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

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and where they are listed on The Stock Exchange of Hong Kong Limited, will be so listed on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

PUBLICATION OF THE OFFERING CIRCULAR

CK PROPERTY FINANCE (MTN) LIMITED

(An exempted company incorporated with limited liability in the Cayman Islands)

(the Issuer)

U.S.\$5,000,000,000

Euro Medium Term Note Programme

(the Programme)

unconditionally and irrevocably guaranteed by



CK ASSET HOLDINGS LIMITED

長江實業集團有限公司

(An exempted company incorporated with limited liability in the Cayman Islands)

(Stock Code: 1113)

(the Guarantor)

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

Please refer to the offering circular relating to the Programme dated 15 October 2021 (the **Offering Circular**) appended herein. As disclosed in the Offering Circular, any notes to be issued under the Programme (the **Notes**) will be intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and where they are listed on the Hong Kong Stock Exchange, will be so listed on that basis.

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

Hong Kong, 18 October 2021

As at the date of this announcement, the Directors of the Issuer are Mr. IP Tak Chuen, Edmond, Ms. PAU Yee Wan, Ezra, Mr. Neil Douglas MCGEE, Mr. Christian Nicolas Roger SALBAING, Mr. Richard Waichi CHAN and Mr. HO Wai Leung, Edmond.

As at the date of this announcement, the Directors of the Guarantor are Mr. LI Tzar Kuoi, Victor (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Mr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Colin Stevens RUSSEL, Mr. Donald Jeffrey ROBERTS and Mr. Stephen Edward BRADLEY as Independent Non-executive Directors.

IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF NOTES UNDER CATEGORY 2 OF REGULATION S, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), EXCEPT TO PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED, IN RESPECT OF ANY OFFERING OR NOTES UNDER CATEGORY 2 OF REGULATION S, TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. **IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.**

Confirmation of your Representation: In respect of any offering of notes under Category 2 of Regulation S, in order to be eligible to view this offering circular or make an investment decision with respect to the notes, investors must not be U.S. persons (within the meaning of Regulation S). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that (1) the electronic mail address that you gave us and to which this e-mail has been delivered or being accessed is not located in the United States, and, in respect of any offering of notes under Category 2, you are not a U.S. person nor are you acting on behalf of a U.S. person and, to the extent you purchase the notes described in the attached document, you will be doing so pursuant to Regulation S and (2) you consent to delivery of such offering circular and any amendments and supplements thereto by electronic transmission.

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

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

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch (Asia Pacific) Limited, Mizuho Securities Asia Limited, any person who controls any of them nor any of their respective affiliates' directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch (Asia Pacific) Limited and/or Mizuho Securities Asia Limited.

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

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OFFERING CIRCULAR

CK PROPERTY FINANCE (MTN) LIMITED

(An exempted company incorporated with limited liability in the Cayman Islands)

U.S.\$5,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by



CK ASSET HOLDINGS LIMITED

長江實業集團有限公司

(An exempted company incorporated with limited liability in the Cayman Islands)

(Stock Code: 1113)

Under this U.S.\$5,000,000,000 Euro Medium Term Note Programme (the **Programme**), CK Property Finance (MTN) Limited (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed (the **Guarantee**) by CK Asset Holdings Limited (the **Guarantor**).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.

Application has been made to The Stock Exchange of Hong Kong Limited (the **Hong Kong Stock Exchange**) for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**Professional Investors**)) only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes are intended for purchase by Professional Investors only, and with respect to the Notes to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a pricing supplement (the **Pricing Supplement**) which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States, unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Notes issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Hong Kong Stock Exchange) a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arrangers and Dealers

HSBC

BofA Securities

Mizuho Securities

The date of this Offering Circular is 15 October 2021.

IMPORTANT INFORMATION

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

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that, to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer and the Guarantor and its subsidiaries taken as a whole (the Group) and to the Notes which is material in the context of the issue and offering of the Notes (including all information required by applicable laws and the information which, according to the particular nature of the Issuer, the Guarantor and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor, the Group and of the rights attaching to the Notes); (ii) the statements contained herein relating to the Issuer, the Guarantor, the Group and the Notes are in every material respect true and accurate and not misleading and there are no other facts in relation to the Issuer, the Guarantor, the Group or the Notes, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material aspect; (iii) the opinion and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and to the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements; and (v) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact with regards to the Issuer, the Guarantor, the Group or the Notes necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the MiFID Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise

neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

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

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the FSMA) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the UK Prospectus Regulation). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the UK PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), unless otherwise specified before

an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

The Arrangers and the Dealers have not separately verified the information contained in this Offering Circular to the fullest extent permitted by law. None of the Arrangers or the Dealers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers or the Dealers accepts any responsibility for the contents of this Offering Circular. Each of the Arrangers and the Dealers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any financial statements included or incorporated herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers or the Dealers that any recipient of this Offering Circular or any such financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the risks involved. The purchase of Notes by investors should be based upon their investigation, as they deem necessary. None of the Arrangers nor the Dealers undertakes to review the financial condition or affairs of the Group during the life of the arrangements contemplated by this Offering Circular, nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or the Dealers.

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer and/or the Guarantor is correct at any time subsequent to its date or that any other information supplied in

connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States (U.S.), the European Economic Area (the EEA) (including the Netherlands), the United Kingdom (UK), Japan, the Cayman Islands, The Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), the People's Republic of China and Singapore, see "*Subscription and Sale*".

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Regulation (in the case of the EEA) or the UK Prospectus Regulation (in the case of the UK) to publish a prospectus. As a result, any offer of Notes in any Relevant State of the EEA and the UK which has implemented the Prospectus Regulation or the UK Prospectus Regulation (as the case may be) (each, a **Relevant State**) must be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation (as the case may be) from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant State or the UK (as the case may be) may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or the UK Prospectus Regulation (as the case may be) or supplement a prospectus pursuant to Article 16 of the Prospectus Regulation or the UK Prospectus Regulation (as the case may be), in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. **Prospectus Regulation** means Regulation (EU) 2017/1129.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Issuer is a special purpose financing vehicle incorporated on 31 March 2016 and has no published financial statements.

Unless otherwise indicated, the financial information in this Offering Circular relating to the Guarantor (i) for the years ended 31 December 2020 and 2019 was extracted from the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2020 (the **2020 Financial Statements**); and (ii) for the six months ended 30 June 2021 and 2020 was extracted from the unaudited consolidated financial statements of the Guarantor for the six months ended 30 June 2021 (the **1H2021 Financial Statements**), where both (i) and (ii) have been prepared in accordance with International Financial Reporting Standards (**IFRS**).

The 1H2021 Financial Statements have not been audited or reviewed by Deloitte Touche Tohmatsu. Consequently, the 1H2021 Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with financial statements that have been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Guarantor's financial condition, results of operations and results. None of the Arrangers, Dealers or the Agents or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial results for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Guarantor's financial condition and results of operations. The 1H2021 Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Guarantor for the full financial year ending 31 December 2021.

The Guarantor's financial year ends on 31 December, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

In this Offering Circular, all references to:

- **U.S. dollars, U.S.\$ and \$** refer to United States dollars;
- **Hong Kong dollars, HK dollars, HK\$** are to the lawful currency of Hong Kong;
- **Renminbi and RMB** are to the lawful currency of the People's Republic of China (the **PRC or the Mainland**);
- **AUD** are to the lawful currency of Australia;
- **C\$** are to the lawful currency of Canada;
- **C.I.\$** are to the lawful currency of the Cayman Islands;
- **Sterling, GBP and £** refer to pounds sterling; and
- **Euro and €** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In addition, references to **Macau** are to the Macau Special Administrative Region of the PRC, references to **the PRC and the Mainland** exclude Hong Kong and Macau, and references to the **EU** are to the European Union.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly

and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Guarantor*" and elsewhere in this Offering Circular constitute "forward-looking statements". The words including "believe", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Neither the Group, nor any of the Issuer's or the Guarantor's respective directors, the Group's employees or the Group's agents assume (a) any obligation to correct or update the forward-looking statements or opinions contained in this Offering Circular; and (b) any liability in the event that any of the

forward-looking statements or opinions does not materialise or turns out to be incorrect. This Offering Circular discloses, under “*Risk Factors*” and elsewhere, important factors that could cause actual results to differ materially from the Issuer’s, the Guarantor’s or the Group’s expectations. All subsequent written and forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of the Issuer or the Guarantor are expressly qualified in their entirety by such cautionary statements.

CAYMAN ISLANDS DATA PROTECTION

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the **DPA**) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPA is the responsibility of the Ombudsman’s office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice

Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer’s use of their personal data in accordance with the DPA.

In the following discussion, “Issuer” refers to the Issuer and its or their affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder’s associated interactions with the Issuer (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA (**Investor Data**). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit

history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

- (i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;
- (ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering and the Foreign Account Tax Compliance Act or the Common Reporting Standard requirements); and/or
- (iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to the others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting or named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer, the Guarantor and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Offering Circular or a supplement to the Offering Circular, will be published.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer:	CK Property Finance (MTN) Limited
Issuer’s Legal Entity Identifier (LEI):	254900ESTS3Z50QX6978
Guarantor:	CK Asset Holdings Limited
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
Description:	Euro Medium Term Note Programme
Arrangers:	The Hongkong and Shanghai Banking Corporation Limited Merrill Lynch (Asia Pacific) Limited Mizuho Securities Asia Limited
Dealers:	The Hongkong and Shanghai Banking Corporation Limited Merrill Lynch (Asia Pacific) Limited Mizuho Securities Asia Limited and any other Dealers appointed in accordance with the Dealer Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional

investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Principal Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
Registrar:	The Hongkong and Shanghai Banking Corporation Limited
CMU Lodging Agent:	The Hongkong and Shanghai Banking Corporation Limited
Programme Size:	Up to U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in Hong Kong dollars, euro, Sterling, U.S. dollars, Renminbi, yen and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none">(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or(b) on the basis of the reference rate set out in the applicable Pricing Supplement. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be

calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

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

Zero Coupon Notes:

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

Index Linked Notes:

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

Dual Currency Notes:

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

Partly Paid Notes:

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

Notes redeemable in instalments:

The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

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

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

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

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain*

Restrictions — Notes having a maturity of less than one year” above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

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

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 10.

Status of the Notes:

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

Guarantee:

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

Rating:

The Programme is not rated. However, a Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application has been made to list the Programme on the Hong Kong Stock Exchange under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular. Separate application will be made for the listing of the Notes issued under the Programme on the Hong Kong Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between

the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

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

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the U.S., the EEA (including the Netherlands), the UK, Japan, the Cayman Islands, Hong Kong, the People's Republic of China, Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

U.S. Selling Restrictions:

Regulation S, Category 1 or 2, as specified in the applicable Pricing Supplement. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

Clearing Systems:

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

RISK FACTORS

Prospective investors should note that the risks relating to the Issuer and the Guarantor, their industry and the Notes summarised in the section of this document headed “Overview of the Programme” are the risks that each of the Issuer and the Guarantor believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer and/or the Guarantor face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of the Issuer and the Guarantor headed “Overview of the Programme” but also, among other things, the risks and uncertainties described below.

In purchasing the Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes or under the Guarantee. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer’s and the Guarantor’s control. The Issuer and the Guarantor have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE BUSINESS

Local, regional and global economic developments and changes in market conditions may adversely affect the Group’s businesses and its income from finance and treasury operations.

Local, regional and global economic developments and changes in market conditions and the capital markets and currency environment, including changes to monetary policy, fiscal policy, interest rates, stock market indices, exchange rates, taxation rates and inflation, could adversely affect the Group’s overall businesses and its income from finance and treasury operations. The Group is exposed to economic cycles and market volatility and the trends in the industries in which the Group operates. Since the global financial crisis, global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions which have originated from the liquidity disruptions in the U.S. and the EU credit and sub-prime residential mortgage markets. In addition, the slower economic growth of the Mainland, the enhanced market volatility stemming from Brexit and other events in emerging markets may also increase global economic uncertainty.

The ongoing COVID-19 pandemic and associated community shutdowns have a widespread and severe impact on worldwide economic activity. Despite gradual relaxation or lifting of most lockdown measures in certain nations, the pace of recovery is constrained by the spread of new COVID-19 variants and uneven vaccination across countries. The global economic outlook still depends on the development of the health crisis, including the duration, spread, severity and any recurrence of the COVID-19 pandemic, the efficacy and availability of vaccines, and the nature and severity of measures adopted by governments. International trade relations, uncertainties following Brexit, the fluctuation of major currencies, the increasing geopolitical tensions, as well as the development of global inflation, interest rate and oil prices, all have created uncertainties in the world economy and global financial market. A severe slowdown in global economic growth could lead to economic contractions in certain markets, commercial and consumer delinquencies, weakened consumer confidence and increased market volatility. The Group is a leading multinational corporation with businesses

in Hong Kong, the Mainland, Singapore, the UK, continental Europe, Australia, Canada and the Republic of Ireland. Any adverse economic conditions in those countries and places in which the Group operates may potentially impact on the Group's businesses, financial conditions, results of operations or growth prospects.

The global economy is facing significant uncertainties and disruptions caused by COVID-19.

The continuing COVID-19 pandemic in different parts of the world, including the places of businesses at which the Group operates, has a significant adverse impact on most economies due to the community standstill, disruption of business activities, behavioural change, weakened sentiment in consumption and tourism related sectors, restricted labour supply and production, and confidence effects. The situation of COVID-19 pandemic has stabilised following the rollout of vaccines, but the development of the COVID-19 pandemic remains highly volatile and unpredictable. The rapid spread of new COVID-19 variants and any resurgence of the COVID-19 pandemic may cause disruption of operational activities and loss of life, and may pose a negative impact on the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease, and if such an outbreak were to occur, it may have an adverse impact on the operations of the Group and its results of operations may suffer.

Governments and central banks around the globe have introduced or are planning fiscal and monetary stimulus measures including tax cuts, direct subsidies, rates cut, bond repurchase programs and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of the COVID-19 pandemic, stabilise the markets and provide liquidity easing to the markets. There is no assurance that such measures may be introduced in time or will be sufficient or effective in delivering their policy objectives, or will be successful in containing the economic impact of the COVID-19 pandemic or stabilising the markets.

As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatilities. If this persists or if the Hong Kong or the Mainland economy continues to slow down, the Group's businesses, financial conditions, results of operations or growth prospects may be adversely affected.

The outbreak of highly contagious diseases and other epidemics could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Any outbreaks of health epidemics and contagious diseases, including COVID-19 may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Possible force majeure events may give rise to additional costs to be borne by the Group and have adverse effects on the quality of its assets, businesses, financial conditions and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect the Group's businesses. There is no assurance that the outbreak will not lead to a decreased demand for services the Group provides; nor is there assurance that the outbreak's adverse impact on the economy of countries and regions in which the Group operates. The outbreak may also adversely affect the Group's ability to keep normal operations. There can be no guarantee that any future occurrence of natural disasters or outbreak of avian influenza, severe acute respiratory syndrome, H1N1 Flu, COVID-19 or other epidemics, or the measures taken by the governments of countries and regions in which the Group operates in response to a future outbreak of such or other epidemics, will not seriously interrupt the Group's operations or those of its customers, which may have an adverse effect on its businesses, financial conditions and results of operations. Please also see "Risk Factors – Risks relating to the business - The global economy is facing significant uncertainties and disruptions caused by COVID-19".

Potential risks in relation to Brexit.

The UK voted in 2016 to leave the EU, resulting in financial market volatility and a fall in the value of the British pound. The UK ceased to be a member state of the EU on 31 January 2020 and the transition period ended on 31 December 2020, formalising the separation of the UK from the EU and opened a new page in the

relationship with the EU. Although the Trade and Cooperation Agreement made between the UK and the EU in December 2020 sets out preferential arrangements in various areas, further negotiations are expected to continue to fill the gaps and the arrangements remain uncertain. In any event, Brexit has created significant uncertainty about the future relationship between the UK and the EU.

The Group has expanded its presence in the UK through investments in the property, infrastructure and pub businesses, and is, and may increasingly become, exposed to changes in the local political, economic, and regulatory conditions. While the long-term implication of Brexit remains to be seen, the continuing uncertainties following Brexit could adversely affect the UK economy and the strength of the British pound, which may in turn potentially impact on the Group's businesses, asset values and reported profits derived from its operations in the UK.

Industry trends and interest rates.

The trends in the industries in which the Group operates, including the market sentiment and conditions, asset values, the mark to market value of investment securities, the currency environment and interest rate cycles, may pose significant risks to the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that the combination of industry trends and interest rates the Group experiences in the future will not adversely affect its businesses, financial conditions, results of operations or growth prospects.

In particular, income from finance and treasury operations is dependent upon the capital markets, interest rate and currency environment, and the worldwide economic and market conditions, and therefore there can be no assurance that changes in these conditions will not adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. The volatility in the financial markets may also adversely affect the income to be derived by the Group from its finance and treasury activities.

The Group is subject to currency fluctuation risks and may suffer losses from fluctuations in exchange rates.

The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the UK, continental Europe, Australia, Canada and the Republic of Ireland, and is exposed to potential currency fluctuations in these countries and places in which the Group operates. The results of the Group are reported in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group's financial conditions, results of operations, asset values or liabilities.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (a) currency swaps and (b) appropriate level of borrowings denominated in the local currencies. The Group has not entered into any speculative derivative transaction.

Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollars could adversely affect its businesses, financial conditions, results of operations or growth prospects.

The Group's businesses are subject to various laws and regulations which may result in additional expenses to comply with such requirements.

The local business risks in different countries and cities in which the Group operates could have a material impact on the businesses, financial conditions, results of operations or growth prospects. The Group has investments in different countries and cities around the world and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new guidelines, directives, policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity, reduction in

government subsidies, pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit, which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

From time to time, changes in law and regulations or the implementation thereof may require the Group to obtain additional approvals and licences from the relevant authorities for the conduct of its operations in Hong Kong, the Mainland or overseas. In such event, the Group may incur additional expenses to comply with such requirements which increases the Group's business costs. Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly or at all. If the Group experiences delays in obtaining, or is unable to obtain, such required approvals or licences, it may have a material adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Compliance with personal data protection legislation.

In the ordinary course of its operations, various businesses of the Group collect, store and use data that is protected by personal data protection laws in the different countries in which they operate. As regulatory focus on privacy issue continues to increase and worldwide laws and regulations concerning the handling of personal information expand and become more complex, potential risks related to personal data collection and use within the Group's businesses are expected to intensify.

In the event that any relevant business of the Group is unable to meet its obligations under applicable data protection laws, it may be subject to regulatory action or civil claims. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on the Group's financial conditions and results of operations.

The Group may be exposed to cybersecurity risks.

With the fast expanding adoption of internet and networking operational technology, cyberattacks around the world are occurring at a higher frequency and intensity. The Group's critical utility and information assets are exposed to attack, damage or unauthorised access in the cyberworld. Cybersecurity risks could have material adverse effect on the operational and business performance, as well as the business reputation of the Group.

Although the Group has not experienced any major damage to its assets or activities from cyberattacks to date, there can be no assurance that future cyberattacks or breaches of the Group's cybersecurity will not occur and result in significant impact on the Group's reputation, businesses, financial conditions, results of operations or growth prospects.

The adoption of new accounting standards could have a significant impact on the Group's financial conditions or results of operations.

The International Accounting Standards Board has from time to time issued new and revised International Financial Reporting Standards (**IFRS**). As accounting standards continue to develop, the International Accounting Standards Board may in the future issue new and revised IFRS and the Group may be required to adopt new accounting policies which might or could have a significant impact on the Group's financial position or results of operations.

The occurrence of social incidents and terrorist threat could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The Group is a leading multinational corporation with businesses in Hong Kong, the Mainland, Singapore, the UK, continental Europe, Australia, Canada and the Republic of Ireland. In recent years, a series of social incidents and terrorist activities occurred across the globe that resulted in economic losses and multiple deaths and casualties. There can be no assurance that countries in which the Group operates will not have any social incidents or they will be immune from terrorist threat, and if these events occur, they may have an adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects.

Climate change could materially and adversely affect the Group's financial condition and results of operations.

Some of the Group's assets and businesses, and many of the Group's customers and suppliers are located in areas that would be affected in the medium to long term by climate change. Climate change may increase the frequency and intensity of extreme weather events, some of which can result in natural disasters. It could disrupt supply chains, interrupt business operations and cause financial and physical damages. Alternation in weather patterns, such as typhoons, droughts, or rain amount may cause shortage of crops for food and other natural resources. The harsher temperatures in some locations may also pose increased risk for colleagues working in those locations. Changes in microclimates for certain locations may render certain businesses obsolete. Some governments are also beginning to introduce legislations or requirements to restrict emissions and other environmental protective measures. Regulations, disruption and damage arising from climate change could have a material impact on the Group's businesses and adversely affect the Group's financial conditions and results of operations.

Although the Group has not experienced any significant disruption or damage from climate change thus far, there can be no assurance that climate change and its impact including rising sea levels, prolonged droughts or heat waves and other extreme weather patterns will not occur and result in major disruption or damage to the Group's assets and businesses, which could materially and adversely affect the Group's financial conditions and results of operations.

The Group's operations are subject to external risks such as natural disasters.

Some of the Group's assets and businesses, customers and suppliers are located in areas at risk of damage from earthquakes, floods, drought, fire, frost and similar disasters and the occurrence of any of these disasters could disrupt the Group's businesses and materially and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. There can be no assurance that earthquakes, floods, drought or other natural disasters will not occur and result in major damage to the Group's property development projects, infrastructure and utility assets, or assets or facilities, or on the general supporting infrastructure facilities in the vicinity which could adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group's indebtedness could have an adverse effect on its financial conditions, diminish its ability to raise additional capital to fund its operations and limit its ability to explore business opportunities.

The Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by, among other things, prevailing economic conditions, governmental regulations, the demand for properties in the places the Group operates, the occupancy rates of hotels, the demand for aircraft leasing, and other factors, many of which are beyond the Group's control. The Group may not generate sufficient cash flow to pay its anticipated operating expenses and to service its debts, in which case the Group will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, disposing of its assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be implemented on satisfactory terms, or at all, and, even when implemented, may result in an adverse effect on the Group's businesses, financial conditions or results of operations.

Furthermore, the Group's inability to meet payment obligations or to comply with affirmative covenants or required financial ratios or the violation of any restrictive covenants may constitute an event of default under the terms of the Group's borrowings. If an event of default occurs, the Group's lenders would be entitled to accelerate payment of all or any part of the Group's outstanding indebtedness.

The occurrence of any of these events of default would materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group is subject to risks relating to accidents or other hazards which may not be covered by insurance.

Accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents or incidents could occur which are not covered by these arrangements. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors. The occurrence of any such accidents or incidents could lead to litigation or otherwise.

Any of the foregoing may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

If the Issuer, the Guarantor or any other member of the Group are unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of relevant debt to be accelerated.

The Issuer, the Guarantor and other members of the Group from time to time and during its ordinary course of business enter into financing agreements or investment arrangements with financial institutions and relevant parties. There can be no assurance that non-compliance or disputes will not occur under such agreements or arrangements, or if they occur, they will be properly rectified.

For example, due to the economic consequences of the recent travel restrictions and lockdown measures imposed by the governments of various countries and regions in response to the COVID-19 pandemic, there may be potential covenant breaches under limited recourse loan facilities entered into in relation to its aircraft leasing business and there were covenant breaches under non-recourse debt-financings in relation to its pub operations. In relation to non-recourse debt financing, the Group has obtained waivers from the relevant creditors (except for one debenture) in respect of covenant breaches as a result of COVID-19. However, there is no assurance that such waivers could always be obtained in the future.

If the Issuer, the Guarantor or any other member of the Group are unable to comply with its current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements which are not rectifiable, or rectifiable but not rectified, unless the Guarantor or the relevant subsidiaries, as the case may be, are able to obtain timely waivers or otherwise remedy such breaches, the creditors of the debt could terminate their commitments to lend to the Issuer, the Guarantor or any other relevant member of the Group, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the Group's debt agreements contain (or may in the future contain) cross-acceleration or cross-default provisions. As a result, any default by the Issuer, the Guarantor or any other member of the Group under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements. If any of these events occur, there can be no assurance that the assets and cash flows of the Guarantor or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Guarantor or its subsidiaries would be able to find alternative financing. Even if the Guarantor and its subsidiaries could obtain alternative financing, there can be no assurance that such financing would be on terms that are favourable or acceptable to the Guarantor or, as the case may be, its subsidiaries.

Some of the Group's revenue is derived from countries, individuals or entities that are targets of sanctions imposed by the U.S., the EU and other government authorities.

The U.S. currently imposes various economic sanctions, which are administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) and which apply only to U.S. persons and, in certain cases, to foreign subsidiaries of U.S. persons or to transactions involving certain items subject to U.S. jurisdiction. Similar sanctions are administered by the UK, the EU, United Nations Security Council and other applicable jurisdictions. These sanctions are intended to address a variety of policy concerns and national security goals. Countries which are currently subject to sanctions for different reasons include but are not limited to Crimea region of Ukraine, Cuba, Iran, North Korea, Syria and Sudan.

The Group has been leasing one out of its 127 aircraft to Smartavia, an airline operator which has been operating flights in Russia with Simferopol in Crimea also one of its flight destinations. ista, in which the Group has an indirect 65% joint venture interest, had entered into a joint venture entity in Iran, which has been made dormant and does not conduct an active business. In addition, ista derived a small part of its income from operations in Russia and Belarus.

There can be no assurance that in the future the Group will not continue doing business with countries, regions, individuals or entities that are targets of sanctions imposed by the U.S., the EU or other government authorities. While the Group does not believe that these sanctions are applicable to any of the Group's activities, if the Group engages in any prohibited transactions by any means or it was otherwise determined that any of the Group's transactions violated applicable sanctions regulations, the Group could be subject to penalties and its reputation and ability to conduct future business in the U.S. or other relevant jurisdictions or with U.S. persons or other relevant persons could be adversely affected. As a result, the Group's businesses, financial conditions and results of operations may be adversely affected.

The Group's property related businesses' performance is dependent on the real estate markets in Hong Kong and the Mainland.

Most of the Group's properties are located in Hong Kong and the Mainland. The Group's property related businesses and prospects therefore principally depend on the performance of the real estate markets in Hong Kong and the Mainland. Any adverse change in the demand for properties and any measures that the relevant governments may take to restrict the growth of the property market, or control the prices of properties or rental values in the places that the Group operates, particularly where the Group has or plans to develop properties, may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The property markets in Hong Kong and the Mainland are affected by many factors, including changes in the social, political, economic and legal environment and changes in the government's fiscal and economic policies. The Group is also sensitive to changes in economic conditions, interest rates, credit availability from banks, consumer confidence, consumer spending and consumer preferences. Other factors beyond its control, such as levels of personal disposable income, may also affect consumer confidence in its geographic markets and demand for properties.

The property markets in Hong Kong and the Mainland have experienced fluctuations in recent years in response to government policies and trends in the Hong Kong economy, the Mainland's economy and other global economies. Any slowdown in the Hong Kong economy, the Mainland's economy and other global economies or financial turmoil in the future may materially and adversely affect the potential purchasers and tenants of the Group's properties, which may lead to a decrease in the general demand for its properties and a decrease in the selling prices or rents of its properties.

Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group may not always be able to obtain sites that are suitable for development.

The Group derives a substantial part of its revenue from sales or lease of properties that it develops. This revenue stream depends on the completion of, and the Group's ability to sell or lease, its property development projects. In order to maintain and grow its business in the future, the Group will be required to replenish its land reserve with suitable sites for development. The Group's ability to identify and acquire suitable sites is subject to a number of factors that are beyond its control. The Group's businesses, financial conditions or results of operations may be adversely affected if it is unable to obtain sites for development at prices that allow it to achieve reasonable returns upon sale or lease to its customers.

Supply of land is subject to the development of land policies in different markets. Acquisition of land in Hong Kong, the Mainland and overseas markets may be subject to various regulatory requirements or restrictions as well as changes in demand and supply dynamics. Future growth prospects of the property

development business are therefore affected by the availability and price levels of prime sites in Hong Kong, the Mainland and overseas markets.

Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group's results of operations may be materially and adversely impacted by labour shortages and/or the rising cost of construction materials and labour.

Prices for construction materials, wages for construction workers and labour costs may increase. Increases in the costs of construction materials and labour will likely prompt the Group's contractors to increase their charges for its new property development projects. Furthermore, as the Group typically pre-sells its properties prior to their completion, the Group may not be able to pass the increased costs onto the purchasers of its properties if costs of construction materials and labour increase subsequent to the pre-sale. Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group relies on third party contractors for the construction of its property developments and other services and the Group cannot assure investors that third party contractors will always meet the Group's quality standards and provide services in a timely manner.

The Group relies on third party construction companies for construction of buildings for its property development projects. The Group also engages third party contractors to carry out various works, including, but not limited to, design, structural engineering, internal decoration, landscaping, and electrical and mechanical engineering. The Group generally selects third party contractors through competitive bids and evaluates them based on factors including their competence, market reputation and the Group's prior relationship with them, if any. Completion of the Group's projects is subject to the satisfactory performance by these third party contractors of their contractual obligations, including their adherence to the Group's quality and safety standards and the pre-agreed schedule for completion. The Group also strictly monitors the progress and quality of the contractors. However, the Group cannot assure investors that the services provided by any of these third party contractors will be satisfactory or will meet the Group's requirements for quality and safety, or that its services will be completed on time. If the performance of any third party contractor proves unsatisfactory, or if any of them is in breach of its contractual obligations due to its financial difficulties or other reasons, the Group may need to replace such contractor or take other actions to remedy the situation, which could materially and adversely impact the Group's costs and the progress of construction of the Group's projects. Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group is exposed to risks associated with property development and the operation of the properties, property investment and property related businesses.

There exist general risks inherent in property developments and in the ownership of properties, including, among other things, (a) rising construction costs; (b) financing for developments may not be available on favourable terms; (c) construction may not be completed on schedule or within budget especially due to issues such as inclement weather, aging workforce, labour shortage, skills mismatch and succession gap as well as the escalation of material prices; (d) long-term financing may not be available on completion of construction; (e) developed properties may not be sold or leased on profitable terms; (f) intense competition from other developers or property owners may lead to vacant properties or an inability to sell or rent properties on favourable terms; (g) purchasers or tenants may default; (h) products may face recall or loss in customer confidence due to contractor's failure in meeting product quality requirement; (i) properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis; (j) it may not be possible to renew

leases or re-let spaces when existing leases expire; and (k) the property market conditions are subject to changes in environmental laws and regulations and zoning laws and other governmental rules and fiscal policies.

Property values and rental values are also affected by factors such as the changes in the relationships between countries or sovereign states, the state of the local economy, political and societal developments, governmental regulations and changes in planning or tax laws, levels of interest rates and consumer prices, the overall supply of properties, and the imposition of governmental measures to dampen property prices. Taxes, levies, stamp duties and similar taxes or charges payable for the vacancy of first-hand private residential units, the property management services, the sale or transfer of residential properties, as well as policies and rules on profit repatriation may be imposed by the relevant authorities from time to time. Investment in property is generally illiquid, which may limit the ability of the Group to timely monetise property assets.

In addition, the Group's businesses and results of operations are dependent, in part, on the availability of land suitable for development and the Group's ability to replenish its land bank at favourable cost. The limited supply of land can make it difficult to replenish land in Hong Kong at economical prices for development.

The properties owned or invested in by the Group comprise real estate used for residential and commercial projects and their operations are subject to general and local economic conditions, competition, desirability of their locations and other factors relating to the operation of the properties. The success of such properties is dependent upon their ability to compete on the basis of accessibility, location and quality of tenants among other factors.

In particular, the revenue stream and value of the properties of the Group is subject to a number of factors, including:

- vacancies following expiry or termination of leases that lead to reduced occupancy levels as this reduces rental income and the ability to recover certain operating costs such as service charges;
- increases in the costs of providing adequate management, maintenance or insurance;
- defaults by the Group's buyers, tenants and strategic partners;
- tenants failing to comply with the terms of their leases or commitments to lease;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, or which could hinder or delay the sale of a property, or inability to collect rentals at all or the termination of the tenant's lease;
- the amount and extent to which the Group is required to revise rental rates due to market pressure and competition;
- increased legal and regulatory compliance costs; and
- inadequacies or failures of internal processes, people and systems or other external factors.

There can be no assurance that rental income and property values will not decline and that such decline will not have an adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

The Group is exposed to risks associated with the illiquidity of real estate developments and investments.

Real estate developments and investments are relatively illiquid in nature. Such illiquidity may affect the Group's ability to vary its development or investment portfolio or its hotel and serviced suite operation or liquidate part of its assets, in each case quickly, in response to changes in economic, financial, real estate market or other conditions. For instance, the Group may be unable to liquidate its development or investment properties or hotel and serviced suite properties on short notice, or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets if it is under pressure for a quick sale. These factors could have an adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

The Group may be subject to fines or sanctions if it does not pay land premiums or does not develop properties according to the terms of the land grant documents.

Under the Mainland laws and regulations relating to idle land, if a developer fails to develop land according to the terms of the land grant contracts (including but not limited to, the payment of fees, the designated uses of land and the time for commencement and completion of development of the land), the relevant authorities may issue a warning to or impose a fine on the developer or require the developer to forfeit the land use rights. Any violation of the terms of the land grant contracts may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Furthermore, there are specific requirements regarding idle land and other aspects of land use rights grant contracts in many cities on the Mainland, and the local authorities are expected to enforce such rules in accordance with the instructions from the central government of the Mainland.

Circumstances leading to the repossession of land or delays in the completion of a property development may arise, in particular, in view of the increasing complications in governmental approval process and if the Group's land is repossessed, the Group will not be able to continue its property development on the forfeited land, recover the costs incurred for the initial acquisition of the repossessed land or recover development costs and other costs incurred up to the date of the repossession. Furthermore, regulations relating to idle land or other aspects of land use rights may become more restrictive or punitive in the future.

If the Group does not comply with the terms of any land use rights grant contracts as a result of delays in project development, or as a result of other factors, the Group may lose the opportunity to develop the project, as well as its past investments in the land, which may materially and adversely impact its businesses, financial conditions, results of operations or growth prospects.

The Group's property businesses require substantial capital investment.

The Group may require additional financing to fund its capital expenditures, to support the future growth of its business and/or to refinance existing debt obligations. The Group's ability to arrange for external financing and the cost of such financing is dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investors' confidence in the Group, success of the Group's businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital and political and economic conditions in Hong Kong and the Mainland. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The appraised value of the Group's properties may be different from the actual realisable value and is subject to change.

The appraised values of the Group's properties are based on assumptions that include elements of subjectivity and uncertainty and may be subject to substantial fluctuations. The appraised value of the Group's investment properties is based on key assumptions including their market position, levels of yield, rent and/or price. Even though the Group's property valuers adopted valuation methodologies used in valuing similar types of properties when preparing the property valuation reports, the assumptions adopted may prove to be incorrect. As a result, the appraised values of the Group's properties may differ materially from the price the Group could receive in an actual sale of the properties in the market and should not be taken as their actual realisable value or an estimation of their realisable value. Unforeseeable changes in the development of property development projects, as well as national and local economic conditions, may affect the value of the Group's properties. In particular, the valuation of the Group's investment properties could stagnate or even decrease if the market for comparable properties in the places where the Group operates experiences a downturn as a result of government austerity measures with respect to the property sector, any deterioration in the macroeconomic environment or for other reasons.

Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The property development sector of the Group is subject to risks relating to accidents or other hazards which may not be covered by insurance.

Properties could suffer physical damage by fire or other causes and the Group may be exposed to any potential risks associated with public liability claims, resulting in losses (including loss of rent and value of properties) which may not be fully compensated for by insurance proceeds, and such events may in turn impact the Group's financial condition and/or results of operations. There is also the possibility of other losses for which the Group may not obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, payment of compensation may be required and this may affect the returns on capital invested in that property. The Group would also remain liable for any debt or other financial obligation, such as committed capital expenditures, related to that property. In addition, insurance policies will have to be renewed every year and acceptable terms for coverage will have to be negotiated, thus exposing the Group to the volatility of the insurance markets, including the possibility of rate increases. Any such factors may adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

Potential liability for environmental problems arising from the property development sector could result in significant costs to the Group.

The Group is subject to various laws and regulations concerning the protection of health and the environment, particularly the property development sector. For instance, the particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, its environmental condition, the present and former uses of the site, as well as any adjoining properties. Environmental laws and conditions may result in delays to the Group's property development projects, may cause the Group to incur compliance, other costs and/or environmental liabilities and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

The Group may experience schedule delays or budget overruns in completing the Group's property development projects.

Property development projects typically require substantial capital outlay and may take months or years before positive cash flows can be generated by pre-sales or sales of completed property developments, if at all. The time and costs required in completing a property development project may be subject to substantial increases due to many factors, including shortages of materials, equipment, technical skills and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licences, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevention of, the completion of a property development project and result in costs substantially exceeding those originally budgeted. Furthermore, any failure to complete a property development project according to its original specifications or schedule may cause adverse impact on the Group's return on investments and the Group may not achieve the expected return on investment.

Cooling measures on the property market introduced by the government of Hong Kong may affect the Group's financial conditions and results of operations.

On 4 November 2016, the government of Hong Kong (the **Hong Kong Government**) announced cooling measures in the form of an increase to stamp duty payable on property transactions to 15 per cent., effective from 5 November 2016 and applying to all residential property acquisitions by individuals or companies with the exception of first time home buyers who are Hong Kong permanent residents. The new 15 per cent. rate replaces the maximum 8.5 per cent. double ad valorem stamp duty on non-first time home purchases by Hong Kong permanent residents that had been in place since February 2013. On 12 April 2017, this increased stamp duty was extended to apply to first-time Hong Kong permanent resident property buyers acquiring multiple properties under a single contract. As the introduction of such measures are subject to policy

changes reflecting domestic political or economic circumstances, there is no assurance that the Hong Kong Government will not introduce further cooling measures in the future that may have a significant impact on the property market, which may in turn affect the Group's financial conditions and results of operations.

Measures proposed by the Hong Kong Government to expedite the supply of first-hand private residential units may have a negative impact on the Group.

On 29 June 2018, the Hong Kong Government proposed introducing a tax on vacant first-hand private residential units at two times the annual rateable value of the units (the **Vacancy Tax**) to encourage developers to release residential units more quickly into the market. Under the proposal, developers of first-hand private residential units with an occupation permit issued for 12 or more months will be required to make annual returns disclosing the occupancy status of their units. Units that have not been occupied or rented out for more than six of the past 12 months will be considered vacant and subject to the Vacancy Tax, which will be collected annually. On 13 September 2019, the Hong Kong Government gazetted an amendment bill to implement the proposed Vacancy Tax at the Legislative Council. If implemented, the Vacancy Tax may present a financial burden to the Group, which may have an adverse effect on its businesses, financial conditions or results of operations. On 16 October 2019, the Hong Kong Government announced plans to expand the eligibility under the Mortgage Insurance Programme of the Hong Kong Mortgage Corporation Limited. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 90 per cent. loan-to-value ratio will be raised from the existing HK\$4 million to HK\$8 million. The cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio will also be raised from HK\$6 million to HK\$10 million. As the introduction of these measures are subject to policy changes reflecting domestic political or economic circumstances and even though the Hong Kong Government has shelved plans to implement the Vacancy Tax in June 2020 due to the lack of time to vet the proposal, there can be no assurance that the Hong Kong Government will not introduce further measures in the future that may have a significant impact on the property market, which may in turn affect the Group's financial conditions and results of operations.

The Group is subject to regulations implemented by the PRC government, which may adopt further measures intended to curtail the overheating of property development in the Mainland.

The Group's business is subject to extensive governmental regulation. Like other property developers involved in the Mainland property market, the Group must comply with various requirements mandated by PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the Mainland property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, foreign exchange, property financing, taxation and foreign investment.

In response to concerns over the scale of the increase in property investment and the overheating of the property sector in the Mainland, the PRC government introduced a number of policies to restrict development in the property sector. These policies include suspending or restricting land grants and development approvals, charging idle land fees for land, usage and unit size restrictions, tightening availability of bank loans, imposing or increasing taxes for certain types of properties and implementing property purchase restrictions. Furthermore, various regional, provincial and local governments have also implemented municipal specific policies to respond to the perceived overheating of the Mainland property sector.

In 2013, the State Council announced a series of policies to limit property speculation. Such policies include setting pricing targets for newly developed properties, requiring provincial governments to impose purchase limits and credit restrictions, expanding the scope of experimental property taxes, increasing the supply of land and residential units and tightening market regulations. On 1 March 2013, the General Office of the State Council further announced the Notice on Further Regulation on Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》). The notice requires provincial and municipal governments to strengthen their regulation and administration of property markets, including increasing the supply of

properties and setting price control targets in cities experiencing demand over supply and rapidly rising housing prices. The notice also requires local governments to continue to strictly implement existing purchase restriction limits. In the event that property prices in any city rises too quickly and there is no purchase limit policy in place yet, the relevant provincial government is required to ensure that the relevant city promptly adopts a suitable purchase limit policy. The notice requires financial institutions to implement the down payment ratio and mortgage interest rate policy for first home loans, strictly implement the second housing credit policy and conduct more rigorous background checks on mortgage applicants. The local offices of the PBOC may also increase the interest rate and the down payment ratio for second housing mortgages if the property prices in any city rises too quickly. The notice also requires taxation, building and construction authorities to cooperate closely to ensure the 20 per cent. individual income tax is strictly levied on any income from the sale of second-hand properties. Aside from these restrictive measures, the notice also encourages governments to increase the supply of land for the construction of residential units and affordable housing. Relevant authorities are required to speed up the approval processes for property developments with small to medium sized units. Similarly, financial institutions are required to prioritise property development loan applications for projects in which small to medium sized units account for more than 70 per cent. of the total units in the development.

Since 2016, when the property market in the Mainland was soaring, several national and regional rules and policies have been introduced to cool down the market. For example, the Ministry of Land and Resources of the People's Republic of China (中華人民共和國國土資源部) (the **MLR**) and the Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部) (the **MOHURD**) issued the Circular on Tightening the Management and Control over Intermediate Residential Properties and Land Supply (《關於加強近期住房及用地供應管理和調控有關工作的通知》) on 1 April 2017 to strengthen and improve the management of the supply of housing land, including increasing the supply of housing land in cities facing serious demand oversupply, and to stabilise market expectations. Since September 2016, several major cities, including Beijing, Shanghai and Guangzhou, have issued tightened policies in respect of real property transactions such as further increasing the minimum down payment for residential properties, broadening the definition of “second property” such that purchasers with a previous property mortgage loan record would be deemed to be second-home buyers and restricting individuals from purchasing properties for commercial use.

The PRC government may adopt additional and more stringent measures in the future, which may limit the Group's access to capital resources, reduce market demand for the Group's products and increase the Group's operating costs in complying with these measures. There can be no assurance that the Mainland's government will not adopt additional or more stringent measures which could further slowdown property development in the Mainland and adversely affect the Group's business and prospects.

Gains or losses arising from changes in the fair value of the Group's investment properties are likely to fluctuate from time to time, and gains may decrease significantly and losses may rise significantly in the future.

The Group is required to reassess the fair value of its investment properties at every balance sheet date for which it issues financial statements. Under IFRS, gains or losses arising from changes in the fair value of the Group's investment properties are included in its income statement for the period in which they arise. Based on the valuations provided by its independent property valuer, the Group recognised the aggregate fair market value of its investment properties and relevant deferred tax on its consolidated statement of financial position and increases or decreases in fair value of investment properties and movements of the relevant deferred tax on its consolidated income statement.

Fair value gains or losses are not cash items and, as a result, do not correspondingly increase or decrease the Group's cash and cash equivalents despite the increase or decrease in profit. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. As a result, the Group cannot assure investors that changes in market conditions will, in the future, create gains arising from changes in fair value of the Group's investment properties at similar levels or at all, or that the fair value of the Group's investment properties will not decrease in the future. In particular, the fair value of the Group's investment

properties could decline if the property markets in the regions where it operates experience a slowdown. Any such decrease in the fair value of the Group's investment properties could materially and adversely affect its profitability.

The fair value of each of the Group's investment properties is likely to fluctuate with political, economic and market conditions and other risks factors in the future, and the Group's historic results, including the fair value gains should not be regarded as an indicator of its future profit.

The Group may be unable to renew tenancies or re-lease space at rental rates equal to or above the current rental rates or at all for investment and rental properties when tenancies expire and may not receive rent payments in a timely manner.

A portion of the Group's turnover from property investment and development is derived from income from renting office space and from renting retail and residential properties held as investment and rental properties. Financial performance may be materially and adversely affected in the event of a decline in rental or occupancy levels, or difficulties in securing lease renewals or obtaining new tenants, or if existing tenants reduce the amount of space that they occupy, or fail to comply with the terms of their lease or commitment to lease, or seek the protection of bankruptcy laws delaying or preventing receipt of rent payments, for any reason. The Group cannot be assured that existing tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or higher than those of the expiring tenancies. Moreover, the Group may be unable to obtain replacement tenants in a timely manner so as to minimise vacancy periods in between tenancies or to obtain rental rates equal to or above the current rental rates for tenancies. Furthermore, if vacant space cannot be leased out for a significant period of time, the market value of the Group's investment and rental properties may be adversely affected. Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The results of operations of the Group's property rental and property management businesses may be materially and adversely impacted by the lack of effective management of the Group's investment properties and development properties.

The Group's results of operations depend, to a certain extent, on rental income from its investment properties, which in turn is dependent upon the effective management of these properties. The Group relies primarily on services from the property management division to provide property management services to its investment properties. However, the Group cannot assure investors that its investment properties will continue to be effectively managed and maintained. If the Group's investment properties are not maintained in a manner consistent with the required quality standards, it may not be able to retain its existing tenants and may also be unable to attract prospective quality tenants. The inability of the Group to manage its investment properties in an efficient, effective and professional manner could therefore have a material and adverse effect on the Group. In addition, the Group considers property management to be an important element of after-sales services provided to its customers with respect to properties that the Group has sold. Ineffective property management in this regard may also result in damage to the Group's overall brand and reputation.

Any of the foregoing may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The Group incurs high maintenance and operating costs in operating its investment properties and hotels, and these costs may increase.

The Group's investment properties and hotel businesses consume a large quantity of utilities such as gas, water and electricity. The Group is generally not able to influence the prices which utility providers charge, nor can the Group easily switch to different utility providers. Any price increase or change in pricing structure from these utility providers could have an adverse effect on its operating costs. In addition, increases in the prices of other products and services which the Group procures to maintain its services to its tenants and guests could increase its operating costs. If the Group is not able to pass these higher operating costs on to its customers, the

Group's businesses, financial conditions, results of operations or growth prospects may be materially and adversely impacted.

In addition, operating investment properties and hotels involves a significant amount of fixed costs, including maintenance costs as well as employee and staff salaries and expenses. These fixed costs limit the Group's ability to respond to adverse market conditions by minimising costs. Such costs may have an adverse impact on its profitability when the property rental and hotel industries experience a downturn and may exacerbate a decline in occupancy rates, rental rates or room rates.

Any significant increase in maintenance costs may materially and adversely impact the Group's businesses, financial conditions, results of operations or growth prospects.

The hotel and serviced suite industry is cyclical and subject to seasonal volatility and macroeconomic and other factors beyond the Group's control can have a material and adverse impact on the demand for the Group's hospitality products and services.

The Group owns and operates hotels in Hong Kong and the Mainland. As a result, the operations of the Group's hotel and serviced suite business depend, to a large extent, on the performance of these economies and their real estate market conditions. Historically, the hotel and serviced suite industry has been cyclical and affected by, amongst other factors, supply of and demand for comparable properties, the rate of economic growth, interest rates, inflation and political, economic developments, seasonal factors and the nature of the hotel business. During periods of economic decline or uncertainty, including the COVID-19 pandemic and the corresponding quarantine and traffic-flow control measures adopted by the Hong Kong Government, the Group's hotel and serviced suite operations could be vulnerable to reduced business and leisure travel, decreased consumer spending and reduced disposable income, all of which may result in reduced demand for hotel rooms and serviced suites and downward pressure on the Group's daily room rates. There can be no assurance that the economies of the jurisdictions in which the Group operates will improve or that hotel and serviced suite property values and rates will not decline or that interest rates will not rise in the future. Hotel guests are short-term occupants of the hotel rooms and as a result, hotel occupancy rates and room rates are subject to a high degree of variability. Its customers' confidence, desire, willingness and ability to travel may also be affected by travel disruptions caused by extreme weather conditions, other natural disasters or epidemics. An economic decline generally, or a decline in the hotel and serviced suite industry, could have an adverse effect on the Group's hotel and serviced suite business and therefore may materially and adversely impact on the Group's businesses, financial conditions, results of operations or growth prospects.

In addition, a significant portion of the Group's hotel revenue is generated by its food and beverage services, including banqueting services. As part of the measures adopted by the Hong Kong Government with respect to the COVID-19 pandemic, wedding banquets and catering banquets at catering premises are subject to requirements on the utilisation of seating capacity and maximum number of people seated per table. As a result, its customers' confidence, desire, willingness and ability to host such banquets may be hampered and may have an adverse impact on the demand for its banqueting services. Separately, demand for its banqueting services typically increases on holidays, festivals and dates that are believed to be auspicious under the Chinese lunar calendar. While measures have been taken to address the seasonal fluctuations for the Group's hotel business, including its food and beverage business, such measures may be ineffective and therefore comparisons of results of operations between different periods within a single financial year may not be meaningful and should not be relied upon as indicators of the Group's performance.

The Group's aircraft leasing business may be affected by the general financial conditions of and other factors affecting the commercial airline industry.

The financial conditions of the commercial airline industry generally may have an impact on the Group's businesses, financial conditions, results of operations or growth prospects. Business and leisure travelling has been reduced sharply given the contingent measures including travel restrictions and new border control measures implemented in many countries or places to prevent the spread of COVID-19. Severe fallout has been witnessed in the aviation industry as a large number of airlines have significantly cut flights and grounded

planes. If the situation continues, the Group may experience (a) a higher incidence of lessee defaults, lease restructurings, reposessions and airline bankruptcies and restructurings, resulting in lower lease rates and effective margins and/or increased costs due to maintenance, insurance, storage and legal costs associated with the repossession, as well as lost revenue for the time the aircraft are off lease; (b) an inability to lease aircraft on commercially acceptable terms, or at all, upon repossession, resulting in lower lease margins due to aircraft not earning revenue and resulting in maintenance, insurance and storage costs; and (c) downward pressure on demand for the aircraft in the Group's fleet and reduced market lease rates and effective lease margins, as well as reduced aircraft values. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The commercial jet aircraft leasing and sales industry has periodically experienced cycles of aircraft oversupply and undersupply. The oversupply of a specific type of aircraft in the market is likely to depress aircraft lease rates and values of that type of aircraft.

The supply and demand of aircraft is affected by various cyclical factors that are not under the Group's control include:

- (a) passenger air travel demand,
- (b) airline profitability,
- (c) fuel costs and general economic condition,
- (d) geopolitical events,
- (e) outbreaks of infectious, pandemic diseases and natural disasters,
- (f) governmental regulations, including new Airworthiness Directives and environmental and safety regulations,
- (g) interest rates,
- (h) airline restructurings and bankruptcies,
- (i) cancellation or deferral of orders for aircraft,
- (j) delays in delivery by manufacturers,
- (k) the cost and availability of credit,
- (l) manufacturer production levels and technological innovation, including introduction of new generation aircraft,
- (m) retirement and obsolescence of aircraft models,
- (n) manufacturers merging or exiting the industry or ceasing to produce aircraft or engine types,
- (o) accuracy of estimates relating to future supply and demand made by manufacturers and airlines,
- (p) re-introduction into service of aircraft previously in storage; and
- (q) airport and air traffic control infrastructure constraints.

Any such factors may produce sharp decreases or increases in aircraft values and lease rates, which may adversely affect the businesses, financial conditions, results of operations or growth prospects of the Group.

The business of aircraft leasing is also highly dependent on aircraft and engine manufacturers. The supply of large passenger jet aircraft is dominated by a small number of airframe manufacturers, and a limited number of engine manufacturers. The Group therefore depends on these manufacturers' success in remaining financially stable, producing aircraft and related components that meet technical and regulatory requirements and airlines' demands and providing ongoing and reliable customer support. Should the manufacturers fail to

respond appropriately to market changes, or to fulfil their contractual obligations or to produce aircraft or components that meet technical or regulatory requirements, the Group may experience (a) poor customer support from the manufacturers of aircraft and components resulting in reduced demand for a particular manufacturer's product, creating downward pressure on demand for those aircraft and components of those types in the Group's fleet and reduced market lease rates for aircraft of those types; (b) a reduction in the Group's competitiveness due to deep discounting by the manufacturers, which may lead to reduced market lease rates and may adversely affect the value of the Group's portfolio and the Group's ability to remarket or sell some of the aircraft; and (c) poor customer support from the manufacturers of associated components resulting in disruption to the lessees' operations and consequent loss of revenue for the lessees. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Aircraft Repossession Rights and Other Remedies.

In the event that an aircraft lessee defaults on its obligations under an aircraft lease, the lessor will be entitled to exercise certain remedies, including the right to terminate the leasing of the aircraft, take possession and control of the aircraft, and procure the de-registration, exportation and physical transfer of the aircraft from the territory in which it is located. The lessor's ability to exercise such remedies in a cost effective and timely manner will vary significantly depending upon the jurisdiction in question and whether the aircraft is returned voluntarily by the lessee through negotiation. If the lessor cannot obtain the lessee's co-operation, enforcement of the lessor's rights under the lease may need to be sought through the courts, which may be difficult, expensive and time-consuming, particularly if the proceedings are contested by the lessee.

Increased lessee defaults as a result of the COVID-19 pandemic may require the lessor to exercise its remedies earlier than anticipated. In the current environment, it is more difficult, expensive and time-consuming for the lessor to repossess aircraft and procure its de-registration, exportation and physical transfer. This could result in increased risk to the aircraft's value where its maintenance condition deteriorates while repossession, de-registration and exportation of the aircraft are being pursued, and increased costs and expenses due to unexpected maintenance, insurance, storage and legal costs, as well as lost revenue for the time the aircraft are off lease. Additionally, the return condition of repossessed aircraft may not be as expected and maintenance costs associated with bringing the aircraft to airworthiness may need to be incurred. Any of the foregoing may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Furthermore, the COVID-19 pandemic and current market conditions have increased the likelihood that lessees encountering financial difficulties may initiate or enter into a bankruptcy, insolvency or similar proceeding. Any such proceeding may result in the aircraft being grounded or the lease being restructured or rejected, which could result in lower effective margins and/or higher maintenance, insurance, storage and legal costs, as well as lost revenue for the time the aircraft are off lease, all of which may depress the aircraft's market value and adversely affect the ability to re-lease the aircraft on commercially acceptable terms, and adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Where the lessee is the subject of bankruptcy, insolvency or similar proceedings, the lessor's ability to exercise its remedies under the lease will be affected by the insolvency laws of the jurisdiction in question, which may not have an equivalent of the protections provided by Section 1110 of the U.S. Bankruptcy Code in U.S. domestic airline bankruptcies. Moreover, the recent introduction of insolvency and restructuring reforms in a number of jurisdictions has increased the likelihood of a lessee seeking to implement a balance-sheet restructuring enforceable against its creditors under the insolvency laws of a jurisdiction other than its own. Remedies under the Cape Town Convention on International Interests in Mobile Equipment and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (collectively, the **Cape Town Convention**), which include the ability to obtain possession of aircraft after a prescribed stay period, mitigate some of these risks. However, there are many jurisdictions in the world that have not ratified and fully implemented the Cape Town Convention.

In jurisdictions that have newly enacted insolvency laws, or that have recently adopted the Cape Town Convention, there may be limited experience in their application and limited jurisprudence that would indicate

how such insolvency laws or the Cape Town Convention (or any inconsistencies between existing law and such insolvency laws or the Cape Town Convention) will be implemented, interpreted, applied or enforced by the courts or government agencies, and there can be no assurance that any court or government agency interpreting the Cape Town Convention will do so in a manner that maximises the benefits of the Cape Town Convention for the lessor. Any application of such insolvency laws in an adverse manner, and any interpretation of the Cape Town Convention by a court or government agency in a manner that does not maximise the benefits of the Cape Town Convention with respect to the lessor, may materially and adversely affect the lessor's ability to exercise its remedies under the lease and present significant and firm hurdles to effect repossession, de-registration and exportation of the aircraft, which will have an impact on the Group's businesses, financial conditions, results of operations or growth prospects.

The Group is exposed to risks relating to the business of commercial airline operators.

Fuel costs represent a major expense to companies operating within the airline industry. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental events, natural disasters, outbreaks and spreads of epidemics, as well as regulatory changes and currency exchange rates. Significant changes in fuel prices could have a material adverse impact on airline profitability (including the profitability of the initial lessees) and may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

Many aspects of commercial airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Regulatory actions that may be taken in the future by the relevant governments and authorities may have a materially adverse impact on the airline industry, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading, substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The risks of terrorist attacks and geopolitical conditions may also negatively affect the airline industry due to various factors, including:

- (a) higher costs to airlines due to the increased security measures,
- (b) losses in passenger revenue due to a decrease in travel,
- (c) the price and availability of jet fuel and the ability to obtain fuel hedges under current market conditions,
- (d) higher financing costs and difficulty in raising financing; and
- (e) special charges recognised by some airlines, such as those related to the impairment of aircraft and other long lived assets stemming from the grounding of aircraft as a result of terrorist attacks.

There may also be significantly higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such insurance will continue to be available or may exclude events such as radioactive dirty bombs, bio-hazardous materials and electromagnetic pulsing, which may damage or destroy aircraft. Ultimately, the inability of airlines to reduce their operating costs and conserve financial resources will affect their profitability and in turn, the Group's aircraft leasing business.

Potential liability for environmental problems arising from aircraft leasing business could result in significant costs to the Group.

The Group is subject to various laws and regulations concerning the protection of health and the environment, particularly the aircraft leasing business. Many aspects of commercial airlines' operations are

subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Regulatory actions that may be taken in the future by the relevant governments and authorities may have a materially adverse impact on the airline industry, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading, substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions. Any such factors may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

The Group's UK pub operation may be adversely impacted by a deterioration in market condition and change of consumer demand.

Various control measures may be implemented by the UK government to contain the spread of COVID-19 and its new variants, including but not limited to the statutory business closure of all pubs and restaurants temporarily and social distancing which, to a great extent, restricts dine-in patronage and social gatherings. This may result in a sudden tremendous plunge in consumption of products and services provided by the pubs and restaurants in the UK. In view of the uncertainty over the nature and duration of such control measures, the resulting effect on the industry is unpredictable and may pose significant adverse impact on the Group's business, financial conditions, results of operations or growth prospects. The pace of recovery depends on the development of COVID-19 situation and mass vaccination programmes. In relation to non-recourse debt financing, the Group has obtained waivers from the relevant creditors (except for one debenture) in respect of covenant breaches as a result of COVID-19. There is no assurance that such waivers could always be obtained in the future.

Brexit and the knock-on effects cast another layer of uncertainty and it remains unclear how consumer confidence will be impacted upon as Brexit unfolds. The Group's business operates in a market where consumer behaviour may change from time to time. The use of digital media, including the expanding food delivery market, also adds to the competition. Failure to respond to increased competition, to refine segmentation and adopt branding effectively, to price products appropriately and to align the portfolio of product offerings to meet the demand of consumers could all lead to reduced revenue, profitability and lower than anticipated market share and growth rates.

The Group's pub operations rely on third party suppliers and distributors along the supply chain.

The footprint of the Group's pub operations covers most parts of England, Wales and Scotland. The Group manages the supply chain by a combination of internal logistic resources and also by relying on a number of key suppliers and third party distributors to supply and deliver goods, including in particular food and drinks. These suppliers also provide raw materials to the breweries operated by the Group to produce and package beers under the brands owned by the Group. Short term or prolonged disruption of such suppliers and distributors caused by events such as outbreaks of epidemic could lead to interruption of delivery of products or services to customers, resulting in a loss of revenue. Long term failure or withdrawal of key suppliers or distributors could, in addition, lead to significantly increased costs in procuring alternatives. Moreover, failure to brew, package and distribute beers for extended periods could also have long term adverse effects on revenue and profitability.

The Group's pub operations are subject to cost pressures.

The Group continues to face cost headwinds amongst some significant areas of expenditure for pubs managed by the Group, including pressure from increasing food prices, the National Living Wage/National Minimum Wage, the Apprenticeship Levy, business rates, utilities taxes as well as costs of additional safety and hygiene measures in response to COVID-19. A lot of these cost factors are beyond the control of the Group. Failure to mitigate effectively against them could lead to reduced revenue, profitability and lower growth rates. Apart from pubs managed by the Group, any difficulties the licensees in tenanted pubs face may also impact on their ability to keep up with their rental payments and to pay for their purchases from the Group. Whilst the

long term impact of the Brexit negotiations is yet to be fully understood, there has been reduced migration of working population from the EU to the UK. This could add to the cost and challenges in recruiting and retaining enough talented people. Similar issues are faced by the licensees in tenanted pubs.

The Group's pub operations are subject to various health, safety, employment and data protection laws and regulations which may result in additional expenses to comply with such requirements.

Failure to comply with major health and safety legislation and the causing of serious injury or loss of life to any customers, employees or tenants in the pubs managed by the Group or pubs tenanted by licensees, offices or breweries could have a significant impact on the reputation of the Group. It could further lead to investigations by relevant authorities and potentially significant financial loss. If there is an issue in the food supply chain, including the provision of incorrect allergen information, that leads to serious illness or loss of life to any customer, it could also lead to a significant impact on the reputation of the Group, restrictions in supply, potential increases in the cost of goods, reduced sales revenue and profitability.

Failure to comply with employment-related legislation such as those relating to the National Living Wage/National Minimum Wage and right to work could lead to HM Revenue and Customs fines, additional expense and reduced profitability and an adverse impact on the Group's reputation and ability to recruit and retain talented people.

A significant personal data breach through failure to comply with the UK Data Protection Act 2018 and UK version of the General Data Protection Regulation could impact the Group's ability to do business and reputation, leading to loss of revenue and potentially significant risk of financial damage from fines or compensation.

The Group's investments in the infrastructure market is exposed to regulatory and external risks.

Some of the investments owned by the Group (for example, gas and electricity) are subject to regulatory pricing and strict adherence must be made to the licence requirements, codes and guidelines established by the relevant regulatory authorities from time to time. Failure to comply with these licence requirements, codes or guidelines may lead to penalties, or in extreme circumstances, amendment, suspension or cancellation of the relevant licences by the authorities. Many of these regulated businesses have recently or will soon be undergoing challenging regulatory resets. Against an environment of ultra-low interest and inflation rates as well as tougher stances adopted by regulators, the outcome is expected to be lower revenues arising from lower allowed returns. Any operational practices that are significantly out of step with community expectations can lead to brinkmanship, concerns being raised with regulators or even the local Government directly, and may ultimately lead to more stringent regulatory resets as well as bad publicity that could also have a reputational impact.

The distribution and transmission networks of the Group's utilities investments are also exposed to supply interruptions. If a severe earthquake, storm, flood, fire, sabotage, terrorist attack, outbreaks of epidemics or other unplanned event interrupts service, the loss of cash flow resulting from the interruption and the cost of recovery from network damage could be considerable and potentially cause poor customer perception and may also lead to claims and litigations. Moreover, some losses from events such as terrorist attacks may not be recoverable. Increases in the number or duration of supply interruptions could result in material increases in the costs associated with the operation of the distribution and transmission networks. All of these uncertain factors could have a material adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

The Group's business operations face significant competition across the markets in which they operate.

New market entrants and intensified price competition among existing market players could adversely affect the Group's businesses, financial conditions, results of operations or growth prospects. Competition risks faced by the Group include (a) an increasing number of developers undertaking property investment and development in Hong Kong, the Mainland and in other overseas markets, which may affect the market share and returns of the Group; and (b) significant competition and pricing pressure from other competitors, which may adversely affect the Group's businesses, financial conditions, results of operations or growth prospects.

There can be no assurance that the Group's new business ventures and investments will be successful.

To balance and mitigate the inherent risks associated with the cyclical nature of property development, or generally, the Group is committed to balancing and strengthening its business portfolio through global quality investments to enhance its recurrent income base and quality of earnings. The Group has taken steps to create and will continue to explore ways to create new sources of recurring revenue by investing into new business sectors and geographical regions if appropriate in respect of investments that meet its criteria. However, there can be no assurance that the Group will implement its business expansion strategies successfully or that its strategies will be able to deliver the results as anticipated. In pursuit of new business opportunities, the Group is experiencing more intense competition where competing bidders are more aggressive in the valuation of the assets on the back of abundant market liquidity and lower return requirements. Also, expansion into new sectors and markets may expose the Group to new uncertainties, including but not limited to, risks relating to insufficient operating experience in certain sectors and markets, changes in governmental policies and regulations and other adverse developments affecting such sectors and markets. There is also no assurance that all investors would favour the new ventures or investments that may be made by the Group.

The Group may be exposed to risks associated with conducting local and international acquisition activities.

The Group has undertaken acquisition activities in the past and may continue to do so if there are appropriate acquisition opportunities in the market. Although due diligence and detailed analysis are conducted before acquisition activities are undertaken, there can be no assurance that these can fully expose all hidden problems, potential liabilities and unresolved disputes that the target company may have. In addition, valuations and analyses on the target company conducted by the Group and by professionals alike are based on numerous assumptions, and there can be no assurance that those assumptions are correct or appropriate or that they will receive universal recognition. Relevant facts and circumstances used in the analyses could have changed over time, and new facts and circumstances may come to light as to render the previous assumptions and the valuations and analyses based thereon obsolete. The COVID-19 pandemic has introduced more market uncertainty and has also imposed logistical restrictions on the ability to conduct due diligence according to the Group's usual procedures. Some of these acquisition activities are subject to regulatory approvals in overseas countries and there can be no assurance that such approvals will be obtained, and even if granted, that there will be no burdensome conditions attached to such approvals. The Group may not necessarily be able to successfully integrate the target business into the Group and may not be able to derive any synergy from the acquisition, leading to an increase in costs, time and resources. For acquisition activities undertaken overseas, the Group may also be exposed to different and changing political, social, legal and regulatory requirements at the local, national and international level. The Group may also need to face different cultural issues when dealing with local employees, customers, governmental authorities and pressure groups.

Certain businesses of the Group are conducted through non-wholly owned subsidiaries, joint ventures and associates.

Some of the businesses of the Group are conducted through non-wholly owned subsidiaries, associates and joint ventures in which the Group shares control (in whole or in part) and strategic alliances have been formed by the Group with other strategic or business partners. There can be no assurance that any of these strategic or business partners will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly owned subsidiaries, associates and joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) take actions contrary to the Group's policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect the Group's businesses, financial conditions, results of operations or growth prospects.

On the Mainland, property investment and development may often involve the participation of local and foreign partners, and there may be additional risks or problems associated with joint ventures and associates on

the Mainland. For instance, guarantees given by parties from the Mainland in relation to joint ventures on the Mainland may be difficult to enforce as their validity may depend on the financial and legal qualifications of the guarantors and the appropriate approvals having been obtained. If the Group experiences any significant problems with respect to its partners in the future, it could have a material adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

The Group may be subject to connected transaction risk due to its relationship with other listed entities.

Each of CK Hutchison Holdings Limited (**CK Hutchison**) and the Guarantor is listed on the Hong Kong Stock Exchange. CK Hutchison has been deemed by the Hong Kong Stock Exchange to be a connected person of the Guarantor under the HKSE Rules. Although the Group believes that its relationship with CK Hutchison provides it with significant business advantages, the relationship results in various connected transactions under the HKSE Rules and accordingly any transactions entered into between the Group and CK Hutchison or its subsidiaries are connected transactions, which, unless one of the exemptions is available, will be subject to compliance with the applicable requirements of the HKSE Rules, including the issuance of announcements, the obtaining of independent shareholders' approval at general meetings and disclosure in annual reports and financial statements. Independent shareholders' approval requirements may also lead to unpredictable outcomes causing disruptions to as well as an increase in the risks of the Group's business activities. Independent shareholders may also take actions that are in conflict with the interests of the Group.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Potential investors should not place undue reliance on the financial information incorporated by reference that is not audited.

The past performance and the results of operations of the Group as contained in the 1H2021 Financial Statements are historical in nature and past performance can be no guarantee of future results of the Group. The 1H2021 Financial Statements may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the directors, employees or agents of the Group assume (a) any obligation to correct or update the forward-looking statements or opinions contained in the 1H2021 Financial Statements; and (b) any liability in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

There are particular risks associated with an investment in certain types of Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

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

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate (**LIBOR**). The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

The regulation and reform of benchmark rates of interest and indices may adversely affect the value of Notes referencing or linked to such a benchmark

Reference rates and indices, including interest rate benchmarks, such as LIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments (**Benchmarks**), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

The value of, and return on, Floating Rate Notes linked to or referencing LIBOR may be adversely affected in the event of a permanent discontinuation of LIBOR

Reference rates and indices, including interest rate benchmarks such as LIBOR and EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments (**Benchmarks**) have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. Some of these reforms are already effective whilst others are still to be implemented. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued, or have consequences which cannot be predicted.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) or Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU or the UK (as the case may be). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non- EU-based or non-UK based (as the case may be), to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU or UK (as the case may be) supervised entities of benchmarks of administrators that are not authorised or registered (or, if non- EU based or non-UK based (as the case may be), not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation and the UK Benchmarks Regulation (as the case may be) could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other

terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation or the UK Benchmarks Regulation (as the case may be). Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. For example, on 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority (**FCA**) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcements**). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021; (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023; (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the Intercontinental Exchange Benchmark Administration (the **IBA**) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after 31 December 2021) and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require the IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after 30 June 2023).

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk free rate. €STR has been published by the European Central Bank by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

The potential elimination of the LIBOR benchmark, or changes in the manner of administration of any other benchmark, may cause a Benchmark to perform differently than it has done in the past or to be discontinued, and could require an adjustment on the terms and conditions, or result in other consequences, in respect of any Notes referencing or linked to such Benchmark (including but not limited to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such original

Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the original Reference Rate was discontinued and if such original Reference Rate is discontinued permanently, the same Rate of Interest will continue to be the Rate of Interest for each successive Interest Period until the maturity of the Floating Rate Notes, so that the Floating Rate Notes will, in effect, become Fixed Rate Notes utilising the last available Rate of Interest. Uncertainty as to the continuation of the original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an “LIBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant LIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or the UK Benchmarks Regulation or any other international or national reforms, in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Risks related to Renminbi-denominated Notes

Notes denominated in Renminbi (**Renminbi Notes**) may be issued under the Programme. Renminbi Notes contain particular risks for potential investors, including:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and out of the Mainland which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not freely convertible at present. The Mainland’s government continues to regulate conversion between Renminbi and foreign currencies despite significant reduction over the years by the Mainland’s government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the Mainland for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations on the Mainland on the remittance of Renminbi into the Mainland for settlement of capital account items are developing gradually.

In addition, certain authorities of the Mainland, such as the State Administration of Foreign Exchange of the PRC (**SAFE**) and the People’s Bank of China (the **PBOC**), have promulgated various circulars to regulate the use and remittance of Renminbi. Such circulars set out requirements governing, among others, the use of Renminbi onshore; aspects in relation to Renminbi denominated foreign direct investment, including capital injections, payments for the acquisition of domestic enterprises on the Mainland, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans; and the approvals and/or consents required from the relevant Ministry of Commerce (**MOFCOM**) for Renminbi foreign direct investment. These

circulars are relatively new and are accordingly subject to interpretation and application by the relevant authorities of the Mainland.

Even though the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund from 1 October 2016, there can be no assurance that the Mainland's government will continue to liberalise control over cross border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations on the Mainland will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the Mainland. In the event that funds cannot be repatriated outside the Mainland in Renminbi, this may affect the overall availability of Renminbi outside the Mainland and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

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

As a result of the restrictions imposed by the Mainland's government on cross border Renminbi fund flows, the availability of Renminbi outside the Mainland is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement mechanism for certain participating banks (each an **RMB Clearing Bank**) in specified cities outside the Mainland (each a **RMB Settlement Centre**). Although the list of RMB Clearing Banks and the number of cities in which Renminbi can be cleared and settled have increased over the years, the current size of Renminbi-denominated financial assets outside the Mainland remains limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. They are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside a RMB Settlement Centre that are in the same bank group of the participating banks concerned with their own trade position, and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the Mainland to square such open positions.

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

Investment in Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes on the Mainland and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates before announcing the daily mid-point price of Renminbi. This change, among others changes such as widening the trading band that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S.

dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks.

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

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by a Global Note held by the sub-custodian for and on behalf of the CMU, by transfer to a RMB bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, (ii) for so long as the Renminbi Notes are represented by a Global Note held with a common depositary (a **Common Depositary**) for Euroclear and Clearstream, Luxembourg or any alternative clearing system, transfer to a RMB bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures, or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a RMB bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer or the Guarantor cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account on the Mainland).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under tax laws on the Mainland.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementation rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-Mainland resident enterprise holders or individual holders may be subject to PRC enterprise income tax (**EIT**) or PRC individual income tax (**IIT**) if such gain is regarded as income derived from sources on the Mainland. While the PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the gains derived by such non-Mainland resident enterprise Noteholders from the transfer of the Notes, its implementation rules have reduced the EIT rate to 10 per cent. In accordance with the PRC Individual Income Tax Law and its implementation rules (as amended from time to time), any gain realised by a non-Mainland resident individual Noteholder from the transfer of the Notes may be regarded as being sourced from the Mainland and thus be subject to IIT at a rate of 20 per cent. of the gains derived by such non-Mainland resident individual Noteholder from the transfer of the Notes. However, there remains uncertainty as to whether the gain realised from the transfer of the Renminbi Notes would be treated as income derived from sources on the Mainland and be subject to Mainland tax. This will depend on how the Mainland's tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and their respective implementation rules. If such gains are determined as income sourced on the Mainland by the relevant Mainland's tax authorities, (i) the non-Mainland resident enterprise Noteholders may be subject to EIT at the rate of 10 per cent. of the gains derived by such non-Mainland resident enterprise Noteholders and (ii) the non-Mainland resident individual Noteholders may be subject to IIT at the rate of 20 per cent. of the gains derived by such non-Mainland resident individual Noteholders, unless there is an applicable tax treaty between the Mainland and the jurisdiction in which such non-Mainland resident enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in the Renminbi Notes may be materially and adversely affected.

Risks related to Notes generally

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

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Guarantor is a holding company which means it depends, to a significant extent, upon the receipt of dividends from its subsidiaries and associates to make payments with respect to its obligations.

The Guarantor is a holding company that operates through subsidiaries. It is principally a holding company with limited operations of its own. The Guarantor will depend, to a significant extent, upon the receipt of dividends from its subsidiaries and associates to meet its overhead expenses and to make payments with respect to its obligations, including its obligations under the Guarantee, and in order to provide funds to its subsidiaries and associates. The ability of subsidiaries and associates of the Guarantor to pay dividends to their shareholders (including the Guarantor) is subject to the performance and cash flow requirements of such subsidiaries and associates and to applicable law and restrictions contained in debt instruments of such subsidiaries and associates if any. The Guarantor's obligations under the Guarantee will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and associates. All claims of creditors of these subsidiaries and associates, including trade creditors, lenders and all other creditors, will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including holders of the Notes as beneficiaries of the Guarantee. No assurance can be given that the Guarantor will have sufficient cash flow from dividends to satisfy its obligations, including the obligations under the Guarantee or otherwise to enable the Issuer to make payments under the Notes, or that its subsidiaries and associates will pay dividends at all.

If the Group is unable to comply with the restrictions and covenants contained in its debt agreements, an event of default could occur under the terms of such agreements, which could cause repayment of such debt to be accelerated.

If the Group is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Group, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, whichever the case may be.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

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

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a

recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or issued or are to be published or issued from time to time after the date hereof shall be incorporated in, and form part of, this Offering Circular:

- (i) the 2019 and 2020 Financial Statements and the 1H2021 Financial Statements;
- (ii) the most recently published audited annual financial statements of the Issuer (if any) and the most recently published audited consolidated annual financial statements of the Guarantor and, if published later, the most recently published interim financial statements of the Issuer (if any) and the most recently published interim consolidated financial statements of the Guarantor, see “*General Information — Documents Available*” for a description of the financial statements currently published by the Issuer and the Guarantor (as at the date of this Offering Circular, the Issuer has not published, and do not propose to publish, any financial statements); and
- (iii) all supplements or amendments to this Offering Circular circulated by each of the Issuer and the Guarantor from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Each of the Issuer and the Guarantor will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Principal Paying Agent at its specified office set out at the end of this Offering Circular. Such documents will be available free of charge from the specified office of the Principal Paying Agent in Hong Kong (or such other Paying Agent for the time being in Hong Kong) for Notes listed on the Hong Kong Stock Exchange.

Each of the Issuer and the Guarantor has undertaken to the Dealers in the Dealer Agreement (as defined in “*Subscription and Sale*”) to publish a supplementary offering circular upon becoming aware that:

- (i) there has been a significant (as defined in the HKSE Rules) change affecting any material matter contained in this Offering Circular; or
- (ii) a significant (as defined in the HKSE Rules) new matter has arisen, the inclusion of information in respect of which would have been required to be in this Offering Circular if it had arisen before this Offering Circular was issued.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading in any material respect, a new offering circular will be prepared.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer and Registered Notes will be issued outside the U.S. in reliance on the exemption from registration provided by Regulation S under the Securities Act (**Regulation S**).

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

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche either (i) to a Common Depositary for Euroclear and Clearstream, Luxembourg or (ii) a sub-custodian for the Hong Kong Monetary Authority (**HKMA**), as operator of the Central Moneymarkets Unit Service (the **CMU**).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg and/or The Hongkong and Shanghai Banking Corporation Limited (the **CMU Lodging Agent**) which, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

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

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

In respect of a Bearer Global Note representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no

presentation of the relevant Bearer Global Note shall be required for such purpose. For the purposes of this paragraph, **Clearing System Business Day** means a day on which the CMU is operating and open for business.

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

For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg and, in the case of Notes cleared through the CMU, the CMU, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by a Common Depositary for Euroclear or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or, (b) in the case of Notes held through the CMU, the relevant account holders therein may give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent, requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

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

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

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

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

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

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg and, in the case of Notes cleared through the CMU, the CMU have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through a sub-custodian for the CMU, the relevant account holders therein may give notice to the Registrar or the CMU Lodging Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or the CMU Lodging Agent, as the case may be.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg and the CMU, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent or, as the case may be, the CMU Lodging Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU, each person (other than Euroclear and/or Clearstream, Luxembourg or the CMU) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or the CMU as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, the CMU Lodging Agent and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the

payment of principal or interest on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Principal Paying Agent, the CMU Lodging Agent and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the close of business on the Clearing System Business Day immediately prior to the date for payment as set out in the records of the CMU and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note. For the purposes of this paragraph, **Clearing System Business Day** means a day on which the CMU is operating and open for business.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or the CMU on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 22 July 2016 and executed by the Issuer.

FORM OF PRICING SUPPLEMENT

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

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

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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or

otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Date]

CK Property Finance (MTN) Limited
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●]
Guaranteed by CK Asset Holdings Limited under the U.S.\$5,000,000,000
Euro Medium Term Note Programme

This document constitutes the Pricing Supplement for the Notes described herein. This document contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 15 October 2021 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

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

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

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**Professional Investors**)) only.]

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

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

This document together with the Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to each of the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and confirm, having made all

reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

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

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

- | | | |
|----|--|---|
| 1. | (a) Issuer: | CK Property Finance (MTN) Limited |
| | (b) Guarantor: | CK Asset Holdings Limited |
| 2. | (a) Series Number: | [] |
| | (b) Tranche Number: | [] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]][Not Applicable] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [] |
| | (b) Tranche: | [] |
| 5. | [(a)] Issue Price | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| | [(b)] Net Proceeds (required only for listed issues) | [] |
| 6. | (a) Specified Denominations: | [] |

(N.B. Notes must have a minimum denomination of € 100,000 (or equivalent) or £100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities and in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Regulation or the UK Prospectus Regulation in that Relevant State or the UK (as the case may be).)

(Note — where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)

(Note — where multiple denominations above [U.S.\$200,000] or equivalent are being used the following sample wording should be followed:

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

- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate - specify date/*Floating rate* - Interest Payment Date falling in or nearest to [specify month and year]]¹
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/HIBOR/SIBOR] +/-
[] per cent. *Floating Rate*]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
[Not Applicable]
13. [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively]]

¹ Note that for Hong Kong dollar or Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)

14. Listing: [Hong Kong/specify other/None]²

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date

(b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[Specify other]³

Amend appropriately in the case of irregular coupons)

(c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount⁴

(d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]

(e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/Actual/365 (Fixed)/specify other]]

(f) Determination Date(s): [[] in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)

(g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. Floating Rate Note Provisions [Applicable/Not Applicable]

² If Listing in Hong Kong, specify expected listing date.

³ Note that for certain Hong Kong dollar or Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [●]."

⁴ For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording is appropriate. "Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 5.1(a)(i)) divided by 365 and rounding the resultant figure to the nearest HK\$0.01, HK\$0.005 being rounded upwards." For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording is appropriate: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 5.1(a)(i)) divided by 365 and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards."

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]] [Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): []
- (f) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate: [] month
[LIBOR/EURIBOR/HIBOR/SIBOR/specify other Reference Rate]
Relevant Financial Centre:
[London/Brussels/specify other Relevant Financial Centre]
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), first day of each Interest Period if Sterling LIBOR or Hong Kong dollar HIBOR, the second day on which the TAR GET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, or second Business Day prior to start of interest period of SIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- [In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period]*

- (h) Linear Interpolation: [Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond basis] [30E/360 (ISDA)] (*See Condition 5 for alternatives*)]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
18. Zero Coupon Note Provisions [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365] [*specify other*]
19. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Index/Formula: [*give or annex details*]
- (b) Calculation Agent [*give name*]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent): []
- (d) Provisions for determining Coupon where calculation by [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

reference to Index and/or Formula
is impossible or impracticable:

- (e) Specified Period(s)/Specified Interest Payment Dates: []
 - (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
 - (g) Additional Business Centre(s): []
 - (h) Minimum Rate of Interest: [] per cent. per annum
 - (i) Maximum Rate of Interest: [] per cent. per annum
 - (j) Day Count Fraction: []
20. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
 - (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): []
 - (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
 - (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []
 - (d) Notice period (if other than as set out in the Conditions): []
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information)*

through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

22. Investor Put:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

(c) Notice period (if other than as set out in the Conditions): []

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

23. Final Redemption Amount:

[[] per Calculation Amount/specify other/see Appendix]

24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5):

[[] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

[Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Registered Notes:

[Registered Global Note (U.S.\$[] nominal amount) registered in the name of a common depository

for Euroclear and Clearstream, Luxembourg/held through the CMU

(specify nominal amounts)]]

(N.B.: If the Temporary Global Note or Permanent Global Note is exchangeable for Definitive Notes at the option of the holder, the Notes shall be tradable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in paragraph 6 and multiples thereof.)

26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraphs 17(c) and 19(g) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
30. Other terms: [Not Applicable/give details]

DISTRIBUTION

31. (a) If syndicated, names of Managers: [Not Applicable/give names]
(b) Stabilisation Manager(s) (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
33. U.S. Selling Restrictions: Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]
34. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
35. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the

Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

36. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

37. Any clearing system(s) other than Clearstream Banking S.A. and the relevant identification number(s): [CMU /Not Applicable/give name(s) and Euroclear Bank SA/NV and number(s)]

38. Delivery: Delivery [against/free of] payment

39. In the case of Registered Notes, specify the location of the office of the Registrar if other than London: [Not Applicable]

40. Additional Paying Agent(s) (if any): []

41. Investment and other considerations in respect of the Notes: [Include relevant considerations in respect of the Notes (if any)/See Schedules 1 and 2 hereto]

42. ISIN Code: []

43. Common Code: []

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

44. Legal Entity Identifier (LEI): 254900ESTS3Z50QX6978

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of CK Property Finance (MTN) Limited.]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By _____
Duly authorised

Signed on behalf of the Guarantor:

By _____
Duly authorised

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Condition 1, 5, 6, 7 (except for Condition 7.2), 11, 12, 13, 14 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 16, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplemental to this Offering Circular will be prepared, if appropriate.

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series (as defined below) of Notes issued by CK Property Finance (MTN) Limited (the **Issuer**) pursuant to the Agency Agreement (as defined below).

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

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement dated the Establishment Date (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited) (the **Guarantor**) as guarantor, The Hongkong and Shanghai Banking Corporation Limited as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging agent (the **CMU Lodging Agent**, which expression shall include any successor CMU lodging agent) and the other paying agents named therein (together with the Principal Paying Agent and the CMU Lodging Agent, the **Paying Agents**, which expression shall include any additional or successor agents), The Hongkong and Shanghai Banking Corporation Limited as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the CMU Lodging Agent, the Registrar, the Paying Agents and other Transfer Agents together referred to as the **Agents**. For the purposes of these Terms and Conditions (the **Conditions**), all references to the Principal Paying Agent or the Paying Agent shall, with respect to a Series of Notes to be held in the CMU (as defined below), be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Notes in definitive bearer form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

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

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

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

In the case of Notes cleared through Euroclear, Clearstream, Luxembourg or CMU (each as defined below), the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated the Establishment Date and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg or the relevant office specified by a sub-custodian for the CMU.

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are available for inspection during normal business hours at the specified office of the relevant Paying Agent. Copies of the applicable Pricing Supplement are available for viewing during normal business hours at the registered office of the Issuer and of the Principal Paying Agent and copies may be obtained from those offices save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

1 FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Notes of one

Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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

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

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service (the **CMU**), each person (other than Euroclear, Clearstream, Luxembourg or the **CMU**) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the **CMU** as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the **CMU** as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the **CMU**, any payment that is made in respect of such Note shall be made at the direction of the bearer to the person(s) for whose account(s) interests in such Note are credited as being held through the **CMU** in accordance with the **CMU Rules** at the relevant time (the **CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

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

2 TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg or the **CMU**, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and

regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg or the CMU, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for Euroclear, Clearstream, Luxembourg or the CMU shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear, Clearstream, Luxembourg or the CMU or to a successor of Euroclear, Clearstream Luxembourg or the CMU or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraph 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

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

3 STATUS OF THE NOTES AND THE GUARANTEE

3.1 Status of the Notes

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

3.2 Status of the Guarantee

The Guarantor has in the Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by provisions of applicable law that are both mandatory and of general application) rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, from time to time outstanding.

4 NEGATIVE PLEDGE

4.1 So long as any Note remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking or assets to secure any Indebtedness or Guarantee of Indebtedness except for, in each case:

- (a) liens arising solely by operation of law (or by an agreement to the same effect) and in the ordinary course of its operations; or
- (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders; or
- (c) any Security Interest in respect of Indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Indebtedness which has the benefit of any Security Interest given by any member of Group other than any permitted under paragraphs (a) and (b) above and (d) below) does not exceed 50 per cent. of the Consolidated Total Assets from time to time; or
- (d) any Security Interest is at the same time or prior thereto securing the Notes equally and rateably.

4.2 For the purpose of Condition 4.1 above and, where relevant in other provisions of the Conditions, the following expressions have the following meanings:

Consolidated Total Assets means in respect of the Guarantor and its Subsidiaries, on a consolidated basis, the aggregate of:

- (a) all non-current assets; and
- (b) current assets,

all as shown in the latest audited consolidated statement of financial position of the Guarantor and its Subsidiaries;

Group means the Guarantor and its Subsidiaries from time to time;

Guarantee of Indebtedness means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequence of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

Indebtedness means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility; and
- (c) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing,

but excluding any lease liabilities recognised in accordance with generally accepted accounting principles;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

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

Subsidiary means, in relation to the Guarantor or the Issuer, a person who is accounted for as a subsidiary under the basis applicable to the preparation of the latest consolidated accounts of the Group.

5 INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date, subject as provided in Condition 16.

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

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

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

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

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

For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modifications, each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified

Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined below) divided by 365 and rounding the resultant figure to the nearest HK\$0.01, HK\$0.005 being rounded upwards.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date divided by 365.

In these Conditions:

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

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

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

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

Such interest will be payable in respect of each **Interest Period** (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date), subject as provided in Condition 6.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is:

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

payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

(b) *Rate of Interest*

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

(i) ISDA Determination for Floating Rate Notes

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

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

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

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

- (A) Where the Reference Rate is specified as being LIBOR, EURIBOR or HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and where the Reference Rate is specified in the applicable Pricing Supplement as being LIBOR, EURIBOR or HIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest

quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

(B) Where the Reference Rate is specified as being the Singapore dollar interbank offered rate (**SIBOR**)

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and where the Reference Rates is specified in the applicable Pricing Supplement as being SIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be determined by the Principal Paying Agent, at or about the relevant time on the relevant Interest Determination Date in respect of each Interest Period, as the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on Reuters Screen ABSIRFIX01 page under the caption “ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11:00AM. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Reuters Screen ABSIRFIX01 page or other Relevant Screen Page is not available as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR or HIBOR or SIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

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

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

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

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

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

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

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

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

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

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

where:

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

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

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

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

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

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

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

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

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

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

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

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

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

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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

The Principal Paying Agent or the Calculation Agent (as the case may be) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Paying Agent, the Issuer and the Guarantor and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Hong Kong.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

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

5.4 Interest on Partly Paid Notes

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

5.5 Accrual of interest

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6 PAYMENTS

6.1 Method of payment

Subject as provided below:

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (**FATCA Withholding**).

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes not held through the CMU will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes not held through the CMU, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with

the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form not held through the CMU (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) and save as provided above should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

In the case of definitive Notes held through the CMU, payment will be made at the direction of the bearer to the CMU Accountholders and such payment shall discharge the obligations of the Issuer or, as the case may be, the Guarantor in respect of that payment.

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

If a Paying Agent makes a partial payment in respect of any Note, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note (i) in the case of a Global Note lodged with the CMU, at the direction of the bearer to the CMU Accountholders or (ii) in the case of a Global Note not lodged with the CMU, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between

any payment of principal and any payment of interest, will be made on such Global Note (in the case of a Global Note not lodged with the CMU) by the Paying Agent to which it was presented or (in the case of a Global Note lodged with the CMU) on withdrawal of such Global Note by the CMU Lodging Agent, and in each case such record shall be prima facie evidence that the payment in question has been made.

6.4 Payments in respect of Registered Notes

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

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business and in respect of Notes clearing through the CMU, a day on which the CMU is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) or on the fifteenth day (in the case of a currency other than Renminbi) (whether or not such fifth day or fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note (if the Global Note is not lodged with the CMU) or the CMU Accountholder at the direction of the holder of a Global Note (if the Global Note is lodged with the CMU) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note or such CMU Accountholder (as the case may be) in respect of each amount so paid. Each of the persons

shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

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

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

6.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

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

6.7 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;

- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.5); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7 REDEMPTION AND PURCHASE

7.1 Redemption at maturity

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

7.2 Redemption for tax reasons

Subject to Condition 7.5, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 and not more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than:

- (a) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (b) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion

of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 7.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 7.2.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

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

- (a) not less than 30 and not more than 60 days' notice to the Noteholders in accordance with Condition 14; and
- (b) not less than 14 days before the giving of the notice referred to in (a) above, notice to the Principal Paying Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with the applicable law and the rules of each stock exchange on which the relevant Notes are for the time being listed, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU (as appropriate), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 45 and not more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date specified in such notice and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and the CMU, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of such Paying Agent or, as the case may be, the Registrar (a **Put Notice**)

and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or the CMU, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg and the CMU (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary, as the case may be, for them to the Principal Paying Agent by electronic means or notice being given to the CMU Lodging Agent) in a form acceptable to Euroclear and Clearstream, Luxembourg, the CMU and the CMU Lodging Agent from time to time and, if this Note is represented by a Global Note held through Euroclear or Clearstream, Luxembourg, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly. If this Note is represented by a Global Note held through the CMU, such notation will be made on withdrawal of such Global Note by the CMU Lodging Agent.

Any Put Notice or other notice given in accordance with this Condition and the standard procedures of Euroclear and Clearstream, Luxembourg and the CMU given by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing or upon due presentation of any such Note on the relevant Optional Redemption Date, payment of the redemption moneys is improperly withheld or refused, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from

(and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365)

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.5.

7.7 Partly Paid Notes

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

7.8 Purchases

The Issuer, the Guarantor or any Subsidiary (as defined in Condition 4.2) of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

7.9 Cancellation

All Notes so purchased by the Issuer, the Guarantor or any Subsidiary (as defined in Condition 4.2) of the Issuer or the Guarantor may be held, resold or cancelled (and in the case of bearer form, together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of purchase). All Notes redeemed by the Issuer (pursuant to Conditions 7.2 (*Redemption for tax reasons*) to 7.4 (*Redemption at the option of the Noteholders (Investor Put)*)) shall be cancelled.

7.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7.11 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition.

8 TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer or the Guarantor will be made free and clear of, and without withholding or deduction for or on

account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer, the Guarantor or any of their agents with respect to any Note, Receipt or Coupon:

- (a) presented for payment in the Cayman Islands;
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon;
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); or
- (d) in respect of any FATCA Withholding.

As used herein:

- (i) **Tax Jurisdiction** means Cayman Islands or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

None of the Agents shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amount are payable or the amount thereof and shall not be responsible or liable for any failure by the Issuer or the Guarantor or any Noteholder to pay such tax, duty, charges, withholding or other payment.

9 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10 EVENTS OF DEFAULT

10.1 If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes on the due date for payment thereof or any of them and the default continues for a period of 10 days in the case of principal or interest; or

- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Conditions or the Guarantee and the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) at any time any Indebtedness of the Issuer, the Guarantor or any Principal Subsidiary in respect of Indebtedness owed to a bank or financial institution having an aggregate outstanding principal amount at that time of not less than U.S.\$32,000,000 (or its equivalent in any other currency or currencies converted at such time) is accelerated by such bank or financial institution:
 - (i) as a result of it being not paid when due nor within any applicable grace period in any agreement relating to that Indebtedness;
 - (ii) as a result of it becoming due and payable before its normal maturity by reason of a default or event of default, however described; or
 - (iii) in the case of a contingent obligation or obligation as surety, as a result of it or the Indebtedness to which it relates becoming due and payable by reason of a default or event of default (however described) of the Issuer, the Guarantor or the Principal Subsidiary (as applicable) unless it is being contested in good faith by the Issuer, the Guarantor or the Principal Subsidiary (as the case may be),

provided however that, for the purposes of this paragraph (c), the above provisions of this paragraph (c) are not applicable to any of the following Indebtedness:

- (A) any Indebtedness incurred for financing of any specific project if such Indebtedness is not guaranteed by the Issuer, the Guarantor or any Principal Subsidiary; or
- (B) any Indebtedness incurred by a Subsidiary of the Guarantor in connection with a project of a Subsidiary of the Guarantor for the ownership, creation, development or exploration of any of its assets where the recourse of the provider of that Indebtedness is limited to the assets comprised in the project and that Indebtedness is not guaranteed by the Guarantor; or
- (d) any of the Issuer, the Guarantor or any Principal Subsidiary:
 - (i) becomes insolvent and is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts;
 - (ii) begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all of its Indebtedness (or of any part of its Indebtedness which it will or might otherwise be unable to pay when due); or
 - (iii) proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the Indebtedness of the Issuer, the Guarantor and their Subsidiaries taken as a whole; or
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer or the Guarantor or any Principal Subsidiary and is not discharged or stayed within 30 days; or
- (f) any present or future encumbrance on or over all or any material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer) is taken to enforce that encumbrance; or

- (g) any bona fide step is taken by any person for the dissolution or winding-up of the Issuer, the Guarantor or any Principal Subsidiary (except for the purpose of and followed by a merger, takeover, reconstruction, amalgamation, reorganisation, scheme of arrangement or any other similar arrangement, the nature and circumstances of such event are such as to not have or to not be reasonably likely to involve a material adverse effect on the ability of the Issuer or the Guarantor to perform and comply with their respective payment obligations under the Conditions and the Guarantee, and in the case of a Principal Subsidiary, where such dissolution or winding-up is of a solvent Principal Subsidiary (as applicable)) provided that with respect to any dissolution or winding-up proceedings against the Issuer, the Guarantor or any Principal Subsidiary commenced by any person other than the Issuer, the Guarantor or any Principal Subsidiary (as the case may be), such proceedings are not frivolous or are vexatious or discharged, stayed or dismissed within 14 days of commencement; or
- (h) any step is taken by any person with a view to the Issuer or the Guarantor being involved in a merger, takeover, reconstruction, amalgamation, reorganisation, scheme of arrangement or any other similar arrangement applicable under the laws of the jurisdiction of incorporation of the Issuer or the Guarantor (as the case may be), the nature and circumstances of such event are such as to have or to be reasonably likely to involve a material adverse effect on the ability of the Issuer or the Guarantor to perform and comply with their respective payment obligations under the Conditions and the Guarantee; or
- (i) any agency of any state seizes, compulsorily acquires, expropriates or nationalises all or a material part of the:
 - (i) assets of the Issuer or the Guarantor (being assets which are material in relation to the assets of the Group taken as a whole) without reasonable compensation for such action being offered; or
 - (ii) shares in the share capital of the Issuer or the Guarantor,
 and such seizure, compulsory acquisition, expropriation or nationalisation continues for a period of more than 30 days; or
- (j) the guarantee of the Guarantor under the Notes is not (or is claimed by the Issuer or the Guarantor not to be) in full force and effect; or
- (k) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraphs (d) to (e) and such event, if capable of remedy, is not remedied, within 30 days of its occurrence; or
- (l) the Issuer ceases to be a Subsidiary of the Guarantor,

then any holder of a Note may, by written notice to the Issuer and delivered to the Issuer, declare any Note held by it to be immediately due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

The Agents shall not be required to take any steps to ascertain whether any Event of Default or any event which could lead to the occurrence of any Event of Defaults has occurred and shall not be responsible or liable to the Noteholders, the Issuer, the Guarantor or any other person for any loss arising from any failure to do so.

10.2 For the purpose of this Condition 10, the following expressions have the following meanings:

Group means the Guarantor and its Subsidiaries from time to time;

Principal Subsidiary means, at any time, a Subsidiary of the Guarantor as to which one or more of the following conditions are satisfied at that time:

- (a) (i) its net profits or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net profits attributable to the Guarantor (before taxation and extraordinary items) are at least ten per cent. of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Group; or
- (ii) its net assets or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) consolidated net assets attributable to the Guarantor represent ten per cent. or more of the consolidated net assets (after deducting minority interests in Subsidiaries) of the Group,
- (iii) all as calculated by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary of the Guarantor and the then latest consolidated audited accounts of the Group, provided that:
 - (A) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited accounts relate, the reference to the then latest audited accounts for the purposes of the calculation above shall, until audited accounts for the financial period in which the acquisition is made are published, be deemed to be a reference to such accounts adjusted to consolidate the latest audited accounts of such Subsidiary in such accounts;
 - (B) if, in the case of any Subsidiary of the Guarantor which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of pro forma consolidated accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose and opined on by its auditors; and
 - (C) if the accounts of any Subsidiary of the Guarantor (not being a Subsidiary referred to in subparagraph (A) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Group; or
- (b) a Subsidiary to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary of the Guarantor which immediately prior to such transfer was a Principal Subsidiary, provided that the Subsidiary which so transfers its assets and undertaking shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary of the Guarantor to which the assets and undertaking are so transferred shall cease to be a Principal Subsidiary at the date on which the first published audited accounts of the Group prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) above.

An opinion by the auditors of the Guarantor on a calculation to show whether or not a Subsidiary is a Principal Subsidiary shall be conclusive and binding for the purpose of the Conditions.

11 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) (and, if the Notes are then listed on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its specified office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Guarantor may reasonably

require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12 AGENTS

The names of the initial Agents and their initial specified offices are set out below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement.

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

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 and not more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

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

13 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14 NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Hong Kong. It is expected that any such publication will be made in the *South China Morning Post* in Hong Kong or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Hong Kong. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

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

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes or (ii) the CMU, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the CMU for communication by CMU to the holders of the Notes and, in addition, in the case of both (i) and (ii) above, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules and regulations of that stock exchange or any other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the fourth day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or on the day on which such notice is delivered to the CMU.

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

15 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provisions of these Conditions. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes Reserved Matters, the quorum shall be two or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one quarter in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receipholders and Couponholders.

For the purpose of this Condition 15, **Reserved Matters** includes any of the following matters:

- (a) modification of the Maturity Date of the Notes or reduction or cancellation of the nominal amount payable at maturity; or
- (b) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the rate of interest in respect of the Notes; or

- (c) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Pricing Supplement; or
- (d) modification of the currency in which payments under the Notes are to be made; or
- (e) modification of the Deed of Covenant or Guarantee; or
- (f) modification of the majority required to pass an Extraordinary Resolution; or
- (g) the sanctioning of any scheme or proposal described in subclause 5.9(f) of Schedule 5 to the Agency Agreement; or
- (h) alteration of this proviso or the proviso to subclause 4.5 of Schedule 5 to the Agency Agreement.

In addition, (a) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes for the time being outstanding or (b) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Principal Paying Agent, the Guarantor and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error.

The Notes, these Conditions, the Deed of Guarantee and the Deeds of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16 FURTHER ISSUES

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

17 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under these Conditions or such order or judgment into another currency (the **second currency**) for the purposes of:

- (a) making or filing a claim or proof against the Issuer,
- (b) obtaining an order or judgment in any court or other tribunal, or

- (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the relevant Paying Agent, against any loss suffered as a result of any discrepancy between:
 - (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
 - (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18 ROUNDING

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (ii) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (iv) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.
- (b) For the purposes of any payments to be made in respect of the Notes, all amounts will be rounded up to the nearest cent, yen or lowest unit of payment, as the case may be.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

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

20.2 Submission to jurisdiction

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer appoints Hutchison Property Group (UK) Limited at Hutchison House, 5 Hester Road, Battersea, London SW11 4AN, United Kingdom (marked for the attention of Mr. Edmond Ip, Ms. Eirene Yeung, Mr. Simon Man and Mr. Gerald Ma of CK Asset Holdings Limited) as its agent for service of process, and undertakes that, in the event of Hutchison Property Group (UK) Limited ceasing so to act or ceasing to be registered in England, it will, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Principal Paying Agent, appoint another person as its agent for service of process in England in respect of any Proceedings. Failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and deliver to the Issuer or to the specified office of the Principal Paying Agent. Nothing herein shall affect the right of any Noteholder to serve proceedings in any other manner permitted by law.

20.4 Other documents and the Guarantor

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

USE OF PROCEEDS

The net proceeds from each issue of Notes will be for the general corporate purposes of the Guarantor and its subsidiaries.

DESCRIPTION OF THE ISSUER

History and Introduction

The Issuer was incorporated as an exempted company with limited liability incorporated in the Cayman Islands on 31 March 2016. The Issuer has been incorporated with unrestricted objects including the power to carry on the business of an investment company, with full power and authority to carry out any object and is capable of exercising any and all powers exercisable by a natural person or body corporate in doing whatever may be considered by it necessary for the attainment of its objects. The registered office of the Issuer is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. As at the date of this Offering Circular, it has an authorised share capital of U.S.\$1,000,000 and issued share capital of U.S.\$1,000 divided into 1,000 shares of U.S.\$1.00 par value each. The Issuer is a wholly owned, direct subsidiary of the Guarantor. As at the date hereof, the Issuer has no subsidiaries.

Management

The directors of the Issuer as at the date of this Offering Circular are:

IP Tak Chuen, Edmond
PAU Yee Wan, Ezra
Neil Douglas MCGEE
Christian Nicolas Roger SALBAING
Richard Waichi CHAN
HO Wai Leung, Edmond

Mr. IP Tak Chuen, Edmond and Ms. PAU Yee Wan, Ezra are also directors of the Guarantor.

Mr. IP Tak Chuen, Edmond, in his capacity as a beneficial owner had, as at 30 June 2021, personal interest in 300,000 ordinary shares, representing approximately 0.008227 per cent. of the then issued share capital in the Guarantor.

Mr. HO Wai Leung, Edmond, in his capacity as a beneficial owner had, as at 30 June 2021, personal interests in 3,420 ordinary shares, representing approximately 0.000094 per cent. of the then issued share capital in the Guarantor.

Mr. Christian Nicolas Roger SALBAING in his capacity as a beneficial owner had, as at 30 June 2021, personal interests in 9,576 ordinary shares, representing approximately 0.000263 per cent. of the then issued share capital in the Guarantor.

As at 30 June 2021, the directors of the Issuer have no other interest or short position in the shares, underlying shares or debentures of the Guarantor or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the **SFO**)).

The correspondence address of each of the directors of the Issuer for the purposes of his or her directorship in the Issuer is 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. The Secretary of the Issuer is Ms. Eirene Yeung.

The Issuer has no employees.

Under Cayman Islands law, the Issuer is not required to publish interim or annual accounts. The Issuer has not published and does not propose to publish any of its accounts. The Issuer is, however, required to keep such proper books of account as are necessary to give a true and fair view of the state of its affairs and to explain its transactions.

CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets out the consolidated capitalisation and indebtedness of the Guarantor as at 30 June 2021 on an actual basis⁽¹⁾ and as adjusted⁽²⁾ to give effect to the issuance of S\$300,000,000 3.38 per cent. guaranteed senior perpetual capital securities (the **September Issuance**) by Panther Ventures Limited, a wholly-owned subsidiary of the Guarantor, as guaranteed by the Guarantor on 30 September 2021:

	As at 30 June 2021	
	Actual⁽¹⁾	As adjusted⁽²⁾
	<i>HK\$ million</i>	
Short-term loans:		
Bank and other loans	23,665	23,665
Long-term loans:		
Bank and other loans	69,506	69,506
Shareholders' funds:		
Share capital and share premium	242,622	242,622
Reserves	113,636	113,636
	356,258	356,258
Perpetual capital securities	6,200	6,200
September Issuance	—	1,731
Total	455,629	457,360

Notes:

- (1) The figures above are extracted from the 1H2021 Financial Statements.
- (2) Assuming the September Issuance in the total amount of S\$300,000,000 had been issued as at 30 June 2021 and Singapore dollars is translated into Hong Kong dollars at the rate of HK\$5.77 to S\$1.

There has been no significant change to the total consolidated capitalisation and indebtedness of the Guarantor since 30 June 2021.

CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

The consolidated financial information of the Guarantor set out below for the years ended 31 December 2020 and 2019, was extracted from the 2020 Financial Statements audited by Deloitte Touche Tohmatsu. The consolidated financial information of the Guarantor set out below for the six months ended 30 June 2021 and 2020, was extracted from the 1H2021 Financial Statements.

The 1H2021 Financial Statements have not been audited or reviewed by Deloitte Touche Tohmatsu. Consequently, the 1H2021 Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with financial statements that have been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Guarantor's financial condition, results of operations and results. None of the Arrangers, Dealers or the Agents or any of their respective affiliates, directors, officers or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial results for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Guarantor's financial condition and results of operations. The 1H2021 Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Guarantor for the full financial year ending 31 December 2021.

Consolidated Income Statement of the Guarantor for the years ended 31 December 2020 and 2019 and the six months ended 30 June 2021 and 2020

	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>(Audited)</i>		<i>(Unaudited)</i>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Group revenue	59,825	82,382	24,264	29,248
Share of revenue of joint ventures	14,327	13,937	10,055	7,075
Total	74,152	96,319	34,319	36,323
Group revenue	59,825	82,382	24,264	29,248
Interest from joint ventures	1,918	1,966	1,049	915
Investment and other income	3,072	3,122	920	1,596
Operating costs				
Property and related costs	(19,612)	(42,546)	(6,911)	(10,377)
Pub product and related costs	(5,853)	(1,763)	(2,172)	(3,700)
Salaries and related expenses	(6,973)	(4,452)	(2,908)	(2,884)
Interest and other finance costs	(1,689)	(1,291)	(746)	(921)
Depreciation	(3,445)	(2,192)	(1,717)	(1,651)
Other expenses	(804)	(896)	(284)	(237)
	(38,376)	(53,140)	(14,738)	(19,770)
Gain (loss) on financial instruments	190	2,190	1,460	(254)
Change in fair value of investment properties	(1,106)	228	121	(809)
Impairment loss on fixed assets	(1,024)	-	-	-
Share of profit of joint ventures	518	587	699	571
Share of profit of associates	189	175	153	99
Profit before taxation	25,206	37,510	13,928	11,596
Taxation	(7,417)	(7,464)	(5,084)	(4,137)
Profit after taxation	17,789	30,046	8,844	7,459
Profit attributable to				
Non-controlling interests	(957)	(371)	(377)	(833)
Perpetual capital securities	(500)	(541)	(112)	(266)
Profit attributable to shareholders	16,332	29,134	8,355	6,360
Earnings per share	HK\$4.42	HK\$7.89	HK\$2.25	HK\$1.72

Consolidated Statement of Financial Position of the Guarantor as at 31 December 2020 and 2019 and 30 June 2021

	31 December		30 June
	2020	2019	2021
	<i>(Audited)</i>		<i>(Unaudited)</i>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Non-current assets			
Fixed assets	95,101	97,519	94,536
Investment properties	128,683	119,832	130,037
Joint ventures	62,467	59,371	85,434
Associates	7,077	7,000	7,118
Investments	16,787	16,924	11,192
Goodwill	6,655	6,492	6,743
Deferred tax assets	3,102	2,688	3,563
Other non-current assets	8,096	7,716	7,457
	327,968	317,542	346,080
Current assets			
Properties for sale	121,737	121,930	133,992
Debtors, prepayments and others	10,414	6,754	10,578
Loan receivables	1,065	1,527	837
Bank balances and deposits	59,519	60,304	43,945
	192,735	190,515	189,352
Current liabilities			
Creditors, accruals and others	21,336	21,970	21,945
Bank and other loans	22,887	6,841	23,665
Customers' deposits received	22,303	15,459	19,942
Provision for taxation	4,297	5,488	3,972
	70,823	49,758	69,524
Net current assets	121,912	140,757	119,828
Non-current liabilities			
Bank and other loans	55,006	73,241	69,506
Deferred tax liabilities	14,938	13,836	16,993
Lease liabilities	6,980	6,636	5,917
Derivative financial instruments	5,568	3,218	3,990
Pension liabilities	170	136	175
	82,662	97,067	96,581
Net assets	367,218	361,232	369,327
Representing:			
Share capital and share premium	245,639	245,639	242,622
Reserves	109,000	98,614	113,636
Shareholders' funds	354,639	344,253	356,258
Perpetual capital securities	6,200	11,670	6,200
Non-controlling interests	6,379	5,309	6,869
Total equity	367,218	361,232	369,327

DESCRIPTION OF THE GUARANTOR

INTRODUCTION

The Guarantor is an exempted company with limited liability incorporated in the Cayman Islands on 2 January 2015 and its shares were listed on the Hong Kong Stock Exchange (stock code: 1113) in June 2015. The Guarantor is a leading multinational corporation committed to achieving long-term sustainable growth through continual strengthening of its existing property businesses and steady enhancement of its recurrent income base via a prudent global investment strategy. The Guarantor's predecessor, Cheung Kong (Holdings) Limited (**Cheung Kong**), became listed in Hong Kong in 1972 and the Group benefits from a long and successful track record of over 40 years. Based on the closing price of its shares on 30 July 2021, the Guarantor had a market capitalisation of approximately HK\$193 billion.

The Guarantor's registered office is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

For the year ended 31 December 2019, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK\$96,319 million and HK\$29,134 million, respectively. For the year ended 31 December 2020, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK\$74,152 million and HK\$16,332 million, respectively.

For the six months ended 30 June 2020, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK\$36,323 million and HK\$6,360 million, respectively. For the six months ended 30 June 2021, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK\$34,319 million and HK\$8,355 million, respectively.

As at 30 June 2021, the Group reported consolidated total assets of HK\$535,432 million.

The Group's Principal Activities

The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts.

Property development, which include properties for and under development (including completed properties held for sale) and properties in which the Group has a development interest. As at 30 June 2021, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 80 million square feet (**sq.ft.**), of which 6 million sq.ft., 70 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively. In the first six months of 2021, the Group's revenue of property sales (including share of joint ventures) recognised for the period was HK\$14,789 million, a decrease of HK\$4,695 million from HK\$19,484 million in the first half of 2020.

The property market in Hong Kong was supported by improved purchase sentiment which was driven by solid demand, low interest rate and bolstered by easing of the local COVID-19 pandemic situation. The Group's residential development Sea to Sky was sold out during the six months ended 30 June 2021, and sales of 21 Borrett Road Phase 1, El Futuro and Seaside Sonata were well-received. Contribution to profit is expected when the sales are completed and recognised. The Group recorded a lower contribution from property sales in Hong Kong during the six months ended 30 June 2021 as compared to the same period in 2020, since the contracted sales of various projects had not yet been recognised. The Group acquired a site in Kai Tak waterfront area in February 2021 earmarked for residential and retail development, and reached a land exchange agreement

with the Hong Kong Government in respect of a site at Kam Tin, Yuen Long in May 2021 designated for residential development. The Group will continue to assess prime sites with growth potential for future development when suitable opportunities arise, and will also strategically redevelop certain properties to enhance its portfolio.

Property sales on the Mainland during the six months ended 30 June 2021 were in line with expectations. The property market on the Mainland remained stable and is expected to maintain steady and healthy development with the policy support of the Central Government of the Mainland.

Property investment, which include office, retail and industrial properties and car park spaces, mostly located in Hong Kong. As at 30 June 2021, the Group had an investment property portfolio of approximately 17.4 million sq.ft. (including share of joint ventures but excluding car parking spaces), of which 13.0 million sq.ft., 1.9 million sq.ft. and 2.5 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

The overall contribution from property rental during the six months ended 30 June 2021 was affected by weak leasing momentum, as the pandemic continued to dampen the confidence of business and consumers. The redevelopment of Hutchison House into Cheung Kong Center II was on track and is expected to complete in 2023. The Group will continue to monitor the operating environment and prepare itself for the recovery in the property rental market.

Hotel and serviced suite operation, rigorous border restrictions were still in force and the Group strategically repositioned its hospitality service to domestic customers to retain market share. Performance of the Group's hotel operation improved while hotel rooms operating as serviced suites with occupancies on a longer term basis remained stable, and a slight increase in contribution was recorded for the Group's overall hotel and serviced suite operation during the six months ended 30 June 2021. The food and beverage section of Hotel Alexandra in North Point commenced operation in the first half of 2021 and is expected to provide additional contribution to the Group in due course. The Group will continue to mitigate the impact of the pandemic by safeguarding the wellbeing of the hotel guests, and by increasing its focus on the domestic leisure and dining experience as well as the long stay business.

Property and Project Management, as at 30 June 2021, approximately 274 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of the Group's property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

Aircraft leasing, COVID-19 travel restrictions and quarantine requirements continued to stall rebound in the aviation industry. AMCK Aviation negotiated lease restructuring or rent deferral arrangements with certain lessees on a case-by-case basis to protect cash flow and mitigate future remarketing or repossession risk. Profit contribution from aircraft leasing for the six months ended 30 June 2021 decreased by 18%, excluding the aircraft disposal gain recognised in the same period in 2020. AMCK Aviation's investment approach focuses on young and in demand aircraft, with over 95% of its fleet being narrowbody aircraft. These are mostly used for domestic and regional travel, which have proven relatively resilient amid the pandemic. AMCK Aviation will continue to prepare for the post-COVID environment and seek further development opportunities. As at 30 June 2021, the Group (including interest in joint ventures) owned 120 narrowbody aircraft and 5 widebody aircraft with an average age of 7.3 years and an average remaining lease term of 4.8 years, and had a total commitment of HK\$10.5 billion for acquisition of 22 aircraft.

Pub operation, following the rollout of the national vaccination programme in the UK, Greene King had re-opened part of its estate with outdoor space in mid-April 2021 and resumed indoor trading in mid-May 2021 pursuant to the government roadmap. Greene King incurred a loss of HK\$1,072 million before interest and taxation during the six months ended 30 June 2021 as pubs were substantially closed or trading under restrictions during most of the six months ended 30 June 2021. Following the lifting of most restrictions in mid-July 2021, and with the support of the Group and a significant freehold asset base, Greene King is well-positioned to emerge from the COVID-19 pandemic and return back to normalised revenue over time as

consumer sentiment improves. The safety of customers and staff remain a top priority for Greene King and its unwavering commitment to delivering great value in a Pub Safe way will be maintained.

Infrastructure and utility asset operation, infrastructure and utility asset operation is a key contributor of steady recurrent income to the Group. In May 2021, the Group completed the acquisition of (i) a 20% equity interest in UK Power Networks; (ii) a 20% equity interest in Northumbrian Water; (iii) a 10% equity interest in Wales & West Utilities; and (iv) a 10% equity interest in Dutch Enviro Energy from Li Ka Shing Foundation Limited for a total consideration of HK\$17 billion. Following the acquisition, the equity interests in Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy are amalgamated with the Group's economic interests in these entities.

The Group has interests in the following joint ventures which operate infrastructure and utility asset businesses: (i) CK William JV – an owner and operator of energy utility assets in Australia, the U.S., Canada and the UK, (ii) CKP (Canada) JV – a building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada, (iii) Sarvana JV – a fully integrated energy management service provider operated by ista Group in Europe, (iv) UK Power Networks JV – a power distributor that serves London, the South East and East of England, (v) Northumbrian Water JV – a regulated water and sewerage company in England and Wales, (vi) Dutch Enviro Energy JV – an energy-from-waste company in the Netherlands, and (vii) Wales & West Utilities JV – a gas distributor that serves Wales and the South West of England. As at 30 June 2021, the Group had interests in CK William JV, CKP (Canada) JV, Sarvana JV, UK Power Networks JV, Northumbrian Water JV, Dutch Enviro Energy JV and Wales & West Utilities JV of 40 per cent., 75 per cent., 65 per cent., 20 per cent., 36 per cent., 24 per cent. and 22 per cent., respectively.

The Group has interests in the economic benefits of the following infrastructure and utility asset businesses: (i) Park’N Fly – an off-airport car park provider in Canada, (ii) UK Rails – a rolling stock operating company in the UK and (iii) Australian Gas Networks - a distributor of natural gas in Australia. As at 30 June 2021, the Group's interests in the economic benefits of Park’N Fly, UK Rails and Australian Gas Networks were 20 per cent., 20 per cent. and 11 per cent., respectively.

Due to the stable nature of infrastructure and utility assets, the sector remained resilient. The four European infrastructure assets acquired from Li Ka Shing Foundation Limited provided an immediate contribution to the Group. The infrastructure and utility asset operation recorded an increase in contribution during the six months ended 30 June 2021 as compared to the same period last year. CK William Group contributed HK\$629 million during the six months ended 30 June 2021 from its businesses comprising electricity distribution, gas transmission and distribution, as well as the provision of electricity generation solutions for remote customers in Australia and other countries. Reliance Home Comfort contributed HK\$638 million from its building equipment and services business in Canada. ista contributed HK\$863 million from its fully integrated energy management services business in Europe. Other infrastructure and utility assets, including the infrastructure businesses under an economic benefits agreement and the assets acquired from Li Ka Shing Foundation Limited during the six months ended 30 June 2021, made a total contribution of HK\$1,190 million. The Group will continue to source high quality global infrastructure and utility assets and related investment opportunities.

Interests in Real Estate Investment Trusts (REITs), which include interests in three listed REITs, namely Hui Xian REIT, Fortune REIT and Prosperity REIT.

The Group will continue to identify quality investments with recurring income to generate long-term value for shareholders in line with its business development and investment strategy.

HISTORY

The Guarantor's predecessor, Cheung Kong, became listed in Hong Kong in 1972, and the Group benefits from a long and successful track record of over 40 years. Through investment in the Cheung Kong Group and the Hutchison Group, Mr. Li Ka-shing, the Group's founder, Senior Advisor and former Chairman,

expanded the Group's property development business in Hong Kong. With over 40 years of refinement, the Group has become one of the largest developers of residential, office, retail, industrial and hotel properties in Hong Kong. Whilst maintaining a strategic focus on property development projects in Hong Kong, the Group expanded its presence to the Mainland in the 1980s and to overseas markets in the 1990s. The Group has also developed a property and project management business to support its development and investment properties. With its expertise and strength in property development and investment, the Group also developed its business scope to include hotel and serviced suite operation and interests in listed REITs. Driven by the strategic objective to generate stable, quality returns for shareholders through diversification and globalisation, the Group has been actively pursuing new growth opportunities to diversify globally in accordance with its stated target to invest in areas beyond property development.

Following the merger of the Cheung Kong Group⁵ and the Hutchison Group⁶, the property businesses of the Cheung Kong Group and the property businesses of the Hutchison Group were combined (the **Property Businesses Combination**) and reorganised to form part of the Group, and shares of the Guarantor were issued to the shareholders of CK Hutchison by way of capitalisation of share premium established pursuant to the Property Businesses Combination. The completion of the Property Businesses Combination took place on 3 June 2015 and the listing of the shares of the Guarantor on the Hong Kong Stock Exchange became effective on the same date.

Since late 2016, the Group's footprint has been extended to the infrastructure and utility asset sector and aircraft leasing to enhance its recurring revenue streams and mitigate the cyclical nature of cash flows associated with property development. In October 2019, the Group acquired Greene King, a leading integrated brewer and pub retailer in the UK which, prior to acquisition, was listed on the London Stock Exchange. In May 2021, the Group successfully completed the acquisition of interests in UK Power Networks, Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy from Li Ka Shing Foundation Limited.

With a view to aligning the Guarantor's name with the name of other listed companies within the CK Group, and to better reflect the Guarantor's strategy to achieve long-term sustainable business growth and value creation for shareholders through property businesses and the pursuit of quality investments worldwide with stable recurring revenue, the English name of the Guarantor has been changed to "CK Asset Holdings Limited" from "Cheung Kong Property Holdings Limited", and the Chinese name of the Guarantor has been changed to "長江實業集團有限公司" from "長江實業地產有限公司" (the **Change of Name**) with effect from 24 August 2017 following the approval of the Change of Name at the extraordinary general meeting held on the same day and the approval of the new name of the Guarantor by the Registrar of Companies in the Cayman Islands. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 15 September 2017.

COMPETITIVE STRENGTHS

The Directors consider that the Group's key competitive strengths include:

Strong market share in property development in Hong Kong and the Mainland

The Group has a strong market share in property development in Hong Kong and the Mainland and an international presence through its operations in Singapore and the UK.

With its long history of property development expertise, the Group has built many of Hong Kong's most notable landmark buildings and complexes, some of which form parts of its core asset holdings. Key landmark projects developed include Kingswood Villas, Tierra Verde, Ocean Pride, Harbour Glory and Hotel Alexandra,

⁵ "Cheung Kong Group" refers to CK Hutchison and its subsidiaries before 3 June 2015.

⁶ "Hutchison Group" refers to Hutchison Whampoa Limited and its subsidiaries before 3 June 2015.

Cheung Kong Center, The Center, 1881 Heritage and 21 Borrett Road in Hong Kong, and Beijing Oriental Plaza on the Mainland.

Diversified business mix

The Group has extensive expertise in developing, investing in and managing properties across different asset classes, including residential, office, retail, industrial, car parks and hotel properties, either as standalone developments or large scale mixed-use projects, solely or through joint ventures and other arrangements.

The Group is committed to developing new growth through geographic diversification. Historically, the Group has successfully diversified into other geographical regions outside of Hong Kong and the Mainland, in particular through its premium commercial and residential developments in Singapore and the UK. Key landmark projects developed or under development by the Group on a sole basis or as a key joint venture partner include Stars of Kovan, The Marina Bay Financial Centre and One Raffles Quay in Singapore, and Albion Riverside and Chelsea Waterfront in London.

By building on a diversified operating base both in terms of asset type and geographical locations, the Group believes it will be able to further enhance its operational efficiency and effectiveness, and strengthen its risk management capacity to deal with unforeseen market changes.

Strong recurring income

The Group has in recent years pursued quality investment opportunities in and outside of Hong Kong with stable recurring revenue and growth potential in order to enhance the quality of earnings as well as cash flow, and increase the proportion of recurrent income contribution.

The Group benefits from strong and stable recurring income from its property asset portfolio including:

- Rental income from investment properties;
- Income from hotels and serviced suites; and
- Distributions from its interests in listed REITs.

Most of the Group's investment properties, hotels and serviced suites are self-developed.

The Group has demonstrated a strong performance in its portfolio of investment properties, hotels and serviced suites where it has provided active asset management through its experienced property and hotel management teams. The Group has also undertaken renovations and refurbishments periodically to optimise the performance of its investment properties, hotels and serviced suites.

The Group has historically utilised REIT platforms to support its overall business strategy. The three REITs it has sponsored are managed by dedicated and professional asset managers to maximise returns and value for their respective unitholders. On the other hand, the Group continues to manage the properties within the REITs as property and leasing manager. The Group is the largest unitholder in each of these REITs, and benefits from both the recurring distribution income and any long term capital appreciation.

In addition to the property businesses, the Guarantor has diversified globally through quality investments with stable recurring revenue on a worldwide basis. It has extended its reach to the sector of aircraft leasing, pub operation as well as infrastructure and utility assets, with investments and operations now spanning continental Europe, Australia, Canada, the UK and the Republic of Ireland.

The Group's aircraft leasing investments are managed by AMCK Aviation Holdings Ireland Limited. With a disciplined investment approach and an experienced local team, the Group aims to invest primarily in more liquid narrowbody Airbus and Boeing aircraft to generate steady income streams on a medium to long term basis.

The Group's wholly-owned subsidiary Greene King is an integrated brewer and pub retailer operating about 2,700 pubs, restaurants and hotels across England, Wales and Scotland.

The Group's infrastructure and utility assets include the CK William Group, which owns and operates energy utility assets in Australia, namely Multinet Gas, Dampier Bunbury Pipeline, United Energy, and Energy Developments, which is one of the world's leading fully integrated energy management services providers with strong market positions in European countries such as Germany, the Netherlands and France; and Reliance Home Comfort, which is principally engaged in the building equipment services sector mainly in Canada. All businesses provide the Group with a solid platform for generation of stable revenue and cashflows.

The Group will continue to identify quality investments with recurring income to generate long-term value for shareholders in line with its business development and investment strategy and adhere to the motto "Advancing Without Forgoing Stability" in its prudent strategy of global business expansion, ensuring that the guiding principal of future investments is focused on asset value growth that results from ongoing enhancement of quality earnings.

Disciplined investment approach and prudent financial management

The Group has demonstrated resilience during the past recessions and the current COVID-19 pandemic. Despite various uncertainties and unfavourable conditions, its sound foundation and strong financial position will enable the Group to maintain stability and advance with its prudent investment policy. The Group has ample liquidity for investing in significant projects, and will closely monitor the situation and prepare itself to capture new opportunities. The Group is determined to generate value for shareholders by expanding its property development portfolio, enhancing its recurrent income base and improving the quality of earnings. The Group is optimistic that its operations will regain momentum of growth once normality returns and the global business environment improves.

As at 30 June 2021, the Group had ample cash on hand with a net debt to net total capital ratio of approximately 11.8%, and maintained "A/Stable" and "A2/Stable" credit ratings from Standard & Poor's and Moody's respectively, demonstrating its stable financial profile.

Highly experienced and professional management with a global vision and strong commitment to robust corporate governance

The global vision and leadership of the Li family has been a core strength of the Group. Such vision is supported by a dedicated professional management team with deep industry experience that has been instrumental to the success of the Group. The Group believes that the skills and experience of the management team provide the Group with a competitive advantage by allowing it to identify and capture global business opportunities at the right time in business cycles while prudently managing risk exposure.

The professional management of the Group is committed to robust corporate governance and risk management practices, and will continue to apply the same rigorous approach to internal controls and corporate governance within the Group.

BUSINESS STRATEGIES

The Guarantor is a leading multinational corporation committed to long-term value creation for its shareholders and stakeholders. The Group aims to achieve sustainable growth through continual strengthening of its existing property businesses and steady enhancement of its recurrent income base via a prudent global investment strategy. The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts.

Enhance the Property Development Portfolio

The Group has a strong market share in property development in Hong Kong and the Mainland, and an international presence through its operations in Singapore and the UK. To support long-term stable growth, the

Group will continue to enhance its property development portfolio in and outside of Hong Kong by pursuing quality investments in varying ways as suitable opportunities arise.

Broaden the Quality Recurrent Income Base

With a view to delivering sustainable shareholder returns, the Group is actively pursuing attractive investments with stable revenue to improve the quality of earnings and cash flow, and to increase the proportion of recurrent income contribution. The Group has established a diversified investment portfolio with stable recurring revenue through a number of quality investments and acquisitions across sectors and geographies. By utilising the Group's market strengths and financial resources effectively, the Group will continue to explore sound investment opportunities both locally and globally in order to broaden further our recurrent income base and to generate sustainable returns for shareholders.

Balance growth and stability against an optimal capital structure and investment grade credit ratings

The Group will adhere to the motto "Advancing Without Forgoing Stability" in its prudent strategy of global business expansion, ensuring that the guiding principal of future investments is focused on asset value growth that results from ongoing enhancement of quality earnings. The Group places emphasis on the fundamentals, growth prospects and sustainability performance of potential investments, and takes into consideration the market conditions and project risks. All investment decisions are made for the long-term interests of shareholders and stakeholders, and should meet the Group's stringent investment criteria. The Group will further strengthen its risk management capacity to deal with unforeseen economic challenges and market changes, and will continue to enhance its operational efficiency and effectiveness. Through the Group's fundamental policy of maintaining an optimal capital structure and investment grade credit ratings, and seeking access to diversified global funding sources, the Group has stable liquidity to make quality investments for driving business growth and creating value sustainably.

Embrace Sustainability for Long-term Growth

The Group recognises the importance of sustainability in driving corporate values, and strives to actively respond to environmental, social, and governance issues through its sustainability-focused management. The Group takes people, the community and the environment into consideration, and upholds robust corporate governance practices to create long-term value for stakeholders. The Group's corporate governance and sustainability policies are in place to provide guidance on the integration of purposeful governance and sustainability across businesses. A board-level Sustainability Committee was set up to reinforce the work of the Sustainability Working Group and to assist the directors of the Guarantor in overseeing the Group's overall sustainability strategy, building a closer connection to stakeholders and addressing key sustainability risks and opportunities systematically.

NEW ACQUISITIONS AND JOINT DEVELOPMENTS AND OTHER MAJOR EVENTS

- **February 2021:** A wholly owned subsidiary of the Group was awarded a Government tender for a site, New Kowloon Inland Lot No. 6604, Kai Tak Area 4E Site 2, Kai Tak, Kowloon. With an area of approximately 117,843 sq.ft. (approximately 10,948 square metre (**sq.m.**)), the site is designated for a residential/retail development estimated to have a developable gross floor area of approximately 648,137 sq.ft. (approximately 60,214 sq.m.).
- **March 2021:** The Guarantor announced on 18 March 2021 (the **Announcement**) the proposal (the **Proposal**) which comprised: (a) the proposed acquisition (the **Proposed Acquisition**) of minority shareholding interests in four infrastructure companies from Li Ka Shing Foundation Limited (the **LKSF**) for a total purchase price of HK\$17 billion, which would be satisfied by the issue to LKSF (or its affiliate) of 333,333,333 shares of the Guarantor (the **Consideration Shares**); (b) the share buy-back proposal which comprised (i) a conditional cash offer to buy-back up to 380,000,000 shares (the

Maximum Number of Shares, which was revised from 333,333,333 shares, as announced by the Guarantor on 14 April 2021) for cancellation at an offer price of HK\$51 per share (the **Offer Price**) from all qualifying shareholders of the Guarantor (the **Share Buy-back Offer**), and (ii) the possible on-market buy-backs of any shortfall at a price not exceeding the Offer Price following completion of the Share Buy-back Offer if valid acceptances received under the Share Buy-back Offer was less than the Maximum Number of Shares by utilising the proposed general mandate to buy-back shares (if approved by the shareholders at the 2021 annual general meeting of the Guarantor); and (c) the application for the Whitewash Waiver (as defined in the Announcement) to waive any obligation on the part of LKSF to make a mandatory general offer for all of the shares not already owned or agreed to be acquired by the Controlling Shareholder Group (as defined in the Announcement) as a result of the allotment and issue of the Consideration Shares to LKSF (or its affiliate) and the Share Buy-back Offer. The Proposal was approved by the independent shareholders of the Guarantor at the extraordinary general meeting of the Guarantor held on 13 May 2021. The Proposed Acquisition was completed in May 2021 and the Share Buy-back Offer was completed in June 2021.

- **May 2021:** A wholly owned subsidiary of the Group reached a land exchange agreement with the Government in respect of a site at Kam Tai Road, Kam Tin, Yuen Long, New Territories (Lot No. 2206 in D.D. 109) for an area of approximately 171,986 sq.ft. (approximately 15,978 sq.m.). The site is designated for residential development and estimated to have a gross floor area of approximately 137,584 sq.ft. (approximately 12,782 sq.m.).
- **June 2021:** The Guarantor bought back a total of 3,150,000 shares on the Hong Kong Stock Exchange with the aggregate consideration paid (before expenses) amounting to HK\$163,423,500. All the shares bought back were cancelled on 2 July 2021.
- **June 2021:** The Issuer issued notes in aggregate nominal amounts of (i) US\$250 million at a fixed interest rate of 0.75% per annum with 3-year term; and (ii) US\$350 million at a fixed interest rate of 1.375% per annum with 5-year term under the Programme, which is guaranteed by the Guarantor (the **June Notes**). The June Notes were sold to professional investors only and were listed on the Hong Kong Stock Exchange on 2 July 2021.
- **August 2021:** A wholly owned subsidiary of the Group was awarded a Government tender for a site at junction of Lau Yip Street and Chung Yip Road, Yuen Long, New Territories (Lot No. 1677 in D.D. 115). With an area of approximately 163,698 sq.ft. (approximately 15,208 sq.m.), the site is designated for residential development estimated to have a developable gross floor area of approximately 78,574 sq.ft. (approximately 7,299.8 sq.m.).
- **September 2021:** A wholly owned subsidiary of the Group issued senior perpetual capital securities in an aggregate nominal amount of S\$300 million at a fixed distribution rate of 3.38% per annum, which are guaranteed by the Guarantor (the **September Securities**). The September Securities were sold to professional investors only and were listed on the Hong Kong Stock Exchange on 4 October 2021.

PROPERTY DEVELOPMENT

The Group's property development process involves property acquisition, project design and management as well as sales and marketing. Each function is performed by a team of experienced professional staff headed by an executive director of the Guarantor.

On project management, each project has a designated project manager who is responsible for the construction work which is awarded to external contractors through a well-established tender process. The Group's projects are relatively large in size which provides economies of scale and enables the Group to have stronger bargaining power with contractors. On sales and marketing, the Group, with its long established track record, will continue to focus on achieving a high asset turnover rate, particularly for its mass market projects.

Developments completed during 2020

The table below as extracted from the annual report of the Guarantor published on 12 April 2021 (the **2020 Annual Report**) sets out the Group's developments completed during the year ended 31 December 2020:

<u>Name</u>	<u>Location</u>	<u>Gross Floor Area (sq.ft.)</u>	<u>Group's Interest</u>
Yuhu Mingdi Phase 3 (2)	Huangpu District, Guangzhou	120,187	80%
Upper West Shanghai Phase 2 Tender 3 and Phase 4 Tender 2 (Residential)	Putuo District, Shanghai	1,136,766	60%
Regency Hills Land No. 14 (Block 14)	Yangjiashan, Nanan District, Chongqing	299,538	95%
Laguna Verona Phases D2c1 and G2b Zone 1	Hwang Gang Lake, Dongguan	1,883,984	99.8%
Noble Hills Phase 3A	Zengcheng, Guangzhou	799,080	100%
Emerald Cove	Wuguishan, Zhongshan	676,005	100%

Developments completed and scheduled for completion in 2021

The table below as extracted from the interim report of the Guarantor published on 19 August 2021 (the **2021 Interim Report**) sets out the Group's developments which are completed and scheduled for completion in the year ending 31 December 2021:

<u>Name</u>	<u>Location</u>	<u>Gross Floor Area (sq.ft.)</u>	<u>Group's Interest</u>
Seaside Sonata	New Kowloon Inland Lot No. 6506	595,701	Joint Venture
Sea to Sky	Site H of The Remaining Portion of Tseung Kwan O Town Lot No. 70	1,044,104	Joint Venture
Yuhu Mingdi Phase 3 (3)	Huangpu District, Guangzhou	333,349	80%
La Grande Ville Phase 5	Shun Yi District, Beijing	487,766	100%
Upper West Shanghai Phase 4 Tender 2 (T14)	Putuo District, Shanghai	403,216	60%

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Laguna Verona Phases D2c2 and G1b/G2a Zone 3	Hwang Gang Lake, Dongguan	1,788,960	99.8%
Noble Hills Phases 3B and 3C	Zengcheng, Guangzhou	619,107	100%
Emerald Cove Phases 1 and 2	Daya Bay, Huizhou	2,511,842	100%
Regency Garden Phase 5B-1	Pudong New District, Shanghai	334,806	85%
Regency Cove Phase 2B	Caidian District, Wuhan	651,621	100%

PROPERTY SALES

Revenue of property sales (including share of joint ventures) recognised for the year ended 31 December 2020 was HK\$38,670 million (2019 — HK\$64,108 million), comprising mainly (i) sales of the remaining units and carparks of projects completed previously in Hong Kong; (ii) sales of various development projects on the Mainland – Upper West Shanghai and Hupan Mingdi in Shanghai, Regency Hills in Chongqing, Le Parc in Chengdu and Noble Hills in Guangzhou; (iii) sales of Chelsea Waterfront in the UK; and (iv) sales of Stars of Kovan in Singapore.

Revenue of property sales (including share of joint ventures) recognised for the six months ended 30 June 2021 was HK\$14,789 million (30 June 2020 — HK\$19,484 million), comprising mainly (i) sales of the remaining residential units of various projects completed in Hong Kong; and (ii) sales of various projects on the Mainland – Laguna Verona in Dongguan, Noble Hills in Guangzhou, Upper West Shanghai and Regency Garden in Shanghai. Such revenue is summarised by location as follows:

Location	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	8,941	50,020	609	6,116
The Mainland	27,114	13,059	14,036	10,929
Overseas	2,615	1,029	144	2,439
	38,670	64,108	14,789	19,484

Contribution for the year ended 31 December 2020 was HK\$19,112 million (2019 — HK\$21,372 million). Contribution for the six months ended 30 June 2021 was HK\$7,917 million (30 June 2020 — HK\$9,004 million). Such contribution is summarised by location as follows:

Location	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	3,880	18,982	112	1,768
The Mainland	14,626	2,074	7,787	6,638
Overseas	606	316	18	598
	19,112	21,372	7,917	9,004

During the six months ended 30 June 2021, in Hong Kong, all residential units of Sea to Sky have been presold. The presales of residential units of Seaside Sonata and El Futuro as well as the sales of residential units of 21 Borrett Road Phase 1, a luxury project at Mid-levels West, have been well received. Contribution to Group profit is expected in the second half year when sales are recognised upon completion. On the Mainland, the sales of residential and commercial units of various projects including Laguna Verona in Dongguan, Upper West Shanghai in Shanghai, Noble Hills in Guangzhou and Emerald City in Nanjing are ongoing, whereas the sales of residential units of Chelsea Waterfront in the UK slowed down amid the COVID-19 pandemic.

Property sales contracted but not yet recognised at 30 June 2021 are as follows:

Location	Schedule for Sales Recognition		
	2021	After 2021	Total
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	11,830	18,860	30,690
The Mainland	7,913	2,788	10,701
Overseas	83	32	115
	19,826	21,680	41,506

As at 30 June 2021, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 80 million sq.ft., of which 6 million sq.ft., 70 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

PROPERTY RENTAL

Revenue of property rental (including share of joint ventures) for the year ended 31 December 2020 was HK\$6,751 million (2019 — HK\$7,450 million). Revenue of property rental (including share of joint ventures) for the six months ended 30 June 2021 was HK\$3,353 million (30 June 2020 — HK\$3,453 million). Such revenue comprised rental income derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Retail	2,733	3,357	1,319	1,441
Office	2,840	2,926	1,339	1,439
Industrial	725	736	358	365
Others	453	431	337	208
	6,751	7,450	3,353	3,453

The Group's investment properties are primarily located in Hong Kong including Cheung Kong Center, China Building and Hutchison House (currently under redevelopment) in Central, 1881 Heritage in Tsimshatsui, Whampoa Garden in Hunghom, OP Mall in Tsuen Wan, Hutchison Logistics Centre in Kwai Chung and others.

Contribution for the year ended 31 December 2020 amounted to HK\$5,935 million (2019 — HK\$6,897 million). Contribution for the six months ended 30 June 2021 amounted to HK\$2,894 million (30 June 2020 — HK\$3,169 million), a decrease of HK\$275 million when compared with the same period in 2020, mainly due to a decrease in occupancy of retail and office properties in Hong Kong under the pandemic. Such contribution is summarised by location as follows:

Location	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	4,880	5,466	2,241	2,634
The Mainland	510	649	295	281
Overseas	545	782	358	254
	5,935	6,897	2,894	3,169

As at 30 June 2021, the Group had an investment property portfolio of approximately 17.4 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail	Office	Industrial	Others	Total
	<i>million sq.ft.</i>	<i>million sq.ft.</i>	<i>million sq.ft.</i>	<i>million sq.ft.</i>	<i>million sq.ft.</i>
Hong Kong	3.2	3.9	5.9	-	13.0
The Mainland	1.5	0.4	-	-	1.9
Overseas	0.1	1.4	-	1.0	2.5
	4.8	5.7	5.9	1.0	17.4

A decrease of HK\$1,106 million (2019 — increase of HK\$228 million) in fair value of investment properties was recorded at 31 December 2020, and an increase of HK\$121 million (30 June 2020 — decrease of HK\$809 million) in fair value of investment properties was recorded at 30 June 2021, based on a professional valuation using capitalisation rates ranging from approximately 4 per cent. to 8 per cent..

HOTEL AND SERVICED SUITE OPERATION

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year ended 31 December 2020 was HK\$2,055 million (2019 — HK\$4,185 million), a decrease of HK\$2,130 million when compared with 2019 as hotel businesses in Hong Kong were severely hit by the COVID-19 pandemic. During the year ended 31 December 2020, the operation of Harbour Grand Hotels, Harbour Plaza Hotels & Resorts and other hotels of the Group reported on average a low occupancy rate of 20.1% under the COVID-19 pandemic situation whereas Horizon Hotels & Suites and other serviced suite operations managed to maintain an average occupancy rate of 86.7% with long stay guests.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the six months ended 30 June 2021 was HK\$1,190 million (30 June 2020 — HK\$992 million), and below pre-COVID-19 level when hotel operation continued to be adversely impacted by the pandemic. During the six months ended 30 June 2021, the operation of Harbour Grand Hotels, Harbour Plaza Hotels & Resorts and other group hotels reported on average a slightly improved occupancy rate of 30%, whereas Horizon Hotels & Suites and other serviced suite operations managed to maintain an average occupancy rate of 90% with long stay guests.

Contribution of hotel and serviced suite operation for the year ended 31 December 2020 declined to HK\$260 million (2019 — HK\$1,345 million), a decrease of HK\$1,085 million when compared with 2019 due to operating losses incurred by the hotels. Contribution for the six months ended 30 June 2021 was HK\$124 million (30 June 2020 — HK\$33 million), as serviced suite contributions offset hotel losses. Such contribution is summarised by location as follows:

Location	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	361	1,371	162	90
The Mainland	(101)	(26)	(38)	(57)
	260	1,345	124	33

The Group's hotel and serviced suite properties are mostly located in Hong Kong and provide approximately 15,000 rooms for guest accommodation.

PROPERTY AND PROJECT MANAGEMENT

Revenue of property and project management (including share of joint ventures) for the year ended 31 December 2020 was HK\$836 million (2019 — HK\$868 million). Revenue of property and project management (including share of joint ventures) for the six months ended 30 June 2021 was HK\$432 million (30 June 2020 — HK\$403 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution for the year ended 31 December 2020 was HK\$355 million (2019 — HK\$362 million). Contribution for the six months ended 30 June 2021 was HK\$186 million (30 June 2020 — HK\$173 million). Such contribution is summarised by location as follows:

Location	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Hong Kong	275	277	137	138
The Mainland	58	61	36	23
Overseas	22	24	13	12
	355	362	186	173

As at 30 June 2021, approximately 274 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

AIRCRAFT LEASING

Revenue of aircraft leasing (including share of joint ventures) for the year ended 31 December 2020 was HK\$2,820 million (2019 — HK\$3,192 million), a decrease of HK\$372 million when compared with 2019 mainly due to the disposal of a few aircraft during the year, and comprised income derived from leasing of narrowbody aircraft and widebody aircraft to airlines.

Revenue of aircraft leasing (including share of joint ventures) for the six months ended 30 June 2021 was HK\$1,256 million (30 June 2020 — HK\$1,520 million), a decrease of HK\$264 million when compared with the same period in 2020, and comprised income derived from leasing of narrowbody aircraft and widebody aircraft to airlines. During the six months ended 30 June 2021, the Group strived to restructure lease terms with airline lessees to maintain aircraft on lease when airlines operated under difficult conditions.

Contribution for the year ended 31 December 2020 (including share of joint venture) amounted to HK\$1,119 million (2019 — HK\$1,515 million), including a gain of HK\$201 million on disposal of aircraft and after provisions of HK\$136 million and HK\$70 million made for aircraft impairment and lease receivables respectively.

Contribution for the six months ended 30 June 2021 (including share of joint venture) amounted to HK\$440 million (30 June 2020 — HK\$733 million), a decrease of HK\$293 million when compared with the same period in 2020, in the absence of aircraft disposal gain (30 June 2020 — HK\$195 million) and a decline in leasing income due to impacts of the pandemic. Contribution with reference to lessee's location of operation is summarised as follows:

	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
Location	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Asia	388	481	99	256
Europe	266	438	87	164
North America	471	388	227	256
Latin America	(6)	208	27	57
	1,119	1,515	440	733

As at 30 June 2021, the Group (including interest in joint ventures) owned 120 narrowbody aircraft and 5 widebody aircraft with an average age of 7.3 years and an average remaining lease term of 4.8 years, and had a total commitment of HK\$10.5 billion for acquisition of 22 aircraft.

PUB OPERATION

As at 30 June 2021, the Group's pub businesses comprised 2 breweries and about 2,700 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland.

In October 2019, the Group completed the acquisition of Greene King, a leading integrated brewer and pub retailer. Unfortunately, pub businesses in the UK have been badly hammered by lockdown measures imposed by the government to counteract the COVID-19 pandemic since March 2020. The pub operation has been severely impacted by the mandated closure requirements of pubs and restaurants in the UK. Significant operating losses, mainly on payroll, were incurred during 2020 and impairment was recognised for certain pub property assets which had been underutilised in the pandemic situation.

Notwithstanding the lifting of lockdown measures in July 2021, the prolonged closures and curfew on pubs and restaurants in the first half 2021 had a significant adverse impact on pub operation and profitability. During the six months ended 30 June 2021, the Group's pub businesses continued to be impacted and still operated at below pre-COVID-19 levels. An operating loss of HK\$1,072 million (30 June 2020 — HK\$1,938 million) was reported for the six months ended 30 June 2021. Revenue and operating loss by division of pub operation is as follows:

Division	Year ended 31 December				Six months ended 30 June			
	2020		2019		2021		2020	
	Revenue	Operating loss	Revenue	Contribution	Revenue	Operating loss	Revenue	Operating loss
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Pub Company	7,636	(3,105)	2,933	418	2,724	(922)	3,078	(1,574)
- operates food-led and drink-led destination pubs and restaurants and community-focused local pubs								
Pub Partners	734	5	297	119	349	4	310	(35)
- owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs								
Brewing & Brands	1,160	(362)	381	18	562	(154)	474	(329)
- sells and distributes a wide range of beers including ale brands brewed in own breweries								
Total	<u>9,530</u>	<u>(3,462)</u>	<u>3,611</u>	<u>555</u>	<u>3,635</u>	<u>(1,072)</u>	<u>3,862</u>	<u>(1,938)</u>

INFRASTRUCTURE AND UTILITY ASSET OPERATION

In May 2021, the Group completed the acquisition of (i) a 20% equity interest in UK Power Networks; (ii) a 20% equity interest in Northumbrian Water; (iii) a 10% equity interest in Wales & West Utilities; and (iv) a 10% equity interest in Dutch Enviro Energy from Li Ka Shing Foundation Limited for a total consideration of HK\$17 billion. Following the acquisition, the equity interests in Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy are amalgamated with the Group's economic interests in these entities, and the Group has interests in infrastructure and utility asset businesses operated through joint ventures as follows as at 30 June 2021:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the U.S., Canada and the UK	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	36%
Dutch Enviro Energy JV	An energy-from-waste company in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%

Revenue of the joint venture operations was shared by the Group as follows:

	Year ended 31 December		Six months ended 30 June	
	2020	2019	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
CK William JV	4,332	4,158	2,048	2,020
CKP (Canada) JV	3,749	3,542	2,063	1,782
Sarvana JV	5,409	5,205	3,146	2,807
UK Power Networks JV	-	-	962	-
Northumbrian Water JV	-	-	936	-
Dutch Enviro Energy JV	-	-	193	-
Wales & West Utilities JV	-	-	316	-
	13,490	12,905	9,664	6,609

Furthermore, the Group has interests in the economic benefits of the following infrastructure and utility asset businesses as at 30 June 2021:

	Principal Activity	Interest in Economic Benefit
Park’N Fly	An off-airport car park provider in Canada	20%
UK Rails	A rolling stock operating company in the UK	20%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Profit contribution for the year ended 31 December 2020 amounted to HK\$4,488 million (2019 — HK\$4,524 million), and is summarised by location as follows:

	Year ended 31 December			2020 Total	2019 Total
	Australia	Europe	North America		
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>		
CK William JV	1,279	27	63	1,369	1,548
CKP (Canada) JV	-	-	1,159	1,159	1,086
Sarvana JV	-	1,322	-	1,322	1,260
Other investments	147	491	-	638	630
	1,426	1,840	1,222	4,488	4,524

Profit contribution for the six months ended 30 June 2021 amounted to HK\$3,320 million (30 June 2020 — HK\$2,456 million), and is summarised by location as follows:

				Six months ended 30 June	
	Australia	Europe	North America	2021 Total	2020 Total
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
CK William JV	596	19	14	629	707
CKP (Canada) JV	-	-	638	638	553
Sarvana JV	-	863	-	863	890
UK Power Networks JV	-	521	-	521	-
Northumbrian Water JV	-	246	-	246	-
Dutch Enviro Energy JV	-	46	-	46	-
Wales & West Utilities JV	-	142	-	142	-
Others	37	198	-	235	306
	633	2,035	652	3,320	2,456

INTERESTS IN REAL ESTATE INVESTMENT TRUSTS

The Group's interests in listed real estate investment trusts as at 30 June 2021 were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	32.5%
Fortune REIT	Investment in retail properties in Hong Kong	26.8%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.0%

Hui Xian REIT is an associate. It made a contribution of HK\$189 million (2019 — HK\$175 million) to group profit for the year ended 31 December 2020, whereas distributions received during the year amounted to HK\$235 million (2019 — HK\$517 million). It made a contribution of HK\$153 million (30 June 2020 — HK\$99 million) to group profit for the six months ended 30 June 2021 whereas the Group received a distribution of HK\$152 million (30 June 2020 — HK\$190 million) during the period.

Distributions received from Fortune REIT and Prosperity REIT during the year ended 31 December 2020 amounted to HK\$300 million (2019 — HK\$319 million). Distributions received from Fortune REIT and Prosperity REIT during the six months ended 30 June 2021 amounted to HK\$154 million (30 June 2020 — HK\$157 million). These distributions were recognised as investment income.

A decrease of HK\$1,067 million (2019 — increase of HK\$85 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded for the year ended 31 December 2020 based on the market closing price at 31 December 2020. An increase of HK\$640 million (30 June 2020 — decrease of HK\$1,318 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded for the six months ended 30 June 2021 based on the market closing price at 30 June 2021.

LIQUIDITY AND FINANCING

The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly.

As at 30 June 2021, the Group's bank and other loans amounted to HK\$93.2 billion, an increase of HK\$15.3 billion when compared with bank and other loans at 31 December 2020. The maturity profile was spread over a period of 15 years, with HK\$23.7 billion repayable within 1 year, HK\$52.7 billion within 2 to 5 years and HK\$16.8 billion beyond 5 years.

The Group's net debt to net total capital ratio at 30 June 2021 was approximately 11.8 per cent.. Net debt is arrived at by deducting bank balances and deposits of HK\$43.9 billion from bank and other loans, and net total capital is the aggregate of total equity and net debt.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

COMPETITION

The Group competes with other property developers in Hong Kong, the Mainland and overseas for the acquisition of suitable development sites and available investment properties. Although the Group has a number of strategic joint venture arrangements with some of its competitors, such arrangements are typically project based only and do not restrict joint venture partners from competing on other project developments. The Guarantor believes that its extensive experience in property development, investment, leasing and management enables the Group to compete effectively with its competitors. Furthermore, the Guarantor believes that its strategy of assessing cost against expected yield, the development of working relationships with local governments and industry participants, its continuous focus on the development of quality properties and the provision of premium customer service will continue to enable it to maintain its reputation as a developer and landlord of quality properties.

INSURANCE

The Group is covered by insurance policies arranged with reputable insurance agents which cover loss of rental, fire, flood, strike, malicious damage, other material damage to property and development sites, business interruption and public liability.

The Group believes that its properties are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage. Notwithstanding the Group's insurance coverage, damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fire, floods, water damage, explosion, typhoons and other natural disasters could nevertheless have a material adverse effect on the Group's financial conditions or results of operations.

LAWS, RULES & REGULATIONS

The operations of the Group are subject to various laws and regulations, including environmental laws and regulations, of Hong Kong, the Mainland and the other countries and regions in which it has operations. The Group's activities conducted on its development properties and investments are governed by relevant statutes, rules and regulations. The Group's developments and investments may require government permits, some of which may take longer to obtain than others. From time to time, governments may impose new regulations on businesses which the Group operates in. In addition, the Group's properties are subject to inspections by certain governmental departments with regard to various safety and environmental issues if warranted by the circumstances.

MANAGEMENT

The Directors of the Guarantor are:

LI Tzar Kuoi, Victor	Chairman and Managing Director and Executive Director
KAM Hing Lam	Deputy Managing Director and Executive Director
IP Tak Chuen, Edmond	Deputy Managing Director and Executive Director
CHUNG Sun Keung, Davy	Executive Director
CHIU Kwok Hung, Justin	Executive Director
CHOW Wai Kam, Raymond	Executive Director
PAU Yee Wan, Ezra	Executive Director
WOO Chia Ching, Grace	Executive Director
CHEONG Ying Chew, Henry	Independent Non-executive Director
CHOW Nin Mow, Albert	Independent Non-executive Director
HUNG Siu-lin, Katherine	Independent Non-executive Director
Colin Stevens RUSSEL	Independent Non-executive Director
Donald Jeffrey ROBERTS	Independent Non-executive Director
Stephen Edward BRADLEY	Independent Non-executive Director

The correspondence address of the Directors is 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

EMPLOYEES

As at 30 June 2021, the Group employed approximately 55,000 employees. The related employees' costs for the six months ended 30 June 2021 (excluding directors' emoluments), before employment support subsidies from governments and other reimbursements, amounted to approximately HK\$5,576 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

SCHEDULE OF MAJOR PROPERTIES

The Group's schedule of major properties as at 31 December 2020 is as follows:

A. PROPERTIES FOR/UNDER DEVELOPMENT

Description	Lot Number/ Location	Group's Interest	Approx. Site Area (sq. ft.)	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Hong Kong							
21 Borrett Road, Mid-level	I.L.8949	100.0%	112,892	286,163	Residential	Completed	Completed
				149,123	Residential	Interior finishing	September, 2022
El Futuro, Sha Tin	S.T.T.L. 614	100.0%	67,802	244,084	Residential	Superstructure in progress	January, 2022
A site at Yuen Long	Lot 4328 in D.D. 124	100.0%	110,222	138,876	Residential	Foundation work	November, 2022
A site at Tuen Mun	T.M.T.L. 463	40.9%	266,945	142,073	Residential	Foundation work	June, 2024
Two sites at Yau Tong	Y.T.I.L. 45	100.0%	83,668	418,339	Residential	Foundation work	June, 2024
A site at Kwun Tong	Lot No. 1069 in Survey District No. 3	100.0%	217,076	1,089,145	Residential	Planning	June, 2025
A site at Fung Yuen, Tai Po	Various lots in D.D. 11	100.0%	747,564	—	Agricultural land	Planning	—
A site at Yuen Long	Lot 1457 R.P. in D.D. 123 Y.L.	60.0%	8,610,937	—	Agricultural land	Planning	—
A site at North District	Various lots	100.0%	1,206,353	—	Agricultural land	Planning	—
Various sites at Yuen Long	Various lots	100.0%	2,095,602	—	Agricultural land	Planning	—
Various sites at Tai Po	Various lots	100.0%	133,472	—	Agricultural land	Planning	—
The Mainland							
La Grande Ville	Beijing	100.0%	560,283	487,766	Residential	Interior finishing	June, 2021
The Greenwich	Beijing	100.0%	1,052,720	2,814,114	Residential/ Commercial	Superstructure in progress	December, 2022
Beixinjiayuan	Beijing	100.0%	2,759,132	861,112	Residential	Planning	—
Noble Hills	Changsha	100.0%	543,878	1,065,626	Residential	Planning	September, 2023
Regency Hills	Chongqing	95.0%	9,062,440	189,401	Commercial	Superstructure in progress	June, 2022
				3,335,073	Residential/ Commercial	Site formation	September, 2023
				3,587,556	Residential/ Commercial	Site formation	June, 2024
				4,099,229	Residential/ Commercial	Site formation	June, 2025
				16,080,544	Residential/ Commercial	Planning	—
The South Bay	Dalian	100.0%	3,007,111	1,911,453	Residential	Planning	December, 2023
				977,050	Residential	Planning	June, 2024
				762,569	Commercial	Planning	—

Description	Lot Number/ Location	Group's Interest	Approx. Site Area (sq. ft.)	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Laguna Verona	Dongguan	99.8%	7,760,923	1,230,876	Residential	Superstructure completed	January, 2021
				554,918	Residential	Superstructure in progress	May, 2021
				930,536	Residential	Foundation work	March, 2022
				898,989	Residential	Planning	November, 2022
				1,793,036	Residential	Planning	September, 2023
				1,965,845	Residential	Planning	June, 2024
				1,094,298	Residential/ Commercial	Planning	June, 2025
Yuhu Mingdi	Guangzhou	80.0%	639,776	266,795	Residential	Superstructure completed	March, 2021
				479,603	Residential	Superstructure in progress	September, 2023
Noble Hills	Guangzhou	100.0%	3,476,740	495,538	Residential	Superstructure in progress	June, 2021
				123,569	Residential	Superstructure in progress	December, 2021
				1,088,112	Residential	Planning	September, 2023
				268,667	Residential	Planning	—
Emerald Cove	Huizhou	100.0%	861,672	2,511,842	Residential/ Commercial	Superstructure in progress	June, 2021
Upper West Shanghai	Shanghai	60.0%	754,019	1,779,550	Commercial/ Hotel	Completed	Completed
				241,930	Commercial	Superstructure in progress	April, 2021
				719,853	Commercial	Superstructure in progress	June, 2022
Regency Garden	Shanghai	85.0%	326,792	284,068	Residential	Superstructure in progress	March, 2021
				220,343	Residential	Planning	March, 2023
				326,045	Residential	Planning	March, 2024
Regency Cove	Wuhan	100.0%	6,882,319	657,620	Residential/ Commercial	Superstructure in progress	October, 2021
				566,633	Residential	Planning	September, 2022
				1,661,677	Residential/ Commercial	Planning	June, 2023
				2,852,434	Residential	Planning	March, 2024
				4,399,507	Residential/ Commercial	Planning	June, 2025
				4,373,437	Residential/ Commercial/ Hotel	Planning	—

Description	Lot Number/ Location	Group's Interest	Approx. Site Area (sq. ft.)	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Horizon Costa	Zhuhai	100.0%	2,152,780	1,202,801	Residential/ Commercial	Planning	June, 2024
				1,354,314	Residential	Planning	June, 2025
Overseas							
Chelsea Waterfront, Chelsea	London, the UK	95.0%	237,979	134,214	Residential/ Commercial	Facade & interior finishing	August, 2022
				4,468	Commercial	Superstructure in progress	November, 2022
				103,987	Residential	Superstructure in progress	January, 2023
				124,784	Residential	Superstructure in progress	September, 2023
				127,120	Residential/ Commercial	Superstructure in progress	January, 2024
A site at Convoys Wharf	London, the UK	100.0%	1,742,400	7,320	Commercial	Planning	November, 2022
				415,383	Residential/ Commercial	Planning	December, 2024
				226,082	Residential/ Commercial	Planning	March, 2025
				222,772	Residential/ Commercial	Planning	December, 2025
				2,189,149	Residential/ Commercial/ Hotel	Planning	—
A site at Teversham Road, Fulbourn	Cambridgeshi- re, the UK	100.0%	737,327	35,532	Residential	Planning	April, 2023
				55,668	Residential	Planning	December, 2023
A site at Bukit Timah Road	Singapore	100.0%	104,532	241,470	Residential	Planning	May, 2024

B. PROPERTIES IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST

Description	Lot Number/ Location	Approx. Site Area (sq. ft.)	Approx. Floor Area of the Development (sq. ft.)	Existing Land Use	Stage of Completion	Estimated Date of Completion
Hong Kong						
Seaside Sonata, Sham Shui Po	N.K.I.L 6506	80,805	595,702	Residential/ Commercial	Interior finishing	March, 2021
Sea to Sky, Tseung Kwan O	T.K.O.T.L. 70 R.P., Site H	179,090	1,044,104	Residential	Interior finishing	March, 2021
Wong Chuk Hang Station Package 3, Aberdeen	A.I.L. 467, Site C	240,928	505,903	Commercial	Foundation work	June, 2023
			999,966	Residential	Foundation work	December, 2024

C. PROPERTIES FOR INVESTMENT/OWN USE

Description	Lot Number/ Location	Group's Interest	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Use	Lease Term
Hong Kong					
Cheung Kong Center, Central	I.L. 8887	100.0%	1,289,356	Office/Retail	Medium Term Lease
One and Two Harbourfront, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%	938,308	Office/Retail	Long Lease
Hutchison House, Central	I.L. 8286	100.0%	493,577	Under redevelopment	Long Lease
THE HUB, Aberdeen	A.I.L. 399	100.0%	342,868	Office	Long Lease
Hutchison Telecom Tower (portion), Tsing Yi	T.Y.T.L. 139 section A	100.0%	300,268	Office	Medium Term Lease
China Building, Central	I.L. 2317	100.0%	258,751	Office/Retail	Long Lease
Whampoa Garden (portion), Hung Hom	K.I.L. 10750 sections A to H & J to L	100.0%	1,713,990	Retail	Long Lease
OP Mall, Tsuen Wan	T.W.T.L. 401	100.0%	436,476	Retail	Medium Term Lease
Aberdeen Centre (portion), Aberdeen	A.I.L. 302 & 304	100.0%	345,026	Retail	Long Lease
Victoria Mall, Tsim Sha Tsui	K.I.L. 11086 R.P.	85.0%	143,040	Retail	Medium Term Lease
1881 Heritage, Tsim Sha Tsui	K.I.L. 11161 R.P.	100.0%	140,180	Retail/Hotel	Medium Term Lease
Harbourview Horizon All-Suite Hotel, Hung Hom Bay	K.I.L. 11103	100.0%	1,283,918	Hotel	Medium Term Lease
Harbourfront Horizon All-Suite Hotel and Kowloon Harbourfront Hotel, Hung Hom Bay	K.I.L. 11110	100.0%	1,156,516	Hotel	Medium Term Lease
Harbour Plaza Resort City, Tin Shui Wai	T.S.W.T.L. 4	98.5%	651,990	Hotel	Medium Term Lease
Horizon Suite Hotel at Tolo Harbour, Ma On Shan	S.T.T.L. 461	100.0%	602,778	Hotel	Medium Term Lease
Harbour Grand Kowloon, Hung Hom	Sections A, B & R.P. of H.H.M.L. 6 & Extension	100.0%	633,487	Hotel	Long Lease
Harbour Plaza Metropolis, Hung Hom	K.I.L. 11077	100.0%	461,309	Hotel	Medium Term Lease
Harbour Grand Hong Kong, North Point	I.L. 7106 s.A & Extension	Development interest	444,988	Hotel	Medium Term Lease
Harbour Plaza North Point	I.L. 8885	100.0%	343,078	Hotel	Medium Term Lease
The Kowloon Hotel, Tsim Sha Tsui	K.I.L. 10737	100.0%	329,486	Hotel/Retail	Medium Term Lease
Hotel Alexandra, North Point	I.L. 8920	100.0%	322,917	Hotel	Medium Term Lease
Sheraton Hong Kong Hotel & Towers, Tsim Sha Tsui	K.I.L. 9172	39.0%	260,061	Hotel/Retail	Long Lease

Description	Lot Number/ Location	Group's Interest	Approx. Floor Area Attributable to the Group (sq. ft.)	Existing Use	Lease Term
Harbour Plaza 8 Degrees, Kowloon City	K.I.L. 4013 R.P.	100.0%	230,565	Hotel	Long Lease
The Apex Horizon, Kwai Chung	K.C.T.L. 467 R.P.	100.0%	228,087	Hotel	Medium Term Lease
Rambler Oasis Hotel, Tsing Yi	T.Y.T.L. 140	100.0%	213,233	Hotel	Medium Term Lease
Rambler Garden Hotel, Tsing Yi	T.Y.T.L. 140	100.0%	211,111	Hotel	Medium Term Lease
Hutchison Logistics Centre (portion), Kwai Chung	K.C.L. 4 & Extension	100.0%	4,705,141	Industrial/ Office	Medium Term Lease
Watson Centre, Kwai Chung	K.C.T.L. 258	100.0%	687,200	Industrial	Medium Term Lease
Conic Investment Building, Hung Hom	Subsection 1 of section O of K.M.L. 40	100.0%	508,888	Under redevelopment	Medium Term Lease
The Mainland					
Century Place	Shenzhen	80.0%	454,346	Retail	Medium Term Lease
Westgate Mall	Shanghai	60.0%	659,611	Retail/Office	Short Lease
Kerry Everbright City	Shanghai	24.8%	112,978	Retail/Office	Medium Term Lease
The Great Wall Hotel Beijing	Beijing	49.8%	437,393	Hotel	Short Lease
Sofitel Shenyang Lido	Shenyang	29.0%	252,090	Hotel	Medium Term Lease
Overseas					
5 Broadgate	London, the UK	100.0%	1,171,348	Office	Long Lease
1 & 2 Heuston South Quarter	Dublin, Ireland	100.0%	242,115	Office	Freehold
Various premises at England, Wales and Scotland	The UK	100.0%	873,570	Residential	Freehold
Various premises at England, Wales and Scotland	The UK	100.0%	24 million	Pub operation	Freehold
			2 million	Pub operation	Long and Medium Term Lease

Notes to Schedule of Major Properties:

- (1) Properties which are insignificant, including overseas properties, agricultural land and completed properties for sales, are not included.
- (2) Properties owned by associates are not included.
- (3) For properties in which the Group has a development interest, other parties provide the land whilst the Group finances the construction costs and occasionally also the land costs, and is entitled to a share of the revenue/development profits/properties after completion in accordance with the terms and conditions of the joint development agreements.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular; all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

Payments of interest and principal on, and any transfer of, the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty or similar taxes or charges are payable in respect of the execution and issue of the Registered Notes unless they are executed in or brought within (for example, for the purposes of enforcement) the jurisdiction of the Cayman Islands, in which case stamp duty of 0.25 per cent. of the principal amount specified on the face of each such Note is payable (up to a maximum of C.I.\$250 (U.S.\$305)) unless stamp duty of C.I.\$500 (U.S.\$610) has been paid in respect of the entire issue of such Notes. An instrument of transfer in respect of Registered Notes if executed in or brought within the jurisdiction of the Cayman Islands will be subject to a Cayman Islands stamp duty of C.I.\$100 (U.S.\$122).

No stamp duty is payable in respect of the issue of Bearer Notes. The Bearer Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**“The Tax Concessions Act
(As Revised)**

Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Act (As Revised), the Governor in Cabinet undertakes with CK Property Finance (MTN) Limited (the **Company**).

- 1** That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2** In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - 2.1 on or in respect of the shares, debentures or other obligations of the Company;

OR

- 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (As Revised).

3 These concessions shall be for a period of twenty years from the 19 April 2016.”

Hong Kong

Withholding Tax

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

Profits Tax

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

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

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

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

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

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

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the **SDO**)).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 1 August 2021, if stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.26 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under “*Terms and Conditions — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the amended and restated dealer agreement dated [●] 2021 (such dealer agreement as further modified and/or supplemented and/or restated from time to time, the **Dealer Agreement**) made between the Issuer, the Guarantor, the Arrangers and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Dealers. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The Issuer, failing which the Guarantor, has agreed to pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer, failing which the Guarantor, has agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment of the Programme and for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant subscription agreement.

The Issuer, failing which the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arrangers, the Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (**Banking Services or Transactions**). The Arrangers, the Dealers or any of their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions for the Issuer, the Guarantor and/or its affiliates for which they have received customary fees and expenses.

In connection with each tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer and/or the Guarantor, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the Notes. Accordingly, references herein to the offering of the Notes should be read as including any offering of the Notes to the Issuer, the Guarantor, the Arrangers, the Dealers and/or their respective affiliates as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

In the ordinary course of their various business activities, the Arrangers, the Dealers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds and could adversely affect the trading price and liquidity of the Notes. The Arrangers, the Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the Issuer or the Guarantor.

SELLING RESTRICTIONS

United States

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

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

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

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

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

Prohibition of Sales to EEA Retail Investors

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

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the Prospectus Regulation.
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA (each, a **Relevant State**), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that

customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

- (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restrictions under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression **UK Prospectus Regulation** means the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Requirements in the UK

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their

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

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

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

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

People’s Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People’s Republic of China.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority

of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: *In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

The Netherlands

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither this Offering Circular nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation, provided that these parties acquire the Notes for their own account or that of another qualified investor. However, the Notes may be offered free of any restrictions in the Netherlands provided that each such Note has a minimum denomination

in excess of €100,000 (or the equivalent thereof in non-Euro currency) and subject to compliance with the relevant requirements under the PRIIPs Regulation.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make, on behalf of the Issuer, any invitation to the public in the Cayman Islands to subscribe for any of the Notes.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 7 October 2021 and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 7 October 2021.

Listing of Notes on the Hong Kong Stock Exchange

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

However, Notes may also be listed on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s). Unlisted Notes may also be issued.

The issue price of listed Notes on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the date of listing of the relevant Notes.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the principal place of business of the Issuer and from the specified office of the Principal Paying Agent for the time being in Hong Kong:

- (a) the Amended and Restated Memorandum and Articles of Association of the Guarantor;
- (b) the Memorandum and Articles of Association of the Issuer;
- (c) the 2020 Financial Statements, together with the audit report prepared in connection therewith, and the 1H2021 Financial Statements. The Guarantor currently prepares audited consolidated accounts on an annual basis and unaudited interim consolidated accounts on a half-year basis;
- (d) the most recently published audited annual financial statements of the Issuer (if any) and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith. At the date of this Offering Circular, the Issuer has not published any audited or unaudited financial statements and does not propose to publish any financial statements;
- (e) the Dealer Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (f) a copy of this Offering Circular;
- (g) any future offering circulars, prospectuses, information memoranda, supplements, Pricing Supplements (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (h) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent documents).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing systems, the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group since 30 June 2021 and there has been no material adverse change in the financial position or prospects of the Group since 30 June 2021.

Litigation

Neither the Issuer nor the Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

Auditors

The Issuer has not published and does not propose to publish accounts. The auditors of the Guarantor are Deloitte Touche Tohmatsu, 35/F One Pacific Place, 88 Queensway, Hong Kong, independent Certified Public Accountants and Registered Public Interest Entity Auditors, who have audited the Guarantor's accounts, without qualification, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants for the financial year ended on 31 December 2020. The auditors of the Guarantor have no financial interests in the Guarantor.

The auditor's report on the consolidated financial statements of the Guarantor for the year ended 31 December 2020 are incorporated in the form and context in which it is included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Dealers transacting with the Issuer and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer, the Guarantor and their affiliates in the ordinary course of business.

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Cayman Islands

GUARANTOR

CK Asset Holdings Limited

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Cayman Islands

PRINCIPAL PAYING AGENT

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Hong Kong

REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited

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CMU LODGING AGENT

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To the Guarantor

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

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Corporation Limited**

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