jardine Strategic and the Company may agree).

In certain circumstances, prior to UK Admission, including where any of the conditions are not satisfied (or waived by Jardine Strategic acting in good faith and following consultation with the Company) or shall have become incapable of being satisfied by the required time and date, Jardine Strategic may terminate the Underwriting Agreement.

### 17.2 Placing Agreement

Pursuant to a Placing Agreement dated 5th March 2015 between the Company, Jardine Strategic, J.P. Morgan Cazenove and UBS (J.P. Morgan Cazenove and UBS together, the "**Banks**"), each of the Banks has agreed to use its reasonable endeavours to procure places for New Ordinary Shares which are not taken up under the Rights Issue if a premium (after expenses) over the Issue Price can be obtained. In consideration for their services under the Placing Agreement, the Company shall pay to the Banks (out of the placing proceeds) (a) an aggregate commission of 0.25 per cent. of the amount equal to the product of (i) the price per New Ordinary Share at which

placees are willing to take up New Ordinary Shares in the placing and (ii) the number of New Ordinary Shares for which the Banks procure placees and in respect of which payment from such placees is received by the Company, and (b) an amount equal to the Banks' expenses of or incidental to the placing. The Company has given certain customary representations, warranties and indemnities to the Banks as to the accuracy of the information contained in this document and other relevant documents, and in relation to other matters relating to the Group and its business.

### **17.3 Munich extension**

Pursuant to agreements signed on 25th March 2014 with project developer Wöhr + Bauer Projekt HTW GmbH & Co. KG and its parent entity Wöhr + Bauer GmbH (together "W+B"), the Company is to expand its wholly-owned hotel in Munich through the construction of a mixed use complex on an adjacent site. The Group is to invest €115.7 million (US\$125.0 million), in today's terms, with the new complex estimated to open in 2021.

The site will be developed into a mixed use complex of some 23,000 sq.m. comprising two buildings that will jointly house new hotel rooms and facilities, 19 luxury branded *Residences at Mandarin Oriental*, retail units, commercial offices and underground car parking.

Mandarin Oriental will pay W+B a turnkey construction price, to build the new hotel rooms and facilities, a portion of which will be subject to indexation. The Group will provide technical services to the developer. The Group's financial commitment during the period from 2014 to 2017 is limited to development fees and land purchase price instalments, estimated at €17.4 million (US\$18.8 million). The final land purchase price instalment will only be due when construction on the existing site commences.

### **18. Related Party Transactions**

Other than as disclosed in the historical financial information, which is incorporated by reference into this document as set out in Part VIII (*Documentation Incorporated by Reference*), and in paragraph 17.1 of this Part VII, there are no related party transactions that were entered into during: (i) the financial years ended 31st December 2014, 2013, 2012 and 2011; and (ii) the period between 31st December 2014 and 10th March 2015 (the latest practicable date prior to the publication of this document).

### **19. Litigation and arbitration proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

### **20. Working capital**

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the bank and other facilities available to the Group, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this document.

### **21. No significant change**

There has been no significant change in the financial or trading position of the Group since 31st December 2014, the date to which the 2014 Preliminary Results were prepared.

### **22. Use of proceeds**

The additional capital being raised through the Rights Issue will enable Mandarin Oriental to retire debt and reduce gearing towards the levels that prevailed before the acquisition of the freehold of the Paris hotel. Specifically, the funds will be used to fully repay the MOFINCO Facilities Agreements and part repay the MOHP Facilities Agreement, providing the Group with the capacity to finance the £85 million (US\$130 million) renovation of Mandarin Oriental Hyde Park, London. This major renovation, which is due to start in 2016, will significantly re-position this flagship property and enhance the Mandarin Oriental brand in a key market.

### **23. Consent**

PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of its auditors' reports on the consolidated financial statements of the Group included in the Annual

Report and Accounts 2011, the Annual Report and Accounts 2012 and the Annual Report and Accounts 2013, respectively, which are incorporated by reference into this document as set out in Part VIII (*Documentation Incorporated by Reference*) of this document, in each case in the form and context in which they appear.

#### **24. Miscellaneous**

- 24.1 The total costs and expenses payable by the Company in connection with the Rights Issue (including the listing fees of the FCA and the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) are estimated to amount to US\$3.6 million (including VAT).
- 24.2 Each New Ordinary Share is expected to be issued at a premium of US\$1.21 to its nominal value of US\$0.05.
- 24.3 A copy of each of this document, the Provisional Allotment Letter, the RAF and the written consent given by PricewaterhouseCoopers LLP as referred to in paragraph 23 of this Part VII (*Additional Information*) have been registered with the Registrar of Companies in Hong Kong.

#### **25. Documents available for inspection**

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to, and for a period of 12 months, following Admission at the office of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom and at the registered office of the Company:

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) the consent letter referred to in paragraph 23 above;
- (c) the documents incorporated by reference into this document as described in Part VIII (*Documentation Incorporated by Reference*); and
- (d) this document.

#### **26. Announcement on results of the Rights Issue**

The Company expects to make an appropriate announcement to the London Stock Exchange (through a Regulatory Information Service), the Bermuda Stock Exchange and the Singapore Exchange giving details of the results of the Rights Issue on or about 8th April 2015.

Dated: 12th March 2015

## PART VIII – DOCUMENTATION INCORPORATED BY REFERENCE

The following documentation, which was sent to Shareholders at the relevant time and/or is available as described below, contains information that is relevant to the Rights Issue:

1. *The Annual Report and Accounts 2013, the Annual Report and Accounts 2012 and the Annual Report and Accounts 2011*

These contain the audited consolidated financial statements of the Company for the financial years ended 31st December 2013, 2012 and 2011, prepared in accordance with IFRS, together with audit reports in respect of each such year.

2. *The 2014 Half Year Results*

This announcement contains the unaudited financial information of the Company for the six months ended 30th June 2014.

3. *The 2014 Preliminary Results*

This announcement contains the unaudited financial information of the Company for the financial year ended 31st December 2014.

4. *Other*

The table below sets out the various sections of the documents referred to above which are incorporated by reference into this document, so as to provide the information required pursuant to Annex I and Annex III to the Prospectus Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Ordinary Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and of the rights attaching to the New Ordinary Shares:

Reference document	Information incorporated by reference	Page number in reference document
2014 Preliminary Results	Highlights and Results	1
	Chairman's Statement	2-5
	Group Chief Executive's Review	6-17
	Consolidated Profit and Loss Account	18
	Consolidated Statement of Comprehensive Income	19
	Consolidated Balance Sheet	20
	Consolidated Statement of Changes in Equity	21
	Consolidated Cash Flow Statement	22
	Notes to the Financial Information	23-31
2014 Half Year Results	Highlights and Results	1
	Chairman's Statement	2-4
	Consolidated Profit and Loss Account	5
	Consolidated Statement of Comprehensive Income	6
	Consolidated Balance Sheet	7
	Consolidated Statement of Changes in Equity	8
	Consolidated Cash Flow Statement	9
	Notes to Condensed Financial Statements	10-18
Annual Report and Accounts 2013	Operating Summary	14-15
	Development Portfolio	16
	Financial Review	19-23
	Consolidated Profit and Loss Account	26
	Consolidated Statement of Comprehensive Income	27
	Consolidated Balance Sheet	28
	Consolidated Statement of Changes in Equity	29
	Consolidated Cash Flow Statement	30
Principal Accounting Policies	31-43	

Reference document	Information incorporated by reference	Page number in reference document
	Financial Risk Management	44-49
	Critical Accounting Estimates and Judgements	50-51
	Notes to the Financial Statements	52-81
	Principal Subsidiaries, Associates and Managed Hotels	82-83
	Independent Auditors' Report	84
	Five Year Summary	85
	Directors' emoluments	88-89
Annual Report and Accounts 2012	Operating Summary	14-15
	Development Portfolio	16
	Financial Review	19-23
	Consolidated Profit and Loss Account	26
	Consolidated Statement of Comprehensive Income	27
	Consolidated Balance Sheet	28
	Consolidated Statement of Changes in Equity	29
	Consolidated Cash Flow Statement	30
	Principal Accounting Policies	31-41
	Financial Risk Management	42-47
	Critical Accounting Estimates and Judgements	48-49
	Notes to the Financial Statements	50-73
	Principal Subsidiaries, Associates and Managed Hotels	74-75
	Independent Auditors' Report	76
	Five Year Summary	77
	Directors' emoluments	80-81
Annual Report and Accounts 2011	Operating Summary	14-15
	Development Portfolio	16
	Financial Review	19-23
	Consolidated Profit and Loss Account	26
	Consolidated Statement of Comprehensive Income	27
	Consolidated Balance Sheet	28
	Consolidated Statement of Changes in Equity	29
	Consolidated Cash Flow Statement	30
	Principal Accounting Policies	31-41
	Financial Risk Management	42-45
	Critical Accounting Estimates and Judgements	46-47
	Notes to the Financial Statements	48-71
	Principal Subsidiaries, Associates and Managed Hotels	72-73
	Independent Auditors' Report	74
	Five Year Summary	75
	Directors' emoluments	78

To the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document for the purposes of the Prospectus Rules, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document. Parts of the documents incorporated by reference which are not set out above are either not relevant or are covered elsewhere in this document.

The information incorporated by reference is available for inspection on the Company's website at [www.mandarinoriental.com/investors/financial-reports](http://www.mandarinoriental.com/investors/financial-reports).

## PART IX – DEFINITIONS

“2005 Plan”	The Mandarin Oriental International Share Option Plan 2005
“2014 Half Year Results”	the Company’s unaudited half year results announcement for the six months ended 30th June 2014 dated 31st July 2014
“2014 Preliminary Results”	the Company’s unaudited preliminary results announcement for the year ended 31st December 2014 dated 5th March 2015
“Admission”	Bermuda Admission, Singapore Admission and UK Admission
“Annual Report and Accounts 2011”	the annual report and accounts prepared by the Company for the financial year ended 31st December 2011
“Annual Report and Accounts 2012”	the annual report and accounts prepared by the Company for the financial year ended 31st December 2012
“Annual Report and Accounts 2013”	the annual report and accounts prepared by the Company for the financial year ended 31st December 2013
“ATM”	Automated Teller Machine
“Audit Committee”	the committee described in paragraph 8 of Part VII ( <i>Additional Information</i> )
“Bermuda Admission”	the admission of the New Ordinary Shares to listing and trading on the Bermuda Stock Exchange
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Bermuda Stock Exchange”	Bermuda Stock Exchange Limited
“Business Days”	a day (other than a Saturday or Sunday) on which banks are open for general business in London, Singapore and Bermuda
“Bye-laws”	the bye-laws of Mandarin Oriental
“CDP”	The Central Depository (Pte) Limited
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CDP)
“Chairman”	the chairman of the Company
“Closing Date”	5.00 p.m. (Singapore time) on Thursday, 2nd April 2015, being the final time and date for acceptance of and payment for the New Ordinary Shares for Entitled Depositors making payment by US dollar cashier’s order or demand draft drawn on a bank in Singapore through CDP in relation to the Rights Issue; or 9.30 p.m. (Singapore time) on Thursday, 2nd April 2015, being the final time and date for acceptance of and payment for the New Ordinary Shares for Entitled Depositors making payment by way of Electronic Application through an ATM of a Participating Bank; or 11.00 a.m. (local time) on Tuesday, 7th April 2015, being the final time and date for acceptance of and payment for the New Ordinary Shares by banker’s draft for persons who are not Depositors, as applicable
“Corporate Governance Code”	the principles of good governance and code of best practice appended to the Listing Rules
“Depositor”	a person being a Depository Agent or a holder of a Securities Account
“Depository Agent”	an entity registered as a depository agent with CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Directors” or “Board”	the Executive Directors and Non-Executive Directors of the Company as at the date of this document
“Disclosure and Transparency Rules”	the Disclosure Rules and Transparency Rules of the Financial Conduct Authority
“EBITDA”	earnings before interest, tax, depreciation and amortisation

“Electronic Application”	acceptance of the New Ordinary Shares through an ATM of one of the Participating Banks in accordance with the terms and conditions of this document
“Enlarged Share Capital”	the issued share capital of the Company immediately following the completion of the Rights Issue and the issue of the New Ordinary Shares
“Entitled Depositors”	Depositors with Ordinary Shares standing to the credit of their Securities Accounts as at the Record Date and whose registered addresses with CDP are outside the Restricted Territories as at the Record Date or who, at least three business days prior to that date, have provided to CDP an address outside the Restricted Territories for the service of notices and documents
“EU”	European Union
“Excluded Shareholders”	subject to certain exceptions, all Qualifying Shareholders who have registered addresses in, or who are incorporated, registered or otherwise resident or located in, the United States or any other Restricted Territory
“Executive Directors”	the executive Directors of the Company as at the date of this document
“Existing Ordinary Shares”	the existing Ordinary Shares in issue immediately preceding the issue of the New Ordinary Shares
“Ex-Rights Date”	Monday, 9th March 2015 (in respect of Ordinary Shares listed on the Singapore Exchange) or Tuesday, 17th March 2015 (in respect of Ordinary Shares listed on the London Stock Exchange and the Bermuda Stock Exchange)
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Group” and “Mandarin Oriental Group”	the Company and its subsidiary undertakings and, where the context requires, its associated undertakings
“Hongkong Land”	The Hongkong Land Company, Limited, the predecessor holding company of the Hongkong Land Holdings Limited group
“IAS”	the accounting standards issued by the Board of the International Accounting Standards Committee
“IFRS”	International Financial Reporting Standards
“ISIN”	International Securities Identification Number
“Issue Price”	US\$1.26 per New Ordinary Share
“Jardine Matheson”	Jardine Matheson Holdings Limited
“Jardine Strategic”	Jardine Strategic Holdings Limited
“Jersey Branch Register”	the share register maintained on behalf of the Company in Jersey by Capita Registrars (Jersey) Limited
“J.P. Morgan Cazenove”	J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove
“Listing Rules”	the listing rules of the Financial Conduct Authority
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	The Mandarin Oriental Share-based Long-term Incentive Plan
“M & C Services”	M & C Services Private Limited
“Mandarin Oriental” or the “Company”	Mandarin Oriental International Limited
“Model Code”	the model code on directors’ dealings in securities set out in Chapter 9 of the Listing Rules

“MOFINCO Facilities Agreements”	the loan agreements further described on page 63 in Part IV ( <i>Operating and Financial Review of Mandarin Oriental Group</i> )
“MOHG”	the Group management company, Mandarin Oriental Hotel Group International Limited
“MOHG Directors”	the directors of MOHG as at the date of this document
“MOHP Facilities Agreement”	the loan agreement further described on page 63 in Part IV ( <i>Operating and Financial Review of Mandarin Oriental Group</i> )
“Money Laundering Regulations”	Money Laundering Regulations 2007 (SI 2007/2157)
“New Ordinary Shares”	the Ordinary Shares which the Company will allot and issue pursuant to the Rights Issue
“Nil Paid Rights”	rights to acquire New Ordinary Shares, nil paid
“Nil Paid Rights Allocations”	Nil Paid Rights allocated to the relevant Securities Accounts of Entitled Depositors by CDP (fractional entitlements being disregarded)
“Non-Entitled Depositors”	Depositors who as at the Record Date did not have registered addresses with CDP outside the Restricted Territories and who had not, at least three business days prior to that date, provided to CDP an address outside the Restricted Territories at which notices and documents may be served on them
“Non-Executive Directors”	the non-executive Directors of the Company as at the date of this document
“NRIC”	Singapore National Registration Identity Card
“Ordinary Shares”	ordinary shares of US\$0.05 nominal value each in the capital of the Company having the rights set out in the Bye-laws as described in paragraph 4 of Part VII ( <i>Additional Information</i> )
“Overseas Shareholders”	Qualifying Shareholders located or resident in, or who are citizens of, or who have a registered address in, jurisdictions outside Australia, Bermuda, Hong Kong, Singapore and the United Kingdom, including, for the avoidance of doubt, Excluded Shareholders
“Participating Banks”	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“PD Regulation”	Commission Regulation (EC) No 809/2004
“Placing Agreement”	the placing agreement described in paragraph 17.2 of Part VII ( <i>Additional Information</i> )
“Principal Register”	the share register maintained on behalf of the Company in Bermuda by Jardine Matheson International Services Limited
“Prospectus” or “this document”	the prospectus issued by the Company in respect of the Rights Issue, together with any supplements or amendments thereto
“Prospectus Rules”	the Prospectus Rules of the Financial Conduct Authority
“Provisional Allotment Letter”	the provisional allotment letter to be issued to Qualifying Shareholders (other than certain Overseas Shareholders) who are not Depositors in respect of the New Ordinary Shares, which will be renounceable except as set out in paragraph 8 of Part II ( <i>Terms and Conditions of the Rights Issue</i> )
“Purchasers”	purchasers of the Nil Paid Rights Allocations
“Qualifying Shareholders”	Shareholders on the Register at the Record Date, including, for the avoidance of doubt, Overseas Shareholders
“RAFs”	rights application forms
“Receiving Agents”	Capita Asset Services and M & C Services
“Record Date”	5.00 p.m. (local time) on Wednesday, 11th March 2015

“Register”	the Company’s register of members, comprising the Principal Register, the Jersey Branch Register and the Singapore Branch Register
“Registrar”	in respect of Shareholders registered on the Principal Register, Jardine Matheson International Services Limited; in respect of Shareholders registered on the Jersey Branch Register, Capita Registrars (Jersey) Limited; and in respect of Shareholders registered on the Singapore Branch Register, M & C Services
“Regulation S”	Regulation S under the Securities Act
“Restricted Territories”	Canada, Japan, Malaysia, the Republic of South Africa, Switzerland and the United States and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation. For the avoidance of doubt, “Restricted Territories” shall not include Australia, Bermuda, Hong Kong, Singapore or the United Kingdom
“RevPAR”	revenue per available room
“Rights Issue”	the proposed offer by way of rights to Qualifying Shareholders to subscribe for New Ordinary Shares, on the terms and conditions set out in this document and the Provisional Allotment Letter
“SDRT”	Stamp Duty Reserve Tax
“Securities Account”	the securities account maintained by a Depositor with CDP
“Securities Act”	the United States Securities Act of 1933
“Share Awards”	awards under the LTIP
“Share Incentive Schemes”	the 2005 Plan and the LTIP, as further described in paragraph 13 of Part VII ( <i>Additional Information</i> )
“Share Options”	options under the Share Incentive Schemes
“Shareholders”	holders of Ordinary Shares
“Singapore Admission”	the admission to the Official List of the Singapore Exchange and the listing of, and quotation for, the New Ordinary Shares (fully paid) on the Singapore Exchange
“Singapore Branch Register”	the share register maintained on behalf of the Company in Singapore by M & C Services
“Singapore dollars”, “S\$” and “S¢”	Singapore dollars and Singapore cents
“Singapore Exchange”	Singapore Exchange Securities Trading Limited
“UBS”	UBS Limited of 1 Finsbury Avenue, London EC2M 2PP
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Admission”	the admission of the New Ordinary Shares (nil paid) to the standard listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Admission and Disclosure Standards
“Underwriting Agreement”	the underwriting agreement described in paragraph 17.1 of Part VII ( <i>Additional Information</i> )
“Underwritten Shares”	the New Ordinary Shares to the extent that such shares are not taken up under the Rights Issue and are not placed with investors under the Placing Agreement
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US dollars”, “US\$” and “US¢”	United States dollars and United States cents