

Admission Particulars

Prunelli Hong Kong Asset Purchaser Limited

(incorporated as a limited private company under the laws of Hong Kong, having its registered office at 5301, 53/F, The Center, 99 Queen's Road Central, Hong Kong and registration number 2722903)

(the "Issuer")

Up to USD 1,000,000,000.00 Variable Funding Notes due June 2020 (the "Series 2018-1 AFC (HK) Funding Notes")

Application has been made to the London Stock Exchange plc (the "**LSE**") for the Series 2018-1 AFC (HK) Funding Notes described in these admission particulars (the "**Admission Particulars**") to be admitted to the International Securities Market (the "**ISM**") of the LSE (the "**Notes Listing**").

Notes may also be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems at the discretion of the Issuer.

The International Securities Market is a market designated for professional investors. securities admitted to trading on the international securities market are not admitted to the official list of the UKLA. The LSE has not approved or verified the contents of these Admission Particulars.

24 December 2018

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IMPORTANT NOTICES

THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE SERIES 2018-1 AFC (HK) FUNDING NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

THE SERIES 2018-1 AFC (HK) FUNDING NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THESE ADMISSION PARTICULARS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE SERIES 2018-1 AFC (HK) FUNDING NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS. THE SERIES 2018-1 AFC (HK) FUNDING NOTES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THE SERIES 2018-1 AFC (HK) FUNDING NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATION S. THERE IS NO UNDERTAKING TO REGISTER THE SERIES 2018-1 AFC (HK) FUNDING NOTES UNDER U.S. STATE OR FEDERAL SECURITIES LAW. THE SERIES 2018-1 AFC (HK) FUNDING NOTES CANNOT BE SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Each initial and subsequent purchaser of Series 2018-1 AFC (HK) Funding Notes will be deemed, by its acceptance of such Series 2018-1 AFC (HK) Funding Notes, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in these Admission Particulars and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases.

The information contained in these Admission Particulars was obtained from the Issuer and other sources, but no assurance is or can be given by anyone other than the Issuer as to the adequacy, accuracy or completeness of such information and these Admission Particulars do not constitute and shall not be construed as any representation or warranty by anyone other than the Issuer as to the adequacy, accuracy or completeness of such information contained herein. None of the Servicers, the Corporate Administrators, the Originators, the Program Manager, the Transaction Administrator or anyone other than the Issuer have independently verified any of the information contained herein (financial, legal or otherwise) and in making an investment decision, investors must rely on their own examination of the terms of these Admission Particulars, including the merits and risks involved. Delivery of these Admission Particulars to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Series 2018-1 AFC (HK) Funding Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Series 2018-1 AFC (HK) Funding Notes is strictly prohibited. A prospective investor shall not be entitled to, and must not rely on, these Admission Particulars unless it was furnished to such prospective investor directly by the Issuer.

Where third party information has been used in these Admission Particulars, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed.

Any information sourced from third parties contained in these Admission Particulars has been accurately reproduced (and is clearly sourced where it appears in these Admission Particulars) and, as far as the Issuer is aware and 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 representation is made to any prospective investor or purchaser of the Series 2018-1 AFC (HK) Funding Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal

investment or similar laws or regulations and prospective investors should consult their legal advisers to determine whether and to what extent the investment in the Series 2018-1 AFC (HK) Funding Notes constitute a legal investment for them.

EACH PERSON RECEIVING THESE ADMISSION PARTICULARS ACKNOWLEDGES THAT (I) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN, (II) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE SERIES 2018-1 AFC (HK) FUNDING NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED, AND (III) NEITHER THE DELIVERY OF THESE ADMISSION PARTICULARS NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SINCE THE DATE HEREOF. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE SERIES 2018-1 AFC (HK) FUNDING NOTES.

The Issuer and the Guarantors, having taken all reasonable care to ensure that such is the case, confirm that the information contained in these Admission Particulars, is to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

These Admission Particulars do not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for or purchase, any of the Series 2018-1 AFC (HK) Funding Notes. The distribution of these Admission Particulars and the offering of the Series 2018-1 AFC (HK) Funding Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Admission Particulars come are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions.

No person is authorised to give any information or to make any representation not contained in these Admission Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of these Admission Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which these Admission Particulars has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which these Admission Particulars has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Series 2018-1 AFC (HK) Funding Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the the Servicers, the Originators, the Corporate Administrators, the Program Manager, the Transaction Administrator or anyone other than the Issuer accepts any responsibility whatsoever for the contents of these Admission Particulars or for any other statement made or purported to be made by any other person or on their behalf in connection with the Issuer or the issue and offering of the Series 2018-1 AFC (HK) Funding Notes. Each of the the Corporate Administrators or anyone other than the Issuer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of these Admission Particulars or any such statement.

The Series 2018-1 AFC (HK) Funding Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Series 2018-1 AFC (HK) Funding Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Payments of interest and principal in respect of the Series 2018-1 AFC (HK) Funding Notes will be subject to any applicable withholding taxes without the Issuer being obliged to pay additional amounts in respect thereof.

References in this Prospectus to "USD", "U.S.\$ " and "\$" are to the lawful currency for the time being of the United States of America and references to "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time.

PROJECTIONS, FORECASTS AND ESTIMATES

Any projections, forecasts and estimates provided to prospective purchasers of the Notes are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only an estimate. Actual results may vary from the projections, and the variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, market, financial or legal uncertainties and mismatches between the timing of accrual and receipt of interest and principal from the TFEs, among others.

None of the Issuer, the Servicers, the Originators, the Corporate Administrators, the Program Manager, the Transaction Administrator or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

PRIIPS REGULATION

The Series 2018-1 AFC (HK) Funding Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Series 2018-1 AFC (HK) Funding Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Series 2018-1 AFC (HK) Funding Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Series 2018-1 AFC (HK) Funding Notes are capital markets products other than "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specific Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

DOCUMENTS INCORPORATED BY REFERENCE

The following sections of the prospectus dated 21 December 2018 in relation to the issuance of U.S.\$750,000,000 floating rate notes by Prunelli Issuer I S.à.r.l. acting in respect of its compartment 2018-1 (the "**Series 2018-1 Notes Prospectus**") shall be deemed to be incorporated in, and to form part of, these Admission Particulars:

Section	Page Reference
Transaction Summary – Transaction Parties on the Closing Date	Pages 5 – 8
Risk Factors	Pages 22 – 59
The Asset Funding Companies	Pages 92 – 94
The SCB Group	Pages 95 – 96
The Originators, the Servicers and the Program Manager	Page 97
The Transaction Administrator, the AFC Security Trustee and the AFC Registrar	Page 99
The Corporate Administrators	Pages 100 – 101
2018-1 Exposure Pool	Pages 102 – 107
Characteristics of the 2018-1 Exposure Pool	Pages 108 – 111
The Trade Finance Exposures	Pages 112 – 124
Servicing of the Trade Finance Exposures	Pages 125 – 130
Credit Structure – Series 2018-1 AFC Cross Guarantee	Pages 138 – 139
Cash Management	Pages 140 – 152
Glossary of Defined Terms	Pages 210 – 244

provided, however, that (i) any statement contained in these Admission Particulars or in any of the documents incorporated by reference in, and forming part of, these Admission Particulars shall be deemed to be modified or superseded for the purpose of these Admission Particulars to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement and (ii) neither (a) any documents incorporated by reference nor (b) any modifying or superseding statements form part of these Admission Particulars given in compliance with the ISM rules.

SUMMARY OF THE SERIES 2018-1 AFC (HK) FUNDING NOTES

The following is a summary of the Series 2018-1 AFC (HK) Funding Notes, which is qualified in its entirety by the remainder of these Admission Particulars. Words and expressions defined in the "Glossary of Defined Terms" in the Series 2018-1 Notes Prospectus.

Issuer:	Prunelli Hong Kong Asset Purchaser Limited with LEI 54930074RWPI9ZKTX337.
Guarantors:	Prunelli United Kingdom Asset Purchaser Limited and Prunelli Singapore Asset Purchaser Pte. Limited.
Listing:	Application has been made for the Series 2018-1 AFC (HK) Funding Notes to be listed and admitted to trading on the ISM.
Size:	Up to USD 1,000,000,000.00 variable funding notes due June 2020 (the " Series 2018-1 AFC (HK) Funding Notes ") with an initial Outstanding Note Amount of USD 337,500,000.
Purpose:	The Series 2018-1 AFC (HK) Funding Notes will be issued on 27 December 2018 for the purposes of acquiring Eligible Products from the Originators.
Form of the Notes:	The Series 2018-1 AFC (HK) Funding Notes will be issued in registered form.
Status of the Notes:	The Series 2018-1 AFC (HK) Funding Notes constitute direct, unconditional and secured obligations of the Issuer. The Series 2018-1 AFC (HK) Funding Notes shall be unsubordinated obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 9 (<i>Enforcement</i>) of the Series 2018-1 AFC (HK) Funding Notes.
Issue price:	100 per cent.
Issue Date:	27 December 2018
Final Maturity Date:	15 June 2020
Redemption:	<p>During the Revolving Period the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes may be increased and repaid in accordance with the Series 2018-1 AFC (HK) Note Issuance Deed, the Conditions of the Series 2018-1 AFC (HK) Funding Notes and the Programme Management Agreement.</p> <p>During the Revolving Period the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes may be reduced by the AFC Funding Note Repayment Amount in accordance with the Series 2018-1 AFC (HK) Note Issuance Deed, the Conditions of the Series 2018-1 AFC (HK) Funding Notes and the Programme Management Agreement.</p> <p>During the Amortisation Period, the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes shall be redeemed on each AFC Payment Date in accordance with the AFC Amortisation Priority of Payments.</p>

If any Series 2018-1 AFC (HK) Funding Notes have not previously been redeemed in full pursuant to Condition 5.2 (*Redemption during Amortisation Period*) of the Series 2018-1 AFC (HK) Funding Notes, the relevant Series 2018-1 AFC (HK) Funding Notes will be redeemed, subject always to Condition 2.3 (*Shortfall after Application of Proceeds*) of the Series 2018-1 AFC (HK) Funding Notes, at the then Outstanding Note Amount on the Final Maturity Date together with all accrued and unpaid interest.

Interest:	The Series 2018-1 AFC (HK) Funding Notes are interest-bearing at a rate of one-month USD LIBOR plus 1.10 per cent. per annum, payable in area on each AFC Payment Date.
Denomination:	The Series 2018-1 AFC (HK) Funding Notes will have a minimum authorised denomination of U.S.\$ 250,000 plus higher integral multiples of U.S.\$ 1,000.
Market Capitalisation:	The minimum Outstanding Note Amount Series 2018-1 AFC (HK) Funding Notes will be no less than the US dollar equivalent of GBP200,000.
Taxation:	All payments in respect of the Series 2018-1 AFC (HK) Funding Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or, where applicable, the AFC Security Trustee is required by applicable law to make any payment in respect of the Series 2018-1 AFC (HK) Funding Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature.
Settlement:	The Issuer has applied for a derogation to the requirement for electronic settlement. Settlement of transfer of the Series 2018-1 AFC (UK) Fundign Notes will be facilitated by the AFC Registrar.
Governing law:	The laws of England and Wales.
Ratings:	The Series 2018-1 AFC (HK) Funding Notes are unrated.
ISIN:	HK0000469301

RISK FACTORS

Prior to deciding to invest in the Notes, investors should carefully consider, along with the other matters set out in these Admission Particulars, the investment considerations set out in the section titled "*Risk Factors*" of the Series 2018-1 Notes Prospectus, references to the "Series 2018-1 Notes" shall be read as references to the "Series 2018-1 AFC (HK) Funding Notes" and references to an "AFC" shall be read as references to the "Issuer" for the purposes of these Admission Particulars. These comments do not purport to address all the risks associated with an investment in the Series 2018-1 AFC (HK) Funding Notes.

GENERAL DESCRIPTION OF THE SERIES 2018-1 AFC (HK) FUNDING NOTES

EXPOSURE POOL AND SERVICING

Please refer to the sections titled "2018-1 Exposure Pool", "Characteristics of the 2018-1 Exposure Pool", "The Trade Finance Exposures" and "Servicing of the Trade Finance Exposures" of the Series 2018-1 Notes Prospectus for further detail in respect of the characteristics of the 2018-1 Exposure Pool and the securitisation and the servicing arrangements in respect of the 2018-1 Exposure Pool. References therein to "the relevant Originator" shall be read as references to SCB HK and references to "an AFC" shall be read as references to the Issuer.

Securitisation of Trade Finance Exposures During the Revolving Period, SCB HK is, pursuant to a trade-finance exposure securitisation agreement (a "**Trade-finance Exposure Securitisation Agreement**" or "**TESA**"), entitled to assign Trade Finance Exposures to or hold Trade Finance Exposures on trust for the Issuer. On the Closing Date, AFC HK will enter into a TESA with SCB HK.

The Issuer will issue one tranche of variable funding notes (such notes, "**Series 2018-1 AFC (HK) Funding Notes**") in respect of the TESA entered into by the Issuer. Such tranche of Series 2018-1 AFC (HK) Funding Notes will fund the Issuer's acquisition of Trade Finance Exposures, or interests in Trade Finance Exposures, pursuant to such TESAs.

The Trade Finance Exposures, and interests in Trade Finance Exposures, acquired by the Issuer pursuant to TESAs and which are funded pursuant to Series 2018-1 AFC (HK) Funding Notes shall constitute part of the "**2018-1 Exposure Pool**" and each Trade Finance Exposure in the 2018-1 Exposure Pool shall be a "**Securitized TFE**". A Trade Finance Exposure shall cease being a Securitized TFE and shall no longer form part of the 2018-1 Exposure Pool if it is reacquired by or re-assigned to the applicable Originator.

During the Revolving Period on any Business Day, the Issuer may use the balance standing to the credit of its AFC Collections Ledger to pay consideration for the acquisition of further Trade Finance Exposures and interests in Trade Finance Exposures from SCB HK with which it has entered into a TESA (each such further acquisition, a "**Replenishment**").

In addition, the Issuer will enter into the Series 2018-1 AFC Cross-Guarantee in favour of the issuer of the Series 2018-1 Notes. Under the Series 2018-1 AFC Cross-Guarantee, the Issuer and the other Asset Funding Companies will, subject to the applicable AFC Priority of Payments, guarantee payments under the Series 2018-1 AFC Funding Notes which have been issued by other Asset Funding Companies. Such guarantee will be limited in recourse to the Trade Finance Exposures and interests in Trade Finance Exposures held by the Issuer which are in the 2018-1 Exposure Pool.

For further information, please refer to the section entitled "*The Trade Finance Exposures*".

Trade Finance Exposures

The trade finance exposures (each a "**Trade Finance Exposure**" or "**TFE**") which are eligible for inclusion in the 2018-1 Exposure Pool include any or all of the following trade finance products (the "**Eligible Products**"):

- *Import Finance Exposures* (each an "**Import TFE**"): relates to exposure arising out of financing provided to buyers, or to financial institutions which have provided financing to buyers which relates to the payment of all or part of the buyer's obligation to pay the purchase price for a supply of goods and/or services to that buyer whether in the form of loans, receivables, trade instruments (including, without limitation, letters of credit, bills of exchange, promissory notes and negotiable instruments) or otherwise and whether or not secured;
- *Export Finance Exposures* (each an "**Export TFE**"): relates to exposure arising out of financing provided to sellers or to financial institutions which have provided financing to sellers which relates to (i) costs and expenses (including, for the avoidance of doubt, the acquisition of raw materials or goods) incurred by that seller in relation to the supply by it of goods and/or services or (ii) the purchase price due to that seller in connection with the supply by it of goods and/or services whether in the form of loans, receivables, trade instruments (including, without limitation, letters of credit, bills of exchange, promissory notes and negotiable instruments) or otherwise and whether or not secured;
- *Inter-Bank Trade Finance* (each an "**IBTF TFE**"): exposure to financial institutions where such exposure relates to a financial institution's provision of trade financing to sellers or buyers. IBTF TFEs may be documented in a variety of forms and may include documentary credits and negotiable instruments;
- *Receivables Purchases* (each a "**Receivables TFE**"): exposure to a debtor under a receivable arising from a trade transaction with the creditor of that trade transaction (with or without recourse to the said creditor); and
- *Other Trade Finance* (each a "**Transactional TFE**"): exposure incurred in connection with inventory financing, which is not an Import TFE, an Export TFE, an IBTF TFE or a Receivables TFE.

Features of the 2018-1 Exposure Pool

The following is a summary of certain features of an indicative pool of TFEs originated or acquired by SCB HK, all or some of which could have potentially formed a part of the 2018-1 Exposure Pool, as at 25 October 2018. Because the composition of the 2018-1 Exposure Pool will be dependent on the features of the available eligible TFEs and as this may change over time, there can be no assurance that these tables will be indicative of the composition of the 2018-1 Exposure Pool at any time on or subsequent to the Closing Date. In addition, the characteristics and composition of the 2018-1 Exposure Pool may change over time, including as a result of Replenishments. The only limitations on the characteristics of each TFE assigned to or held on trust for the Issuer and the 2018-1 Exposure Pool will be the Eligibility Criteria and the Replenishment Conditions.

See the sections entitled "*2018-1 Exposure Pool*" and "*Characteristics of the 2018-1 Exposure Pool*" for additional information.

Consideration

The consideration payable by the Issuer for the acquisition of, or interests in, TFEs shall be equal to the Initial Purchase Price for those TFEs and the Deferred Purchase Price.

The "**Initial Purchase Price**" for TFEs shall be an amount equal to the *lesser* of:

- (a) the aggregate Accrued Balances of those TFEs *less*, after the occurrence of a Set-Off Reserve Trigger in respect of SCB HK, any "Set-Off Discount" specified in the applicable TFE Securitisation List; and
- (b) the balance standing to the credit of the Issuer's AFC Collections Ledger (taking into account any AFC Funding Note Drawings under the related Series 2018-1 AFC Funding Notes received on or prior to the applicable Securitisation Date) *less* the amount paid or reserved in respect of items 1. to 4. of the related AFC Revolving Priority of Payments.

No Deferred Purchase Price is payable to SCB HK during the Revolving Period. Following the end of the Revolving Period, SCB HK's right to receive Deferred Purchase Price from the Issuer is subordinated to payments due by the Issuer under the tranche of Series 2018-1 AFC (HK) Funding Notes issued in respect of SCB HK.

See the section entitled "*The Trade Finance Exposures – Consideration*" for further information.

Representations and Warranties

SCB HK will make certain representations and warranties regarding the TFEs it assigns to or holds on trust for the Issuer with reference to circumstances existing as at the date of assignment or declaration of trust. Examples of the representations and warranties given by SCB HK include the following:

- that each TFE being assigned or held on trust complies with the Eligibility Criteria;
- that, immediately prior to the assignment or declaration of trust, SCB HK was the sole legal and beneficial owner of each TFE;
- that SCB HK has maintained records relating to each such TFE; and
- as of the Securitisation Date:
 - (a) payments on each TFE will not at any time be subject to any withholding tax; or
 - (b) if payments on each TFE are subject to withholding tax:
 - (i) the Obligor under the TFE is required to make "gross-up" payments to SCB HK; and
 - (ii) the Obligor under the TFE would continue to be required to make "gross-up" payments following

the assignment of that TFE to the Issuer or SCB HK holding that TFE on trust for the Issuer,

and such "gross-up" payments cover the full amount of any withholding (whether imposed as a result of the assignment of or trust over the TFE or otherwise) on an after-tax basis; or

- (c) payments on each TFE are or may be subject to withholding tax but the Obligor is obliged to pay (and, following the assignment of that TFE to the Issuer or holding that TFE on trust for the Issuer, continues to be obliged to pay) the full amount, notwithstanding any withholding tax, of its Nominal Balance plus any other amount due, including but not limited to all interest, if any, which accrues on it.

Please see "*The Trade Finance Exposures – Representations and warranties given by each Originator*" for further information.

Eligibility Criteria

For a TFE to be an Eligible TFE, it must meet all of the following criteria (the "**Eligibility Criteria**") on the applicable Securitisation Date:

- it is an Eligible Product;
- it is a legal, valid, binding and enforceable obligation of the relevant Obligor;
- it is a direct, unsubordinated bilateral obligation owed by the relevant Obligor to SCB HK and not a contingent obligation;
- it is payable and denominated in USD;
- it satisfies in all material respects the Origination Guidelines that were in effect on such TFE's origination date;
- it was originated in compliance with all materially applicable laws that were in effect on the TFE's date of origination and continues to be in compliance with all materially applicable laws that are in effect;
- it was originated pursuant to the terms of a customer agreement and the relevant Obligor is not in default;
- it has not been sold, pledged, assigned, entrusted or otherwise conveyed to any person (except pursuant to or as permitted by the Transaction Documents);
- it is not a Delinquent TFE or a Defaulted TFE;
- it is not, so far as SCB HK is aware, subject to a material breach by any relevant Obligor under the relevant customer agreement;
- it, so far as SCB HK is aware, has not been the subject of fraud;
- the relevant Obligor of which is not a natural person, government or public entity;

- the relevant Obligor of which has not made any claim for set-off or deduction against SCB HK in respect of any payment due under such TFE;
- the relevant Obligor of which is not recorded as "EAR NPP" (or any successor identifier) on the Early Alert Review System;
- if the relevant Obligor of which is recorded as "EAR PP" (or any successor identifier) on the Early Alert Review System, it shall have a SCB Corporate Risk Factor of Credit Grade 7B or better and the tenor of any TFE of such Obligor shall not exceed 90 days;
- its terms require its Nominal Balance together with any applicable interest, to be repaid on or prior to the maturity date of such TFE;
- it constitutes the whole obligation owed by the relevant Obligor in respect of that TFE under a customer agreement, and is not part of any other TFE or part of a larger debt owed by that Obligor;
- its SCB Corporate Risk Factor is within Credit Grades 1 – 9;
- it has a maturity date falling no later than 15 March 2020; and
- it has a remaining tenor of less than 366 days.

See the section entitled "*The Trade Finance Exposures – Eligibility Criteria*" for further information.

Replenishment Conditions

SCB (HK) may only include TFEs in a Replenishment of the 2018-1 Exposure Pool if, after giving effect to any such Replenishment, certain conditions are met. See the section titled "*The Trade Finance Exposures – Replenishment Conditions*" of the Series 2018-1 Notes Prospectus for further information.

Repurchase of the Trade Finance Exposures

In the event that there has been a breach of any representations and warranties in connection with a Securitised TFE, SCB HK will have twenty (20) Local Business Days from the date it becomes or is made aware of such breach to remedy the breach, if capable of remedy, otherwise it will:

- notify the applicable AFC that such Securitised TFE shall constitute an "**Ineligible TFE**"; or
- reacquire or accept a re-assignment of or surrender of beneficial interest in such Securitised TFE. If the applicable TFE cannot be re-assigned or the beneficial interest cannot be surrendered, such Securitised TFE shall constitute an Ineligible TFE.

An Ineligible TFE shall not be taken into account when ascertaining whether any Replenishment Condition is met or in calculating the Total Interest Reserve Required Amount, the Weighted Average Yield, the Set-Off Exposure or the Aggregate Cumulative Defaults. SCB HK may reacquire or require a surrender of the beneficial interest in an Ineligible TFE at any time.

Consideration for repurchase:

The reacquisition or surrender price of any such Securitised TFE shall be equal to the principal and accrued interest of such Securitised TFE on such reacquisition or surrender date.

Notification/PoA Events:

Notification of the assignment of a Securitised TFE by SCB HK may be given to the Obligor of that TFE following any of the following events (each such event, a "**Notification/PoA Event**"):

- the senior unsecured (foreign)/long-term issuer (foreign) rating of SCB HK which assigned that Securitised TFE to the Issuer or is holding that Securitised TFE on trust for the Issuer falling below "Ba2" or being withdrawn by Moody's;
- the occurrence of an Insolvency Event with respect to SCB HK which assigned that Securitised TFE to the Issuer or is holding that Securitised TFE on trust for the Issuer;
- the occurrence of a Servicer Termination Event with respect to the Servicer of that Securitised TFE and the appointment of a Back-Up Servicer as the replacement Servicer; and
- resignation by the Servicer in respect of that Securitised TFE as Servicer and the appointment of a Back-Up Servicer as the replacement Servicer.

A security power of attorney (each, a "**Security Power of Attorney**") granted by SCB HK to the Issuer will also become exercisable upon the occurrence of any of these events.

Servicing of the 2018-1 Exposure Pool:

The Issuer will, pursuant to one or more booking location exposure servicing agreements (each a "**BLESA**") appoint one or more Originators to service the TFEs in the 2018-1 Exposure Pool, each such Originator being a "**Servicer**". TFEs originated by or acquired from one Originator may be serviced by another Originator (acting as Servicer) pursuant to a BLESA.

Each AFC will undertake to ensure that for so long as any obligations remain outstanding under the 2018-1 AFC Funding Notes issued by such AFC, there will at all times be a Servicer appointed in respect of the TFEs in the 2018-1 Exposure Pool which have been assigned to or are held on trust for such AFC.

The appointment of a Servicer may be terminated by the Program Manager, and a Back-Up Servicer appointed as Servicer, upon the occurrence of, among other things, any of the following events (each a "**Servicer Termination Event**"):

- default by that Servicer in the payment or transfer on the due date of any payment or transfer due and payable by it under the terms of the relevant BLESA and such default is not remedied (i) within five (5) Local Business Days if no Force Majeure Event is then continuing, or (ii) if a Force Majeure Event is then continuing, within five (5) Local Business Days from the first Local Business Day following its cessation;
- any material breach by that Servicer of (i) any of the material obligations or (ii) any material representation or warranty made by that Servicer, in each case, which would or the subject matter of which would have a material adverse effect on the collectability of the Securitised TFEs in respect of the 2018-1 Exposure Pool being serviced by that Servicer or on the ability of that Servicer to perform its duties as servicer, and such breach continues for more

than thirty (30) Local Business Days following the date upon which that Servicer first becomes aware of such material breach;

- that Servicer ceases to carry on its servicing business or a substantial part of its servicing business relating to the Securitised TFEs; and
- an Insolvency Event occurs in relation to that Servicer.

In the absence of a Servicer Termination Event, the Program Manager will have no right to terminate the appointment of a Servicer and appoint a Back-Up Servicer as Servicer.

Delegation:

A Servicer may delegate some of its servicing functions to another Servicer or to a third party **provided that** such Servicer remains responsible for the performance of any functions so delegated.

SERIES 2018-1 AFC (HK) FUNDING NOTES

Cash Management During the Revolving Period	<p>During the Revolving Period the Transaction Administrator shall maintain a number of ledgers in the AFC Collection Account relating to the Series 2018-1 AFC (HK) Funding Notes:</p> <ul style="list-style-type: none">• an AFC Collections Ledger, which will, during each Collection Period, be credited with Collections, any AFC Funding Note Drawings and any final reconciliation payments received under the Series 2018-1 AFC (HK) Funding Notes;• an AFC Retained Profit Ledger, which shall be credited with the AFC Profit Amount relating to the Series 2018-1 AFC (HK) Funding Notes from time to time; and• an AFC Interest Reserve Ledger, which shall be credited with the AFC Interest Reserve Required Amount relating to the Series 2018-1 AFC (HK) Funding Notes from time to time.
Collection Period:	<p>(a) The period commencing on 19 December 2018 and ending on 6 February 2019 and (b) each subsequent period commencing on (and including) a Collection Period End Date and ending on (but excluding) the immediately subsequent Collection Period End Date.</p>
Collection Period End Date:	<p>6 January 2019 and the 6th day of each calendar month thereafter or, if any such day is not a Business Day, the immediately following Business Day.</p>
Collections:	<p>In respect of any Securitised TFE, all amounts received or recovered in respect of that Securitised TFE or its Related Security.</p>
AFC Payment Date:	<p>The day falling two Business Days prior to each Note Payment Date.</p>
Monthly Determination Date:	<p>In respect of a Collection Period End Date, the day falling two Business Days after the latest Securitisation Date which is on or immediately following that Collection Period End Date.</p>
AFC Collections Ledger:	<p>On any day, the following amounts (without double counting) shall be credited to the AFC Collections Ledger relating to the Issuer:</p> <ul style="list-style-type: none">(a) all Collections received in respect of the related Securitised TFEs;(b) all payments of repurchase price received by the Issuer from SCB HK in relation to any reassignment and surrender of Securitised TFEs;(c) all AFC Funding Note Drawings received by the Issuer under the Series 2018-1 AFC (HK) Funding Notes;(d) any final reconciliation payments received by the Issuer from the issuer of the Series 2018-1 Notes;(e) any interest or short-term investment income in respect of amounts on deposit in that AFC Collection Account received by the Issuer;(f) on any AFC Payment Date, any amount transferred to it from the AFC Interest Reserve Ledger relating to the Series 2018-1 AFC (HK) Funding Notes;(g) following the occurrence of a Set-Off Reserve Trigger in respect of SCB HK, any Set-Off Advances made by SCB HK;

- (h) any counter-indemnity payments received by the Issuer under the Series 2018-1 AFC Cross-Guarantee;
- (i) all repayments of principal and payments of related interest received by that AFC from the Issuer in respect of AFC-Issuer Advances.

On any day, the amount paid in respect of items 1. to 7. in the related AFC Revolving Priority of Payments shall be debited from each AFC Collections Ledger.

AFC Funding Note Drawings and Repayments

"**AFC Funding Note Drawing**" means, in respect of the Series 2018-1 AFC (HK) Funding Notes:

- (a) the issuance proceeds of that tranche of Series 2018-1 AFC (HK) Funding Notes; and
- (b) any further advances relating to that tranche of Series 2018-1 AFC (HK) Funding Notes.

"**AFC Funding Note Repayment**" means any payment made by the Issuer in respect of the Series 2018-1 AFC (HK) Funding Notes under item 6. of the related AFC Revolving Priority of Payments.

AFC Cash Adjustment Notices

Two or more AFCs may issue a notice to the Transaction Administrator and the Program Manager providing for certain AFC Funding Note Repayments and/or AFC Funding Note Drawings to be effected (such notice, an "**AFC Cash Adjustment Notice**").

An AFC Cash Adjustment Notice will specify that:

- (a) in respect of any tranche of Series 2018-1 AFC Funding Notes where there is AFC Excess Cash, a repayment of such Series 2018-1 AFC Funding Notes in an amount equal to or less than such AFC Excess Cash (such amount, an "**AFC Funding Note Repayment Amount**") shall be made on the day specified in such AFC Cash Adjustment Notice; and
- (b) in respect of any other tranches of Series 2018-1 AFC Funding Notes, the making of AFC Funding Note Drawings equal to or exceeding the aggregate of all AFC Funding Note Repayment Amounts specified in (a) shall be made on the day specified in such AFC Cash Adjustment Notice.

The Program Manager shall prepare (and the Transaction Administrator shall verify) any documentation required under the terms of each tranche of Series 2018-1 AFC Funding Notes in accordance with the terms of the Transaction Documents in order to effect each such AFC Funding Note Repayment and each such AFC Funding Note Drawing.

"**AFC Excess Cash**" means, in respect of the Series 2018-1 AFC (HK) Funding Notes on any date of determination, the amount which would be available for application at items 6. and 7. of the related AFC Revolving Priority of Payments on the relevant day.

AFC-Issuer Advance

If, in respect of the Issuer, the Outstanding Note Amount of a tranche of Series 2018-1 AFC (HK) Funding Notes has reduced to zero and there is a balance standing to the credit of its AFC Collections Ledger, the Issuer may make an advance (an "**AFC-Issuer Advance**") to the issuer of the Series 2018-1 Notes pursuant to a loan agreement (an "**AFC-Issuer Loan Agreement**"). In order to effect any such AFC-Issuer Advance, the Issuer and the issuer of the Series 2018-1 Notes shall issue a notice to the Transaction Administrator and the Program Manager specifying the amount of such AFC-Issuer Advance.

AFC Retained Profit Ledger On each AFC Payment Date, the amount of USD 2,200 (the "**AFC Profit Amount**") that is available at item 3. in the applicable AFC Priority of Payments shall be credited to the Issuer's AFC Retained Profit Ledger.

The balance standing to the credit of an AFC Retained Profit Ledger of the Issuer may be used, from time to time, to discharge any corporation tax liability of the Issuer and pay dividends to its shareholder.

Revolving Period: A revolving period (the "**Revolving Period**") commences on the Closing Date and ends on (but excludes) the earliest of:

- the occurrence of a Revolving Period Stop Event;
- the occurrence of a Series 2018-1 Amortisation Event; and
- the Note Payment Date falling in the twelfth calendar month after the calendar month in which the Closing Date falls.

Amortisation Period: An amortisation period (the "**Amortisation Period**") commences on the day following the Revolving Period and ends on (but excludes) the date on which the AFC Security Trustee is satisfied that all the relevant obligations and all other moneys and other liabilities (whether actual or contingent) due or owing by the Issuer under the Series 2018-1 AFC (HK) Funding Notes have been paid and discharged in full (the "**Final AFC Discharge Date**").

Revolving Period Stop Event: The occurrence of the following shall constitute a Revolving Period Stop Event:

- an Insolvency Event occurs in respect of an Originator; or
- an Originator fails:
 - to make any payment or deposit required by the Transaction Documents on or before the date occurring five Business Days after the date for payment or deposit to be made therein; or
 - to observe or perform in any material respect any other covenants or agreements set forth in the Transaction Documents, which failure has a material adverse effect and which failure continues for a period of 30 days after written notice to that Originator of such failure; or
- the Reserve Account Test is not met on two consecutive Monthly Determination Dates (taking into account Replenishments (if any) on each such Monthly Determination Date); or
- the Overcollateralisation Test is not met on two consecutive Monthly Determination Dates (taking into account Replenishments (if any) on each such Monthly Determination Date); or
- the Aggregate Cumulative Defaults exceed 5.71 per cent. of the aggregate Reported Balance of all Securitised TFEs on the Closing Date; or
- an Originator fails to deliver a Set-Off Report to the Program Manager within 7 Business Days of the occurrence of a Set-Off Reporting Trigger in respect of that Originator or on any subsequent Reporting Date; or
- the Set-Off Reserve Test is not met:

- within 14 calendar days of the occurrence of a Set-Off Reserve Trigger in respect of an Originator; or
- on any subsequent Monthly Determination Date (taking into account Replenishments (if any) on each such Monthly Determination Date)

Series 2018-1 Amortisation Event:

The occurrence of the following shall constitute a Series 2018-1 Amortisation Event:

- an Insolvency Event occurs in respect of an AFC; or
- an Insolvency Event occurs in respect of the Issuer; or
- the Issuer becomes an "investment company" under the Investment Company Act); or
- the occurrence of a Revolving Period Stop Event.

Payment of Deferred Purchase Price:

On and following the end of the Revolving Period, the Issuer shall pay the Deferred Purchase Price to SCB HK on each AFC Payment Date in accordance with the applicable AFC Amortisation Priority of Payments.

AFC Interest Reserve Ledgers:

On the Closing Date, the Issuer shall, in respect of the Series 2018-1 AFC (HK) Funding Notes, credit an amount equal to the AFC Interest Reserve Required Amount to its AFC Interest Reserve Ledger.

On any day on which the applicable AFC Priority of Payments is applied, where the balance standing to the credit of an AFC Interest Reserve Ledger is less than the AFC Interest Reserve Required Amount, an amount may be transferred from the related AFC Collections Ledger in accordance with the applicable AFC Priority of Payments.

On any day where the balance standing to the credit of an AFC Interest Reserve Ledger is greater than the AFC Interest Reserve Required Amount, an amount equal to such excess may be debited from that AFC Interest Reserve Ledger and credited to the related AFC Collections Ledger.

On each AFC Payment Date, to the extent there is a shortfall on an AFC Collections Ledger in meeting the amounts required to pay items 1. and 2. of the applicable AFC Priority of Payments, the amount of such shortfall shall be debited from the related AFC Interest Reserve Ledger and credited to the related AFC Collections Ledger.

"**AFC Interest Reserve Required Amount**" means, in respect of a tranche of Series 2018-1 AFC (HK) Funding Notes, the relevant AFC FN Proportion of the Total Interest Reserve Required Amount.

Set-Off Triggers

SCB HK has covenanted, in the TESA it has entered into, that if it fails to maintain a senior unsecured (foreign)/long-term issuer (foreign) rating of at least "A3" by Moody's (the "**Set-Off Reporting Trigger**") it shall, within seven Business Days, deliver a report to the Program Manager setting out the Set-Off Exposure relating to that Originator (such report, a "**Set-Off Report**"). On each Reporting Date following a Set-Off Reporting Trigger, SCB HK shall deliver an updated Set-Off Report to the Program Manager.

The Program Manager has covenanted in the Program Management Agreement to promptly forward each Set-Off Report it receives from an Originator to Moody's.

"**Set-Off Exposure**" means, in relation to SCB HK, the aggregate of the Individual Obligor Set-Off Exposures in relation to all Obligors of Securitised TFEs assigned by SCB HK to the Issuer or held on trust by SCB HK for the Issuer.

"Individual Obligor Set-Off Exposure" means, in relation to an Obligor and SCB HK, the *lesser* of:

- the aggregate Nominal Balances of Securitised TFEs owed by that Obligor and assigned by SCB HK to the Issuer or held on trust by SCB HK for the Issuer; and
- the aggregate of all obligations owed by SCB HK to that Obligor regardless of the place of payment, booking branch or currency of the obligation.

SCB HK has covenanted, in the TESA it has entered into, that if it fails to maintain a senior unsecured (foreign)/long-term issuer (foreign) rating of at least "Baa2" by Moody's (the **"Set-Off Reserve Trigger"**) it shall, within 14 calendar days, either:

- make loan advances (each such loan advance, a **"Set-Off Advance"**) to the Issuer with which it has entered into a TESA (which amounts shall be credited to the AFC Collections Ledger maintained by the Issuer in relation to that TESA) such that the Set-Off Reserve Test is met; or
- assign TFEs to the Issuer or hold TFEs on trust for the Issuer (by delivering TFE Securitisation Lists to the Issuer) specifying an amount to be discounted from the consideration payable in respect of such TFEs (such amount, a **"Set-Off Discount"**) such that the Set-Off Reserve Test is met,

and shall ensure, by making further Set-Off Advances or applying further Set-Off Discounts (if required), that the Set-Off Reserve Test will be met on each subsequent Monthly Determination Date.

The **"Set-Off Reserve Test"** will be met if the aggregate of the Set-Off Advances and Set-Off Discounts made or applied by SCB HK since the occurrence of the Set-Off Reserve Trigger equals or exceeds the Set-Off Exposure specified in relation to SCB HK in any Set-Off Reports delivered since the occurrence of the Set-Off Reserve Trigger.

PRIORITIES OF PAYMENTS

The following is a summary of the AFC Priorities of Payments, please refer to the section titled "*Cash Management – AFC Priorities of Payments*" of the Series 2018-1 Notes Prospectus.

<p>The balance standing to the credit of the AFC Collections Ledger relating to the Series 2018-1 AFC (HK) Funding Notes will, during the Revolving Period, be distributed by the Issuer in accordance with the AFC Revolving Priority of Payments.</p> <p>AFC Revolving Priority of Payments:</p> <ol style="list-style-type: none"> 1. <i>first</i>, subject to certain caps, an amount equal to the aggregate of: <ol style="list-style-type: none"> (a) <i>first</i>, any fees and expenses payable to the AFC Security Trustee by the Issuer pursuant to the Transaction Documents; (b) <i>second</i>, any fees and expenses payable to any other parties by the Issuer pursuant to the Transaction Documents¹; (c) <i>third</i>, the applicable AFC FN Proportion of the Securitisation Fee to the issuer of the Series 2018-1 Notes pursuant to the Series 2018-1 AFC Note Issuance Deed relating to the Series 2018-1 AFC (HK) Funding Notes issued by the Issuer; and (d) <i>fourth</i>, amounts due under the Series 2018-1 AFC Cross-Guarantee in respect of Securitisation Fees due but not paid by other AFCs; 2. <i>second</i>: <ol style="list-style-type: none"> (a) to the issuer of the Series 2018-1 Notes, as holder of the Series 2018-1 AFC (HK) Funding Notes issued by the Issuer, the interest 	<p>On each AFC Payment Date during the Amortisation Period in respect of the Series 2018-1 AFC (HK) Funding Notes, an amount equal to the balance which was standing to the credit of the AFC Collection Account on the last day of the immediately preceding Collection Period (and (i) on the final AFC Payment Date prior to the earlier of the Final Maturity Date and the Note Payment Date on which the Series 2018-1 Notes will be redeemed in full, all amounts standing to the credit of the AFC Interest Reserve Ledger and any other amounts standing to the credit of the AFC Collection Account and (ii) on any payment date designated by the AFC Security Trustee following the service of a Note Acceleration Notice, all amounts standing to the credit of the AFC Collection Account) in accordance with the following order of priority:</p> <p>AFC Amortisation Priority of Payments:</p> <ol style="list-style-type: none"> 1. <i>first</i>, subject to certain caps, an amount equal to the aggregate of: <ol style="list-style-type: none"> (a) <i>first</i>, any fees and expenses payable to the AFC Security Trustee by the Issuer pursuant to the Transaction Documents; (b) <i>second</i>, any fees and expenses payable to the AFC Registrar and the Transaction Administrator by the Issuer pursuant to the Transaction Documents; (c) <i>third</i>, any fees and expenses payable to any other parties by the the Issuer pursuant to the Transaction Documents²; (d) <i>fourth</i>, the applicable AFC FN Proportion of the Securitisation Fee to the issuer of the Series 2018-1 Notes pursuant to the Series 2018-1 AFC (HK) Note Issuance Deed relating to the Series 2018-1 AFC (HK) Funding Notes issued by the Issuer; and (e) <i>fifth</i>, amounts due under the Series 2018-1 AFC Cross-Guarantee in respect of Securitisation Fees due but not paid by other AFCs;
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¹ Auditors of, and other professional advisers to, the relevant Asset Funding Company will be paid only after all other items in 1(a) to (d) have been paid in full.

² Auditors of, and other professional advisers to, the relevant Asset Funding Company will be paid only after all other items in 1(a) to (e) have been paid in full.

<p>due and payable on such Series 2018-1 AFC (HK) Funding Notes together with any interest previously due but not paid on a prior AFC Payment Date (plus interest on such interest); and</p> <p>(b) to pay any amounts due under the Series 2018-1 AFC Cross-Guarantee in respect of interest due but unpaid under any tranches of Series 2018-1 AFC Funding Notes or payments under the counter-indemnity in the Series 2018-1 AFC Cross-Guarantee relating to interest amounts;</p> <p>3. <i>third</i>, in retaining an amount equal to the related AFC Profit Amount in the AFC Retained Profit Ledger maintained by the Issuer;</p> <p>4. <i>fourth</i>, in retaining an amount equal to the related AFC Interest Reserve Deficit in the AFC Interest Reserve Ledger maintained by the Issuer;</p> <p>5. <i>fifth</i>, the Initial Purchase Price (if any) payable under the related TESA on that day;</p> <p>6. <i>sixth</i>, to the issuer of the Series 2018-1 Notes an amount equal to any related AFC Funding Note Repayment Amounts on that day;</p> <p>7. <i>seventh</i>, to the issuer of the Series 2018-1 Notes an amount equal to any AFC-Issuer Advances and any related interest, if any; and</p> <p>8. <i>eighth</i>, in retaining the surplus in the AFC Collection Account and credited to the AFC Collections Ledger maintained by the Issuer.</p>	<p>2. <i>second</i>:</p> <p>(a) to the issuer of the Series 2018-1 Notes, as holder of the Series 2018-1 AFC (HK) Funding Notes issued by the Issuer, the interest due and payable on such Series 2018-1 AFC (HK) Funding Notes together with any interest previously due but not paid on a prior AFC Payment Date (plus interest on such interest previously due but not distributed); and</p> <p>(b) any amounts due under the Series 2018-1 AFC Cross-Guarantee in respect of interest due but unpaid under any tranches of Series 2018-1 AFC Funding Notes or payments under the counter-indemnity in the Series 2018-1 AFC Cross-Guarantee relating to interest amounts;</p> <p>3. <i>third</i>, in retaining an amount equal to the related AFC Profit Amount in the AFC Retained Profit Ledger maintained by the Issuer;</p> <p>4. <i>fourth, pari passu and pro rata</i>:</p> <p>(a) in repayment of the Series 2018-1 AFC (HK) Funding Notes issued by the Issuer until the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Note issued by the Issuer is equal to zero; and</p> <p>(b) any amounts due under the Series 2018-1 AFC Cross-Guarantee in respect of principal due but unpaid on such AFC Payment Date under any other tranches of Series 2018-1 AFC Funding Notes or payments under the counter-indemnity in the Series 2018-1 AFC Cross-Guarantee relating to principal;</p> <p>5. <i>fifth</i>, any amounts which would have been payable pursuant to item 1. but which were not due to the operation of certain caps;</p> <p>6. <i>sixth</i>, after the Principal Amount Outstanding of the Series 2018-1 Notes has been reduced to zero, in repayment to SCB HK of any Set-Off Advances; and</p> <p>7. <i>seventh</i>, after the Principal Amount Outstanding the Series 2018-1 Notes and the Outstanding Note Amount of each tranche of Series 2018-1 AFC (HK) Funding Notes has been reduced to zero, any amounts remaining after application of the above shall be applied as payment of Deferred Purchase Price to SCB HK under the TESA or TESAs relating to the Series 2018-1 AFC (HK) Funding Notes.</p>
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TERMS AND CONDITIONS OF THE SERIES 2018-1 AFC (HK) FUNDING NOTES

The following is the text of the terms and conditions of the Series 2018-1 AFC (HK) Funding Notes.

The Series 2018-1 AFC (HK) Funding Notes (as defined in the Series 2018-1 AFC (HK) Note Issuance Deed (as defined below)) are constituted by a note issuance deed dated on 27 December 2018 (as supplemented, amended and restated from time to time) (the "**Series 2018-1 AFC (HK) Note Issuance Deed**") between, *inter alios*, Prunelli Hong Kong Asset Purchaser Limited (the "**Issuer**"), Prunelli Issuer I S.à r.l. acting in respect of its Compartment 2018-1 (the "**Issuer**") and Citicorp International Limited (the "**AFC Registrar**") in relation to the TESA between the Issuer and Standard Chartered Bank, UK Branch and are secured pursuant to a security trust deed supplement dated on 27 December 2018 (as supplemented, amended and restated from time to time) (the "**Series 2018-1 AFC Security Trust Deed Supplement**") between, *inter alios*, the Issuer and the AFC Security Trustee in relation to the Series 2018-1 AFC (HK) Note Issuance Deed.

Certain statements in these Series 2018-1 AFC (HK) Funding Note Conditions may be summaries of the detailed provisions appearing in the Series 2018-1 AFC (HK) Note Issuance Deed or the Series 2018-1 AFC Security Trust Deed Supplement. The Funding Note Holder is entitled to the benefit of, is bound by, and is deemed to have notice of, all the provisions of the Series 2018-1 AFC (HK) Note Issuance Deed and the Series 2018-1 AFC Security Trust Deed Supplement.

Words and expressions defined in the Series 2018-1 AFC (HK) Note Issuance Deed, the master definitions and framework agreement dated on 27 December 2018 (as supplemented, amended and restated from time to time) between, amongst others, the Issuer and the AFC Registrar (the "**Master Framework Agreement**") shall have the same meaning where used in these Series 2018-1 AFC (HK) Funding Note Conditions unless the context otherwise requires or unless otherwise stated, **provided that**, in the event of inconsistency between these Series 2018-1 AFC (HK) Funding Note Conditions, the Series 2018-1 AFC (HK) Note Issuance Deed, the Master Framework Agreement, the definition of the relevant term shall have the meaning specified in the relevant document ranking the highest in the following order of priority:

- (a) *first*, these Series 2018-1 AFC (HK) Funding Note Conditions;
- (b) *second*, the Series 2018-1 AFC (HK) Note Issuance Deed; and
- (c) *third*, the Master Framework Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form, Denomination and Title

- 1.1.1 The Series 2018-1 AFC (HK) Funding Notes are issued in registered form in no minimum or maximum denomination.
- 1.1.2 The Issuer will cause to be kept, at the office of the AFC Registrar specified in the Series 2018-1 AFC (HK) Note Issuance Deed, the AFC Register on which shall be entered the names and addresses of the holder from time to time of the Series 2018-1 AFC (HK) Funding Notes.
- 1.1.3 Title to the Series 2018-1 AFC (HK) Funding Notes will pass by and upon registration of transfers in the AFC Register. In these Series 2018-1 AFC (HK) Funding Note Conditions, the "**holder**" of the Series 2018-1 AFC (HK) Funding Notes means the person in whose name or on whose behalf such Series 2018-1 AFC (HK) Funding Notes is for the time being registered in the AFC Register. A Series 2018-1 AFC (HK) Funding Note Certificate will be issued to a holder of the Series 2018-1 AFC (HK) Funding Notes evidencing its registered holding.
- 1.1.4 The holder of the Series 2018-1 AFC (HK) Funding Notes shall (except as otherwise required by law) be treated as the absolute owner of the Series 2018-1 AFC (HK) Funding Notes for all purposes and no person shall be liable for so treating such holder.

1.2 Transfers of Series 2018-1 AFC (HK) Funding Notes

1.2.1 *Transfers*

Subject to Series 2018-1 AFC (HK) Funding Note Condition 1.2.4 (*Closed Periods*) below, the Series 2018-1 AFC (HK) Funding Notes may be transferred in whole (but not in part) upon surrender of the relevant Series 2018-1 AFC (HK) Funding Note Certificate at the specified office of the AFC Registrar, together with an instrument of transfer duly completed and signed by or on behalf of the holder of the Series 2018-1 AFC (HK) Funding Notes and together with such evidence as the AFC Registrar may reasonably require to prove:

- (i) the identity of the holder of the Series 2018-1 AFC (HK) Funding Notes;
- (ii) the authority of the individuals who have executed the instrument of transfer; and
- (iii) the payment of any Stamp Duties payable on such transfer,

provided that, save in the case of the initial transfer to the Issuer or its nominee by way of security assignment, the Series 2018-1 AFC (HK) Funding Notes may not be transferred or made subject to any Encumbrance without the prior written consent of the AFC Security Trustee.

1.2.2 *Registration and Delivery of Series 2018-1 AFC (HK) Funding Note Certificate*

Within five Business Days of the surrender of a Series 2018-1 AFC (HK) Funding Note Certificate in accordance with Series 2018-1 AFC (HK) Funding Note Condition 1.2.1 (*Transfers*) above (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations or Series 2018-1 AFC (HK) Funding Note Condition 1.2.1 (*Transfers*) above), the AFC Registrar will register the transfer in question and deliver to the AFC Registrar's specified office a new Series 2018-1 AFC (HK) Funding Note Certificate in respect of the transferred Series 2018-1 AFC (HK) Funding Notes or (at the request and risk of the person entitled to it) send any such Series 2018-1 AFC (HK) Funding Note Certificate by uninsured mail to such address as the person entitled to it may specify for the purpose.

1.2.3 *Charge*

The relevant new holder of Series 2018-1 AFC (HK) Funding Notes will be required to bear the costs and expenses of effecting any registration of a transfer as provided in Series 2018-1 AFC (HK) Funding Note Conditions 1.2.1 (*Transfers*) and 1.2.2 (*Registration and Delivery of Funding Note Certificate*) above.

1.2.4 *Closed Periods*

No holder of Series 2018-1 AFC (HK) Funding Notes may require transfers to be registered during the period of five Business Days ending on each AFC Payment Date.

1.2.5 *Change of AFC Registrar*

The AFC reserves the right at any time (subject to obtaining the consent of the AFC Security Trustee following the delivery of a Note Acceleration Notice) to vary or terminate the appointment of the AFC Registrar and to appoint another AFC Registrar (subject to Clause 6.11.1 (*Termination of Appointment of AFC Registrar*) of the Series 2018-1 AFC (HK) Note Issuance Deed). Notice of any termination or appointment of a AFC Registrar and of any changes in its specified office will be given to the holder of Series 2018-1 AFC (HK) Funding Notes promptly by the Issuer in accordance with Series 2018-1 AFC (HK) Funding Note Condition 13 (*Notices*).

1.3 **Status**

The Series 2018-1 AFC (HK) Funding Notes constitute direct, unconditional and secured obligations of the Issuer. The Series 2018-1 AFC (HK) Funding Notes shall be unsubordinated obligations of the Issuer, recourse in respect of which is limited in the manner described in Series 2018-1 AFC (HK) Funding Note Condition 9 (*Enforcement*).

2. **SECURITY AND RELATED AGREEMENTS**

2.1 **Security**

The obligations of the Issuer to the AFC Secured Creditors in respect of the Series 2018-1 AFC (HK) Funding Notes are secured pursuant to the Series 2018-1 AFC Security Trust Deed Supplement relating to the Series 2018-1 AFC (HK) Funding Notes.

2.2 **Application of Proceeds**

All moneys received or held by the Issuer shall be applied in accordance with the Program Management Agreement.

2.3 **Shortfall after Application of Proceeds**

If, following the enforcement of the Series 2018-1 AFC Security for the Series 2018-1 AFC (HK) Funding Notes, the net proceeds of the sale or redemption of the Series 2018-1 AFC Secured Assets in accordance with these Series 2018-1 AFC (HK) Funding Note Conditions are not sufficient to make all payments due in respect of the Series 2018-1 AFC (HK) Funding Notes, the assets of the Issuer, including, in particular, assets securing obligations not related to that Series 2018-1 AFC (HK) Funding Notes, will not be available for payment of any shortfall arising therefrom and all further claims (if any) of the holder and of all other AFC Secured Creditors in respect of the Series 2018-1 AFC (HK) Funding Notes will cease to be due and payable. Claims and the right of any person to claim in respect of any such shortfall remaining after the application of such net proceeds in accordance with the Program Management Agreement shall be extinguished and the holder and all other AFC Secured Creditors of the Series 2018-1 AFC (HK) Funding Notes will have no further recourse to the Issuer.

3. **RESTRICTIONS**

3.1 **Restrictions on Activities**

So long as the Series 2018-1 AFC (HK) Funding Notes remain outstanding, the Issuer will not, save to the extent permitted by the Transaction Documents, or with the prior written consent of the AFC Security Trustee:

- 3.1.1 dispose of any Series 2018-1 AFC Secured Assets or create or permit to subsist any Encumbrance, including, without limitation, anything analogous to an Encumbrance under the laws of any jurisdiction, upon the whole or any part of the Series 2018-1 AFC Secured Assets, other than the Series 2018-1 AFC Security;
- 3.1.2 incur any obligations in respect of which a person, other than an AFC Secured Creditor, would have recourse to the Series 2018-1 AFC Secured Assets (other than in accordance with the Issuer Revolving Priority of Payments or the AFC Amortisation Priority of Payments) prior to the Obligations in respect of the Series 2018-1 AFC (HK) Funding Notes being satisfied in full; and
- 3.1.3 unless permitted by any other Transaction Document, not make or consent to any material amendment, variation, waiver or termination of any of the provisions of any Transaction Documents to which it is party, without the prior written consent of the AFC Security Trustee and, save where failure to do so would not have a material adverse effect, in the opinion of the Issuer, with due diligence use best efforts to pursue the performance of any party with which it has contracted of the obligations of such party under any Transaction Document.

3.2 Certificate

The AFC Security Trustee shall be entitled to rely absolutely on a certificate of a director or Authorised Signatory of the Issuer in relation to any matter relating to the restrictions set out in Series 2018-1 AFC (HK) Funding Note Condition 3.1 (*Restrictions on Activities*) and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter in question.

4. INTEREST AND OTHER CALCULATIONS

4.1 Interest and Accrual

4.1.1 Each Series 2018-1 AFC (HK) Funding Note bears interest at the applicable Rate of Interest on its Outstanding Note Amount from (and including) the Closing Date in an amount for each AFC Interest Period equal to the AFC Interest Amount, such interest being payable in arrears on each AFC Payment Date.

4.1.2 Interest will cease to accrue on the Series 2018-1 AFC (HK) Funding Notes on the date of redemption in full of the Series 2018-1 AFC (HK) Funding Notes unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue (after as well as before judgment), in the manner provided in Series 2018-1 AFC (HK) Funding Note Condition 4.1.1, to the Final Maturity Date.

4.1.3 On each AFC Payment Date, the Issuer shall pay interest accrued during the Interest Period in which such AFC Payment Date falls and, in advance, interest which would accrue on the Outstanding Note Amount of such tranche of Series 2018-1 (HK) AFC Funding Notes until the end of the Interest Period in which such AFC Payment Date falls.

4.2 Interest Deferral

4.2.1 To the extent that the moneys available on an AFC Payment Date (including any payments by other AFCs pursuant to the Series 2018-1 AFC Cross-Guarantee) are insufficient to pay the full AFC Interest Amount on the Series 2018-1 AFC (HK) Funding Notes on such AFC Payment Date, payment of the shortfall will not then fall due but will instead be deferred and thereafter included in the AFC Interest Amount payable on the next and, if necessary, each subsequent AFC Payment Date on which funds are available to the Issuer to pay the AFC Interest Amount in respect of such date, until the Final Maturity Date.

4.2.2 Any AFC Interest Amount deferred in accordance with this Series 2018-1 AFC (HK) Funding Note Condition 4.2 (*Interest Deferral*) will accrue interest (the "**AFC Additional Interest**") at the applicable Rate of Interest plus a margin of one per cent. per annum and such amount shall be payable on each AFC Payment Date. Payment of the AFC Additional Interest shall also be deferred in the same conditions and manner as AFC Interest Amounts.

5. REDEMPTION

5.1 AFC Funding Note Drawings and repayments during Revolving Period

5.1.1 During the Revolving Period the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes may be increased and repaid in accordance with the Series 2018-1 AFC (HK) Note Issuance Deed, the Series 2018-1 AFC (HK) Funding Note Conditions and the Programme Management Agreement.

5.1.2 During the Revolving Period the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes may be reduced by the AFC Funding Note Repayment Amount in accordance with the Series 2018-1 AFC (HK) Note Issuance Deed, the Series 2018-1 AFC (HK) Funding Note Conditions and the Programme Management Agreement.

5.2 **Redemption during Amortisation Period**

During the Amortisation Period, the Outstanding Note Amount of the Series 2018-1 AFC (HK) Funding Notes shall be redeemed on each AFC Payment Date in accordance with the AFC Amortisation Priority of Payments.

5.3 **Final Redemption**

If any Series 2018-1 AFC (HK) Funding Notes have not previously been redeemed in full pursuant to Series 2018-1 AFC (HK) Funding Note Condition 5.2 (*Redemption during Amortisation Period*), the relevant Series 2018-1 AFC (HK) Funding Notes will be redeemed, subject always to Series 2018-1 AFC (HK) Funding Note Condition 2.3 (*Shortfall after Application of Proceeds*), at the then Outstanding Note Amount on the relevant Final Maturity Date together with all accrued and unpaid interest.

5.4 **Cancellation**

All Series 2018-1 AFC (HK) Funding Notes purchased by the Funding Note Holders or redeemed in full will be cancelled forthwith by the Funding Note Holders, together with all unmatured interest appertaining thereto, and such Series 2018-1 AFC (HK) Funding Notes may not be reissued or resold.

6. **PAYMENTS**

6.1 **Series 2018-1 AFC (HK) Funding Notes**

Payments of principal and interest in respect of the Series 2018-1 AFC (HK) Funding Notes will, subject as mentioned below, be made to the holder of Series 2018-1 AFC (HK) Funding Notes by transfer to such account(s) as notified by such holder.

6.2 **Payments subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Series 2018-1 AFC (HK) Funding Note Condition 7 (*Taxation*). No commission or expenses shall be charged to the holder of Series 2018-1 AFC (HK) Funding Notes in respect of such payments.

6.3 **Non-Business Days**

If any date for payment in respect of any Series 2018-1 AFC (HK) Funding Notes is not a business day, the holder of such Series 2018-1 AFC (HK) Funding Notes shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Series 2018-1 AFC (HK) Funding Note Condition 6.3, "**business day**" means a day other than a Saturday or a Sunday or a day on which banking institutions in Hong Kong are authorised or obliged by law or executive order to be closed.

7. **TAXATION**

7.1 Notwithstanding the terms of any of the Transaction Documents to which the Issuer may be a party, all payments in respect of the Series 2018-1 AFC (HK) Funding Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or, where applicable, the AFC Security Trustee is required by applicable law to make any payment in respect of the Series 2018-1 AFC (HK) Funding Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or the AFC Security Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the AFC Security Trustee will be obliged to make any additional payments to the holder of Series 2018-1 AFC (HK) Funding Notes in respect of such withholding or deduction. The Issuer may require the holder of Series 2018-1 AFC (HK) Funding

Notes provide such certifications and other documents as are required by applicable law and may legally be provided by such holder in order to qualify for relief or exemption from applicable tax laws.

- 7.2 Notwithstanding any other provision in these Series 2018-1 AFC (HK) Funding Note Conditions, the Issuer and the AFC Security Trustee shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA withholding**"). Neither the Issuer or the AFC Security Trustee shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the AFC Security Trustee or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

8. **FUNDING NOTE ENFORCEMENT**

8.1 **Series 2018-1 AFC Security enforceable**

The Series 2018-1 AFC Security will become enforceable upon the delivery of a Note Acceleration Notice.

8.2 **Direction to enforce**

8.2.1 Once the Series 2018-1 AFC Security has become enforceable, the AFC Security Trustee shall, if it is so directed by the Instructing Party, sell or cause to be sold all or any of the TFEs or any interests in TFEs in the 2018-1 Exposure Pool which are the subject matter of the Series 2018-1 AFC Security.

8.2.2 Any such sale of TFEs or interests in TFEs in the 2018-1 Exposure Pool will be in an amount such that the net proceeds of the sale equal or exceed the aggregate Principal Amount Outstanding of the Series 2018-1 Notes together with accrued interest thereon.

8.2.3 If such a direction is made to the AFC Security Trustee, an agent will be appointed by the Instructing Party (the "**Disposal Agent**") to sell the Series 2018-1 AFC (HK) Funding Notes or TFEs in the 2018-1 Exposure Pool, as applicable, on behalf of the AFC Security Trustee.

8.3 **Action by AFC Security Trustee**

The AFC Security Trustee shall not be bound to take any such proceedings or steps as are contemplated by any provision of Series 2018-1 AFC (HK) Funding Note Condition 9 (*Enforcement*) or any other proceedings pursuant to or in connection with the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement) or the Series 2018-1 AFC (HK) Funding Notes unless directed or requested to do so by the Instructing Party and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction by the holder of Series 2018-1 AFC (HK) Funding Notes.

8.4 **Realisation of the Underlying Assets upon Redemption**

In the event of the Series 2018-1 AFC Security in respect of the Series 2018-1 AFC (HK) Funding Notes becoming enforceable, the AFC Security Trustee shall, but in each case without any liability as to the consequence of such action and without having regard to the effect of, or being required to account for, such action to the AFC Secured Creditors in relation to the Series 2018-1 AFC (HK) Funding Notes, have the right to enforce its rights under the AFC Security Trust Deed, as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement (including by appointing a Receiver) in relation to the relevant Series 2018-1 AFC Secured Assets in relation to the Series 2018-1 AFC (HK) Funding Notes only, **provided that** the AFC Security Trustee shall not be required to take any action that would involve the AFC Security Trustee in any liability or expense unless previously indemnified and/or secured and/or prefunded to its satisfaction.

9. ENFORCEMENT

- (a) Only the AFC Security Trustee may pursue the remedies available under the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement), these Series 2018-1 AFC (HK) Funding Note Conditions or any of the other Transaction Documents to enforce the rights of the AFC Secured Creditors in relation to the Series 2018-1 AFC Security Assets. No AFC Secured Creditor of the Series 2018-1 AFC (HK) Funding Notes is entitled to proceed directly against the Issuer or any assets of the Issuer unless the AFC Security Trustee, having become bound to proceed in accordance with the terms of the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement), any other Transaction Document or these Series 2018-1 AFC (HK) Funding Note Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the AFC Security Trustee shall not be bound to take any action to enforce the Series 2018-1 AFC Security or pursue the remedies available under the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement) or these Series 2018-1 AFC (HK) Funding Note Conditions or any of the Transaction Documents or otherwise take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction.
- (b) No AFC Secured Creditor, nor the AFC Security Trustee on its behalf, may institute against or join any person in instituting against the Issuer any proceeding seeking any bankruptcy, winding-up, re-organisation, arrangement, insolvency or liquidation (except for the appointment of a Receiver pursuant to the terms of the AFC Security Trust Deed, as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement) or other proceeding under any similar law nor shall any of them have any claim in respect of any such sums over or in respect of any assets of the Issuer other than the Series 2018-1 AFC Secured Assets, **provided that** nothing in this Series 2018-1 AFC (HK) Funding Note Condition 9(b) shall prevent the lodging of a claim in any winding-up or other proceedings started by another person or the obtaining of any declaratory judgment as to the obligations of the Issuer (provided no steps or legal proceedings are taken to enforce or implement such judgment). The AFC Secured Creditors accept and agree that the only remedy of the AFC Security Trustee against the Issuer in respect of the Series 2018-1 AFC (HK) Funding Notes after the Series 2018-1 AFC Security has become enforceable is to enforce the Series 2018-1 AFC Security for the Series 2018-1 AFC (HK) Funding Notes pursuant to the provisions of the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement).
- (c) The net proceeds of enforcement of the Series 2018-1 AFC Security for the Series 2018-1 AFC (HK) Funding Notes may be insufficient to pay all amounts due to the AFC Secured Creditors in respect of the Series 2018-1 AFC (HK) Funding Notes, in which event claims in respect of all such amounts will be extinguished in accordance with Series 2018-1 AFC (HK) Funding Note Condition 2.3 (*Shortfall after Application of Proceeds*).

10. PRESCRIPTION

- (a) Claims against the Issuer for payment in respect of the Series 2018-1 AFC (HK) Funding Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (defined below). After the date on which the Series 2018-1 AFC (HK) Funding Notes becomes void in its entirety no claim may be made in respect thereof.
- (b) In this paragraph, "**Relevant Date**" means the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Issuer Security Trustee on behalf of the holder of the Series 2018-1 AFC (HK) Funding Notes or (if applicable) the Issuer Security Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect has been given to the holder of the Series 2018-1 AFC (HK) Funding Notes or (as the case may be) the Issuer Security Trustee.

11. **REPLACEMENT OF FUNDING NOTE CERTIFICATE**

If any Series 2018-1 AFC (HK) Funding Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the AFC Registrar, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Series 2018-1 AFC (HK) Funding Note Certificate must be surrendered before replacements will be issued.

12. **LIMITED RECOURSE; NON-PETITION**

12.1 Only the AFC Security Trustee may enforce the security created by the AFC Security Trust Deed (as supplemented by the Series 2018-1 AFC Security Trust Deed Supplement), and the holder of Series 2018-1 AFC (HK) Funding Notes shall not take any steps for the purpose of recovering any of the amounts owing to them by the Issuer under the terms of the relevant Series 2018-1 AFC (HK) Funding Notes or enforcing any rights arising under or in connection with the relevant Series 2018-1 AFC (HK) Funding Notes or other Transaction Documents against the Issuer (as the case may be) or procuring the winding-up, administration, bankruptcy or liquidation of the Issuer or any similar insolvency procedure in any applicable jurisdiction in respect of any of their respective liabilities.

12.2 If, at any time following:

- (a) the occurrence of the Final Maturity Date or any earlier date upon which the relevant Series 2018-1 AFC (HK) Funding Notes are due and payable; and
- (b) realisation of the Series 2018-1 AFC Secured Assets and application in full of any amounts available to pay amounts due and payable under the Series 2018-1 AFC (HK) Funding Notes in accordance with the AFC Amortisation Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the AFC Amortisation Priority of Payments, to pay in full all amounts then due and payable under the Series 2018-1 AFC (HK) Funding Notes, then the amount remaining to be paid (after such application in full of the proceeds of such Realisation under the Series 2018-1 AFC (HK) Funding Notes) shall, immediately following such application in full of the Realisation, cease to be due and payable by the Issuer.

12.3 For the purposes of this Series 2018-1 AFC (HK) Funding Note Condition 12, "**Realisation**" means, in relation to the Series 2018-1 AFC Secured Assets, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Series 2018-1 AFC Secured Assets, including (without limitation) through sale or through performance by the Obligors.

12.4 This Series 2018-1 AFC (HK) Funding Note Condition 12 shall not prevent the holder of Series 2018-1 AFC (HK) Funding Notes from proving in any winding up or bankruptcy of the Issuer if, without breach by such holder of Series 2018-1 AFC (HK) Funding Notes of this Series 2018-1 AFC (HK) Funding Note Condition 12, the Issuer goes into liquidation or becomes subject to bankruptcy proceedings.

12.5 No recourse under any obligation, covenant or agreement of the Issuer under the terms of the relevant Series 2018-1 AFC (HK) Funding Notes shall be exercised against any shareholder, officer, agent or director of the Issuer (in whatever capacity) as such, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the relevant Series 2018-1 AFC (HK) Funding Notes constitute corporate obligations of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer pursuant to the relevant Series 2018-1 AFC (HK) Funding Notes and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent or director is hereby expressly waived by the holder of Series 2018-1 AFC (HK) Funding Notes as a condition of and consideration for the acquisition (in whatever manner) of the relevant Series 2018-1 AFC (HK) Funding Notes.

13. **NOTICES**

Any notices to a holder of Series 2018-1 AFC (HK) Funding Notes shall be given to it at the address, email address or fax number specified in the AFC Register from time to time and shall be copied to the AFC Registrar, the AFC Security Trustee and the Program Manager.

14. **AFC REGISTRAR**

- (a) The AFC Registrar will act solely as agent of the Issuer and will not otherwise assume any obligation or duty or relationship of agency or trust to or with the holder of Series 2018-1 AFC (HK) Funding Notes unless a Funding Note Event of Default has occurred and is continuing, when it will act as agent of the AFC Security Trustee.
- (b) The Issuer reserves the right at any time to vary or terminate the appointment of the AFC Registrar and to appoint another AFC Registrar in Hong Kong. Notice of any termination or appointment and of any changes in specified offices will be given to the holder of Series 2018-1 AFC (HK) Funding Notes promptly by the Issuer in accordance with Series 2018-1 AFC (HK) Funding Note Condition 13 (*Notices*).

15. **GOVERNING LAW**

15.1 **Governing Law**

The Series 2018-1 AFC (HK) Funding Notes (including these Series 2018-1 AFC (HK) Funding Note Conditions), and any contractual or non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law.

15.2 **Submission to Jurisdiction**

The Issuer has, in the Series 2018-1 AFC (HK) Note Issuance Deed, irrevocably agreed for the benefit of the AFC Secured Creditors that the courts of England shall have jurisdiction to settle any disputes arising out of or in connection with the Series 2018-1 AFC (HK) Funding Notes and, for such purposes, irrevocably submits to the jurisdiction of such courts.

DESCRIPTION OF THE ISSUER

Please refer to the section entitled "*The Asset Funding Companies – AFC HK*" of the Series 2018-1 Notes Prospectus in respect of the description of the Issuer.

GUARANTEE OF THE SERIES 2018-1 AFC (HK) FUNDING NOTES

Please refer to the section entitled "*Credit Structure – Series 2018-1 AFC Cross-Guarantee*" of the Series 2018-1 Notes Prospectus for details in relation to the Series 2018-1 AFC Cross Guarantee.

CHARACTERISTICS OF THE 2018-1 EXPOSURE POOL

The assets in the 2018-1 Exposure Pool have characteristics that demonstrate their ability to produce funds to service the Issuer's obligations under the Series 2018-1 AFC (HK) Funding Notes, please refer to the section entitled "*Characteristics of the 2018-1 Exposure Pool*" of the Series 2018-1 Notes Prospectus for further details.

GENERAL INFORMATION

Listing

Application has been made to list the Series 2018-1 AFC (HK) Funding Notes on the ISM.

However, Series 2018-1 AFC (HK) Funding Notes may be issued which will be listed on such other stock exchange as the Issuer may decide.

Authorisations

The issue of the Series 2018-1 AFC (HK) Funding Notes has been authorised by resolution of the Board of the Issuer passed on 14 December 2018.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings which may have or have had since its date of incorporation a significant effect on the Issuer's ability to meet its obligations to holders of the Series 2018-1 AFC (HK) Funding Notes nor is it aware that any such proceedings are pending or threatened.

Neither of the Guarantors is nor has been involved in any governmental, legal or arbitration proceedings which may have or have had since its date of incorporation a significant effect on its financial position and profitability nor is it aware that any such proceedings are pending or threatened.

Financial statements

As at the date hereof, save for the issue of the Series 2018-1 AFC (HK) Funding Notes, the Issuer, since its incorporation on 25 July 2018, has not commenced operations nor prepared any accounts.

Documents available for inspection

Copies of the following documents may be inspected during normal business hours at the specified office of the Issuer for a period of fourteen (14) days from the date of the Closing Date, namely:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Memorandum and Articles of Association of each of the Guarantors;
- (c) the Series 2018-1 Notes Prospectus;
- (d) final versions of the following documents:
 - (i) the AFC Security Trust Deed to be entered into by the Issuer and the AFC Security Trustee;
 - (ii) the AFC Security Trust Deed Supplement relating to the Series 2018-1 AFC (HK) Funding Notes;
 - (ii) the Master Framework Agreement;
 - (iii) the Program Management Agreement;
 - (iv) the Transaction Administration Agreement;
 - (v) each TESA entered into between SCB HK and the Issuer;
 - (vi) each BLESAs entered into by, amongst others, SCB HK;
 - (vii) the Series 2018-1 AFC (HK) Note Issuance Deed;

- (viii) the Series 2018-1 AFC Cross-Guarantee;
- (ix) the Series 2018-1 AFC Account Bank Agreement relating to accounts maintained by the Issuer;
and
- (xvi) the AFC HK Corporate Administration Agreements.

THE ISSUER

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