IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular (the "**Offering Circular**") attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. **You acknowledge that the access to the attached Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.**

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

Confirmation of Your Representation. You have accessed the attached document on the basis that you have confirmed to Merrill Lynch (Asia Pacific) Limited, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and UBS AG Hong Kong Branch (each a "**Joint Bookrunner and Joint Lead Manager**" and together, the "**Joint Bookrunners**") that: (1) you are not in the United States AND (2) you consent to the delivery of this document by electronic transmission. This document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Panther Ventures Limited (the "**Issuer**"), CK Asset Holdings Limited (the "**Guarantor**" or the "**Company**") or the Joint Bookrunners, nor any of their respective affiliates, accept any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

Restrictions: Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Guarantor or the Joint Bookrunners to subscribe for or purchase any of the securities described therein. Any securities to be issued will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Joint Bookrunner or any affiliate of such Joint Bookrunner is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Bookrunner or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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.

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STRICTLY CONFIDENTIAL

PANTHER VENTURES LIMITED

(incorporated with limited liability in the British Virgin Islands)

US$300,000,000 3.80 per cent. Guaranteed Senior Perpetual Capital Securities

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)

Issue Price: 100.00 per cent.

The 3.80 per cent. Guaranteed Senior Perpetual Capital Securities (the "**Securities**") will be issued in an initial aggregate principal amount of US$300,000,000 by Panther Ventures Limited (the "**Issuer**") and the due and punctual payment of all sums payable by the Issuer in respect of the Securities will be unconditionally and irrevocably guaranteed (the "**Guarantee of the Securities**") by CK Asset Holdings Limited (the "**Guarantor**"). The Securities confer a right to receive distributions (each a "**Distribution**") for the period from and including 17 September 2020 (the "**Issue Date**") at the rate of 3.80 per cent. per annum (the "**Distribution Rate**"). Subject to the provisions of the Securities relating to deferral of Distribution (see "*Terms and Conditions of the Securities – Distribution – Distribution Deferral*"), Distribution is payable semi-annually in arrear on 17 March and 17 September of each year (each a "**Distribution Payment Date**", with the first Distribution Payment Date falling on 17 March 2021).

The Issuer may, at its sole discretion, elect to defer a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by providing holders of the Securities ("**Holders**") with not more than 10 nor less than five Business Days (as defined in "*Terms and Conditions of the Securities*") notice prior to a scheduled Distribution Payment Date provided that such election to defer may only be made if, during the three months ending on the day before that scheduled Distribution Payment Date no discretionary dividend, distribution or other discretionary payment has been paid or declared by the Guarantor on or in respect of its Junior Securities (as defined in "*Terms and Conditions of the Securities*") or its Parity Securities (as defined in "*Terms and Conditions of the Securities*") (except (i) in relation to Parity Securities of the Guarantor, on a pro-rata basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants). Any Distribution so deferred shall constitute "**Arrears of Distribution**". Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest payable thereon shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution as described in "*Terms and Conditions of the Securities – Distribution – Cumulative Deferral*". The Issuer may further defer any Arrears of Distribution by complying with the foregoing notice requirement and is not subject to any limits as to the number of times Distributions and Arrears of Distribution can be deferred. See "*Terms and Conditions of the Securities – Distribution – Distribution Deferral*".

The Securities are perpetual securities and have no fixed redemption date. The Issuer may redeem the Securities in whole or in part on the Distribution Payment Date falling on 17 September 2023 or on any day thereafter at 100 per cent. of their prevailing principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (as defined in "*Terms and Conditions of the Securities*") (if any) and Distribution (if any) accrued to the date fixed for redemption on the Issuer's giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant date for redemption) provided that, in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than US$300,000,000. The Securities may also be redeemed in whole, but not in part, at the option of the Issuer, subject to certain provisos, at 100 per cent. of their principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (if any) and Distribution (if any) accrued to the date fixed for redemption upon the occurrence of: (i) any changes or amendments to the Relevant Accounting Standard (as defined in "*Terms and Conditions of the Securities*") such that the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "**equity**" of the Guarantor pursuant to the Relevant Accounting Standard; (ii) any change in, or amendment to, the laws or regulations of the Cayman Islands, the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 3 September 2020 such that the Issuer or the Guarantor would be required to pay additional amounts in respect of the Securities or the Guarantee of the Securities and such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it; or (iii) at least 80 per cent. in principal amount of the Securities originally issued (including any further Securities issued pursuant to Condition 13 (*Further Issues*) and consolidated and forming a single series with the Securities) has already been redeemed or purchased and cancelled prior to the Issuer giving notice to the Holders. See "*Terms and Conditions of the Securities – Redemption and Purchase*".

Application will be made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or the "**HKSE**") for the listing of, and permission to deal in, the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Securities and Futures Ordinance (Cap.571) of Hong Kong) (together the "**Professional Investors**") only. This Offering Circular is for distribution to Professional Investors only. **Investors should not purchase the Securities in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Securities are only suitable for Professional Investors.**

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 Securities on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Securities or the Issuer and the Guarantor or 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 Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Guarantor. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Investing in the Securities involves certain risks. See "*Risk Factors*" beginning on page 15.

The Securities and the Guarantee of the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Securities and the distribution of this Offering Circular, see "*Subscription and Sale*".

The Securities are expected to be rated "A2" by Moody's Investors Service Hong Kong Limited. ("**Moody's**"), and the Guarantor has been rated "A2" by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer and/or the Guarantor.

The Securities will be represented by beneficial interests in the global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and will be deposited on or about 17 September 2020 with, a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**", together with Euroclear, the "**Clearing Systems**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.

Joint Bookrunners and Joint Lead Managers

BofA Securities **Deutsche Bank** **HSBC** **J.P. Morgan** **UBS**

Offering Circular dated 3 September 2020

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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 "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Guarantor, the Securities and the Guarantee of the Securities.

The Issuer accepts responsibility for the information contained in the sections entitled "*Terms and Conditions of the Securities*" and "*Description of the Issuer*" but has not separately verified, and accordingly does not accept responsibility for, any other information contained in this Offering Circular. The Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all material information with respect to the Guarantor, and the Guarantor's subsidiaries taken as a whole (the Guarantor and its subsidiaries collectively, the "**Group**"), and to the Securities and the Guarantee of the Securities (including all information which, according to the particular nature of the Guarantor, the Group, the Securities and of the Guarantee of the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Guarantor and of the rights attaching to the Securities), (ii) all statements of fact relating to the Guarantor, the Group and to the Securities and the Guarantee of the Securities contained in this Offering Circular are in every material particular true and accurate and not misleading in any material respect, and that there are no other facts in relation to the Guarantor, the Group and to the Securities and the Guarantee of the Securities the omission of which would in the context of the issue of the Securities and the Guarantee of the Securities make any statement in this Offering Circular misleading in any material respect, (iii) the statements of intention, opinion, belief or expectation with regard to the Guarantor and the Group contained in this Offering Circular are honestly made or held and have been reached after considering all relevant circumstances and have been based on reasonable assumptions at the material time and (iv) all reasonable enquiries have been made by the Guarantor to ascertain such facts and to verify the accuracy of all such statements.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Securities described in this Offering Circular. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Bookrunners (as defined herein) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Securities or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Securities, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Securities and distribution of this Offering Circular, see "*Subscription and Sale*".

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor and the Group, the Securities or the Guarantee of the Securities other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Bookrunners or the Agents (as defined in the Terms and Conditions of the Securities (the "**Conditions**")). Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Securities shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Bookrunners or the Agents to subscribe for or purchase any of the Securities and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Joint Bookrunners or the Agents as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty, express or implied, by the Joint Bookrunners or the Agents. The Joint Bookrunners have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, the Guarantor, any member of the Group, the Joint Bookrunners or the Agents that any recipient of this Offering Circular should purchase the Securities. Each potential purchaser of the Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Securities should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

To the fullest extent permitted by law, none of the Joint Bookrunners or the Agents or any of their respective affiliates, directors or advisers accepts any responsibility for the contents of this Offering Circular. The Joint Bookrunners and the Agents and their respective affiliates, directors or advisers accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Bookrunners or the Agents or any of their respective affiliates, directors or advisers undertakes to review the results of operations, financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Bookrunners or the Agents.

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 Securities 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).

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

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

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. Listing of the Securities on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group or the Securities. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the Conditions, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Securities. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with its investigation of the accuracy of such information or its investment decision.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, ANY OF THE JOINT BOOKRUNNERS AS STABILISING MANAGER (THE "**STABILISING MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT THE SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer is a newly-incorporated special purpose financing vehicle and it has no historical published financial statements.

The financial information in this Offering Circular relating to the Guarantor (i) for the years ended 31 December 2019 and 2018 was extracted from the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2019 (the "**2019 Financial Statements**"); and (ii) for the six months ended 30 June 2020 and the six months ended 30 June 2019 was extracted from the unaudited consolidated financial statements of the Guarantor for the six months ended 30 June 2020 (the "**2020 Interim Financial Statements**"), where both (i) and (ii) have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The 2020 Interim Financial Statements have not been audited or reviewed by Deloitte Touche Tohmatsu. Consequently, the 2020 Interim 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 Joint Bookrunners 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 2020 Interim 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 ended 31 December 2020.

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.

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Issuer*", "*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. The Issuer, the Guarantor and the directors, employees and agents of the Issuer and the Guarantor, respectively do not assume (a) any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's or the Guarantor's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based or (b) any liability in the event that any of the forward-looking statements 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 or the Guarantor'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.

CERTAIN DEFINED TERMS AND CONVENTIONS

This Offering Circular has been prepared using a number of conventions, which investors should consider when reading the information contained here. 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 Securities*" or any other section of this Offering Circular. Unless indicated otherwise, in this Offering Circular all references to (i) to the "Issuer" are to Panther Ventures Limited, (ii) the "Guarantor" or the "Company" are to CK Asset Holdings Limited, and (iii) the "Group" are to CK Asset Holdings Limited and its direct and indirect subsidiaries, taken as a whole unless the context otherwise indicated.

In this Offering Circular, unless otherwise specified or the context requires, all references to "Hong Kong" are to the Hong Kong Special Administrative Region of the People Republic of China, all references to the "PRC" or to the "Mainland" are to the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan, all references to "U.S." are to the United States of America, all references to "Hong Kong dollars", "HK dollars", "HK$" or "cents" are to the lawful currency of Hong Kong, all references herein to "U.S. dollars" or "US$" are to the lawful currency of the U.S., all references to "RMB" are to the lawful currency of the PRC and all references to "Canadian dollars" or "C$" are to the lawful currency of Canada.

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

SUMMARY OF THE OFFERING

The following is a summary of the terms and conditions of the Securities. For a more complete description of the Securities, see "Terms and Conditions of the Securities". Terms used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Securities".

Issuer	Panther Ventures Limited.
Guarantor	CK Asset Holdings Limited.
Issue	US$300,000,000 guaranteed senior perpetual capital securities.
Guarantee	The Guarantor has, in the Deed of Guarantee, unconditionally and irrevocably guaranteed the due and punctual payment of all sums payable by the Issuer in respect of the Securities.
Status of the Securities	The Securities constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as any be provided by applicable legislation.
Status of the Guarantee of the Securities	The Guarantee of the Securities constitutes a direct, unsecured, unconditional and unsubordinated obligation of the Guarantor which ranks at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such exceptions as any be provided by applicable legislation.
Issue Price	100.00 per cent.
Form and Denomination	The Securities will be issued in registered form in the denomination of US$200,000 each and integral multiples of US$1,000 in excess thereof.
Distributions	Subject to Condition 4(c), the Securities confer a right to receive distribution (each a "**Distribution**") from 17 September 2020 (the "**Issue Date**") at the Distribution Rate payable semi-annually in arrear on 17 March and 17 September of each year, with the first Distribution Payment Date falling on 17 March 2021.
Distribution Rate	The Distribution Rate shall be 3.80 per cent. per annum.
Optional Deferral of Distributions	The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Holders not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date provided that such election to defer may only be made if, during the 3 months ending on the day before that scheduled Distribution Payment Date no discretionary dividend, distribution or other discretionary payment has been paid or declared by the Guarantor on or in respect of its Junior Securities or its Parity Securities, except (i) in relation to the Parity Securities of the Guarantor, on a *pro rata* basis, or (ii) in

connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors, or consultants (an "**Optional Deferral Event**"). Any Distribution so deferred shall bear interest as if it constituted the principal of the Securities at the Distribution Rate. The Issuer may further defer any Arrears of Distribution by complying with the foregoing notice requirement. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can be deferred.

Arrears of Distribution

Any Distribution not paid on a Distribution Payment Date shall constitute an "**Arrears of Distribution**". Arrears of Distribution (a) may be satisfied by the Issuer (in whole or in part) at any time by giving notice of such election to Holders and the Fiscal Agent not more than 20 nor less than 10 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment dates specified in such notice) and (b) must be satisfied in certain other circumstances in accordance with Condition 4(c)(vi)(B).

Restrictions in the case of a Deferral

If on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 4(c), the Issuer and the Guarantor shall not:

(1) declare or pay any discretionary dividends or distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other discretionary payment is made on any of its Junior Securities or (except on a *pro-rata* basis) its Parity Securities, provided that such restriction shall not apply to payments declared, paid or made in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors, or consultants; or

(2) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities on a discretionary basis, provided that such restriction shall not apply to an exchange of any of the Parity Securities in whole for Junior Securities,

in each case unless and until (i) the Issuer or the Guarantor has satisfied, in full all outstanding Arrears of Distribution; or (ii) the Issuer and the Guarantor have been permitted to do so by an Extraordinary Resolution (as defined in the Agency Agreement) of the Holders.

Expected Closing Date

17 September 2020.

Maturity Date

There is no maturity date.

Redemption at the Option of the Issuer

The Issuer may at its option redeem the Securities in whole or in part, on the Distribution Payment Date falling on 17

	September 2023 or on any day thereafter on the Issuer's giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date) at their prevailing principal amount plus Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount) provided that, in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than US$300,000,000.
Tax Redemption	The Issuer may at its option redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, as a result of a change in, or amendment to, the laws or regulations of the Cayman Islands, the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 3 September 2020 the Issuer or the Guarantor would be required to pay additional amounts in respect of the Securities or the Guarantee of the Securities, as the case may be, and such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it.
Redemption for Accounting Reasons	The Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, as a result of any changes or amendments to the Relevant Accounting Standard (as defined in Condition 5(c)), the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "**equity**" of the Guarantor pursuant to the Relevant Accounting Standard.
Redemption for Minimum Outstanding Amount	The Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if prior to the date of such notice at least 80 per cent. in principal amount of the Securities originally issued (including any further Securities issued

	pursuant to Condition 13 (*Further Issues*) and consolidated and forming a single series with the Securities) has already been redeemed or purchased and cancelled.
Governing Law	The Securities and the Guarantee of the Securities will be governed by, and construed in accordance with, English law.
Clearing Systems	The Securities will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for Securities will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Securities have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS2227047151 Common Code: 222704715
Legal Entity Identifier (LEI)	2549002Y472ADOL5ED56.
Fiscal Agent, Paying Agent, Transfer Agent and Calculation Agent	The Hongkong and Shanghai Banking Corporation Limited.
Registrar	The Hongkong and Shanghai Banking Corporation Limited
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities by way of debt issues to Professional Investors only.
Ratings	The Securities are expected to be rated “A2” by Moody’s, and the Guarantor has been rated “A2” by Moody’s. A security rating is not a recommendation to buy, sell or hold the Securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Such ratings should be evaluated independently of any other rating of the other securities of the Issuer and/or the Guarantor.
Use of Proceeds	See “*Use of Proceeds*”.

CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

The consolidated financial information of the Guarantor set out below for the years ended 31 December 2019 and 2018, was extracted from the 2019 Financial Statements audited by Deloitte Touche Tohmatsu.

The consolidated financial information of the Guarantor set out below for the six months ended 30 June 2020 and 2019, was extracted from the 2020 Interim Financial Statements.

The 2020 Interim Financial Statements have not been audited or reviewed by Deloitte Touche Tohmatsu. Consequently, the 2020 Interim 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 Joint Bookrunners 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 2020 Interim 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 ended 31 December 2020.

Consolidated Income Statement of the Guarantor for the years ended 31 December 2019 and 2018 and for the six months ended 30 June 2020 and 2019

	Year ended 31 December		Six months ended 30 June	
	2019	**2018**	**2020**	**2019**
	(Audited)		*(Unaudited)*	
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
Group revenue	82,382	50,368	29,248	26,836
Share of revenue of joint ventures	13,937	14,113	7,075	7,172
Total	96,319	64,481	36,323	34,008
Group revenue	82,382	50,368	29,248	26,836
Interest from joint ventures	1,966	2,175	915	1,007
Investment and other income	3,122	2,013	1,596	2,094
Operating costs				
Property and related costs	(42,546)	(22,755)	(10,377)	(11,531)
Pub product and related costs	(1,763)	-	(3,700)	-
Salaries and related expenses	(4,452)	(3,873)	(2,884)	(1,817)
Interest and other finance costs	(1,291)	(1,079)	(921)	(580)
Depreciation	(2,192)	(1,771)	(1,651)	(889)
Other expenses	(896)	(559)	(237)	(246)
	(53,140)	(30,037)	(19,770)	(15,063)
Profit on disposal of a property development joint venture	-	6,989	-	-
Gain/(loss) on financial instruments	2,190	511	(254)	1,803
Change in fair value of investment properties	228	3,993	(809)	1,002
Surplus on disposal of investment properties	-	11,850	-	-
Profit on disposal of hotel properties	-	675	-	-
Share of profit of joint ventures	587	420	571	447
Share of profit of associates	175	218	99	166
Profit before taxation	37,510	49,175	11,596	18,292
Taxation	(7,464)	(7,541)	(4,137)	(2,568)
Profit after taxation	30,046	41,634	7,459	15,724
Profit attributable to				
Non-controlling interests	(371)	(977)	(833)	(326)
Perpetual capital securities	(541)	(540)	(266)	(270)
Profit attributable to shareholders	29,134	40,117	6,360	15,128
Earnings per share	HK$7.89	HK$10.85	HK$1.72	HK$4.10

Consolidated Statement of Financial Position of the Guarantor as at 31 December 2019 and 2018 and 30 June 2020

	31 December		30 June
	2019	**2018**	**2020**
	(Audited)		*(Unaudited)*
	HK$ million	*HK$ million*	*HK$ million*
Non-current assets			
Fixed assets	97,519	37,660	90,682
Investment properties	119,832	123,478	123,724
Joint ventures	59,371	59,842	58,127
Associates	7,000	7,256	6,951
Investments	16,924	16,796	15,993
Goodwill	6,492	-	5,977
Deferred tax assets	2,688	3,134	3,361
Other non-current assets	7,716	6,854	10,364
	317,542	**255,020**	**315,179**
Current assets			
Properties for sale	121,930	143,373	119,131
Debtors, prepayments and others	6,754	3,710	6,825
Loan receivables	1,527	17,117	2,119
Bank balances and deposits	60,304	56,725	58,857
	190,515	**220,925**	**186,932**
Current liabilities			
Creditors, accruals and others	21,970	15,622	21,916
Bank and other loans	6,841	1,829	12,836
Customers' deposits received	15,459	33,916	14,176
Provision for taxation	5,488	3,080	4,632
	49,758	**54,447**	**53,560**
Net current assets	140,757	166,478	133,372
Non-current liabilities			
Bank and other loans	73,241	67,663	63,892
Deferred tax liabilities	13,836	12,474	15,312
Lease liabilities	6,636	-	6,512
Derivative financial instruments	3,218	167	2,561
Pension liabilities	136	166	140
	97,067	**80,470**	**88,417**
Net assets	**361,232**	**341,028**	**360,134**
Representing:			
Share capital and share premium	245,639	245,639	245,639
Reserves	98,614	77,881	96,826
Shareholders' funds	344,253	323,520	342,465
Perpetual capital securities	11,670	11,670	11,670
Non-controlling interests	5,309	5,838	5,999
Total equity	**361,232**	**341,028**	**360,134**

INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2018 (the "**2018 Financial Statements**"), 2019 Financial Statements and the 2020 Interim Financial Statements are incorporated by reference in this Offering Circular. Copies of these documents are publicly available on the website of the Hong Kong Stock Exchange.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including the risks and uncertainties described below. The businesses, financial conditions, results of operations or growth prospects of the Group could be materially adversely affected by any of these risks. The Guarantor believes that the following factors may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations under the Securities and the Guarantee of the Securities. All of these factors are contingencies which may or may not occur and the Guarantor is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Guarantor believes may be material for the purpose of assessing the market risks associated with the Securities and the Guarantee of the Securities are also described below.

The Guarantor believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer or the Guarantor to pay principal, distributions or other amounts or fulfil other obligations on or in connection with the Securities or the Guarantee of the Securities may occur for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks in connection with holding the Securities are exhaustive. Terms used in this section and otherwise not defined shall have the meanings given to them in "Terms and Conditions of the Securities".

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 property market in Hong Kong and the Mainland and therefore 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, including the property market sentiment and conditions, property values, the mark to market value of investment securities, the currency environment and interest rates cycles. 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 European Union credit and sub-prime residential mortgage markets. In addition, the economic slowdown 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. The uncertainties arising from the pandemic, including the length of the pandemic and the extent of production and business disruptions, may significantly worsen the outlook of global economy. Escalating protectionism as reflected in the trade frictions between the U.S. and certain major nations, Brexit uncertainties, the fluctuation of the US dollar against major currencies, the increasing geopolitical tensions as well as the volatility of 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 U.S. 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. As the situation of this highly infectious disease is still evolving, the heightened uncertainties surrounding the pandemic 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, stabilize 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 pandemic or stabilizing the markets.

As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatilities. Such volatilities may negatively impact the share prices of the entities in which the Group has equity investments in. Any potential economic slowdowns may also negatively affect the purchasing powers of potential property purchasers, which may lead to a decline in the general demand for the Group's properties and erosion of their selling prices. Moreover, governments may also impose various monetary and regulatory policies to combat potential economic slowdowns. Such policies may include measures affecting the property market. If the global financial markets continue to experience volatility or if the Hong Kong or the Mainland economy continue to slow down, the Group's businesses, financial conditions, results of operations or growth prospects may be adversely affected.

As a result of the ongoing COVID-19 situation and prevailing market conditions, for the first half of 2020, there were (1) a lower contribution from property sales in Hong Kong as compared to first half of 2019, although this was partially offset by higher contribution from property sales on the Mainland, (2) a negative contribution from the Group's hotel operation due to the COVID-19 situation in Hong Kong, (3) significant operating losses incurred as a result of the temporary closure of the Group's pubs and restaurants in the UK due to the COVID-19 situation and (4) a significant decline in the market value of the Group's holdings in listed real estate investment trusts. Subject to market conditions and if the foregoing circumstances relating to the Group's financial performance continue, 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 ("**SARS**"), 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 European Union ("**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 entered into a transition period until 31 December 2020. The negotiation outcome between the UK and the EU concerning the trade agreement governing their relationship after the transition period remains uncertain. In any event, Brexit has created significant uncertainty about the future relationship between the UK and the EU, including with respect to the laws and regulations that will apply as the UK will have to determine which EU-derived laws to replace or replicate.

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 U.S., 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, the authorities in Hong Kong and the Mainland may impose new regulations on landlords such as mandatory retrofitting of upgraded safety and fire systems in all buildings. The Group's properties are subject to routine inspections by the authorities in Hong Kong and the Mainland with regard to various safety and environmental issues. 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 or the Mainland. In such event, the Group may incur additional expenses to comply with such requirements. This will in turn affect the Group's financial performance as its business costs will increase.

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 more 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 U.S. 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, and 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 affect 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 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.

Properties could suffer physical damage by fire or other causes and the Group may become subject to liability and incur losses (including loss of rent and value of properties) for hazards which it cannot insure against, which it may elect not to insure against because of premium costs disproportionate to the level of risks concerned or other reasons or which may not be fully compensated for by insurance proceeds. 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. Any losses may significantly affect the Group's businesses operation and the Group may not have sufficient funds to replace any property destroyed as a result of such hazards. In addition, any payments the Group makes to cover any losses, damages or liabilities could have an adverse effect on its businesses, financial conditions or results of operations. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fires, floods, water damage, explosions, power losses, typhoons and other natural disasters may have an adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

Furthermore, such 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.

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

Potential liability for environmental problems 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. 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.

In addition, in relation to the Group's 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.

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. While the Group has been working with such creditors to obtain the relevant waivers in respect of such covenant breaches, there can be no assurance that such waivers could be obtained.

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 126 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. There have been increasing concerns over the sustainability of the real estate market growth in Hong Kong and the Mainland due to the slowdown of the Mainland's economy and the change in U.S. monetary policy. 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.

While the Hong Kong Government has expressed its desire to increase land supply, the amount of land offered for sale by the Hong Kong Government is subject to government policy and at its discretion. This affects the Group's ability to replenish its Hong Kong land bank. In addition, the Mainland's government controls all new land supply on the Mainland and regulates land sales in the secondary market. The Mainland's central and local governments may regulate the means by which property developers, including the Group, obtain land sites for property development. As a result, the policies of the Mainland's government towards land supply may adversely affect the Group's ability to acquire land use rights for sites it seeks to develop and could increase the costs of any acquisition.

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, rising construction costs, risks that financing for developments may not be available on favourable terms, that 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, that long-term financing may not be available on completion of construction, that developed properties may not be sold or leased on profitable terms, that there will be intense competition from other developers or property owners which may lead to vacant properties or an inability to sell or rent properties on favourable terms, that purchasers or tenants may default, that properties held for rental purpose will need to be renovated, repaired and re-let on a periodic basis, that it may not be possible to renew leases or re-let spaces when existing leases expire, and that 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.

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, sanctions or loss of business opportunity if it does not pay land premiums, does not develop properties according to the terms of the land grant documents or fails to comply with the terms of any land use rights grant contracts.

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 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, 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 PRC.

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 PRC 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.

As a result of such cooling measures, the property market in the PRC has experienced considerable volatility in recent years. 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 PRC 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 in early 2020 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 have 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's aircraft leasing business may experience (a) a higher incidence of lessee defaults, lease restructurings, repossessions 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 is also subject to 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.

These factors may produce sharp decreases or increases in aircraft values and lease rates and may result in lease defaults and may prevent the aircraft from being re-leased or, where applicable, sold on satisfactory terms. This would have an adverse effect on the Group's businesses, financial conditions, results of operations or growth prospects.

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. The global travel restrictions that have resulted from the spread of COVID-19 have also made the process of repossession more difficult and could result in longer repossession times and increased risks to the aircraft's value where its maintenance condition deteriorates while repossession is being pursued.

Furthermore, if 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. 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.

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

Various control measures have been implemented by the UK government to contain the spread of COVID-19, including but not limited to the statutory business closure of all bars and restaurants temporarily and social distancing which, to a great extent, restricts dine-in patronage and social gatherings. This has resulted 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 duration of such control measures, the resulting effect on the industry is unpredictable depending on the development of COVID-19, which may pose significant adverse impact on the Group's businesses, financial conditions, results of operations or growth prospects. In relation to non-recourse debt financing, the Group has been working with the relevant creditors to obtain waivers in respect of the covenant breaches as a result of COVID-19. However, there is no assurance that such waivers could always be obtained.

Outcome of Brexit negotiations 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 the 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. 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 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 EU General Data Protection Regulation and the UK Data Protection Act 2018 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. The regulated businesses are exposed to lower allowed pricing in the upcoming price resets.

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 businesses, financial conditions, results of operations or growth prospects of the Group.

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 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 valuations and analyses based thereon obsolete. 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 or 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 SECURITIES

The Securities are perpetual securities and investors have no right to require redemption.

The Securities are perpetual and have no maturity date. The Issuer is under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Holders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities.

The Issuer and the Guarantor may raise other capital which affects price of the Securities.

The Issuer and/or the Guarantor may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer and the Guarantor may issue or incur which rank *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount recoverable by Holders on a Winding-Up of the Issuer and/or the Guarantor and/or may increase the likelihood of a deferral of Distribution under the Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Holders to sell their Securities.

Holders may not receive Distribution payments if the Issuer elects to defer Distribution payments, and any decision to elect to defer Distribution may be influenced by the Guarantor.

The Issuer may, at its sole discretion, elect to defer any scheduled Distribution on the Securities for any period of time provided that such election to defer may only be made if, during the three months ending on the day before that scheduled Distribution Payment Date no dividend, distribution or other payment has been paid or declared by the Guarantor on or in respect of its Junior Securities (as defined in "*Terms and Conditions of the Securities*") or its Parity Securities (as defined in "*Terms and Conditions of the Securities*") (except (i) in relation to Parity Securities of the Guarantor, on a *pro-rata* basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants). Each of the Issuer and the Guarantor is subject to certain restrictions in relation to the payment of dividends on its Junior Securities and Parity Securities (as described in the Conditions) and the redemption and repurchase of its Junior Securities and Parity Securities until all outstanding Arrears of Distribution are satisfied. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions subject to compliance with the foregoing restrictions. Although Distributions are cumulative, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Holders, and Holders have no rights to claim any Distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals.

The Issuer's decision to defer Distribution on the Securities will be dictated by the direction of the Guarantor.

The Securities may be redeemed at the Issuer's option at any time on or after three years after the Issue Date or upon the occurrence of certain other events.

The Conditions provide that the Securities are redeemable at the option of the Issuer in whole or in part, on the date which is three years after the Issue Date or any day thereafter at their principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (if any) and Distribution (if any) accrued to the date fixed for redemption.

In addition, the Issuer also has the right to redeem the Securities at 100 per cent. of their principal amount together with all outstanding Arrears of Distribution (if any), Additional Distribution Amounts (if any) and Distribution (if any) accrued to the date fixed for redemption if (a) there are any amendments or changes to the Relevant Accounting Standard such that the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "**equity**" of the Guarantor pursuant to the Relevant Accounting Standard, (b) there are any changes to the laws or regulations of the British Virgin Islands (in the case of the Issuer) or the Cayman Islands (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax such that the Issuer or the Guarantor has or will become obliged to pay additional amounts in respect of tax on the Securities or the Guarantee of the Securities as referred to in the Conditions or (c) at least 80 per cent. in principal amount of the Securities originally issued has already been redeemed or purchased and cancelled prior to the date of the Issuer giving notice.

The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Holders. This may be disadvantageous to Holders in light of market conditions or the individual circumstances of the Holder of Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There are limited remedies for default under the Securities and the Guarantee of the Securities.

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due and the Issuer (failing which, the Guarantor) fails to make the payment when due. The only remedy against the Issuer and the Guarantor available to any Holder of Securities, for recovery of amounts in respect of the Securities and/or the Guarantee of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities and/or the Guarantee of the Securities will be proving in such Winding-Up and/or claiming in the liquidation of the Issuer and/or the Guarantor in respect of any payment obligations of the Issuer and/or the Guarantor arising from the Securities and/or the Guarantee of the Securities. In order to exercise such a remedy, Holders of not less than 15 per cent. in aggregate principal amount of the Securities will be required to take action collectively, and individual Holders holding less than such amount will not be able to proceed without the support of other Holders.

The Securities contain provisions regarding modification and waivers which may affect the rights of Holders.

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. In addition, an Extraordinary Resolution in writing signed by or on behalf of the Holders of not less than 90 per cent. of the aggregate principal amount of Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

The Conditions also provide that the Conditions, the Deed of Covenant, the Agency Agreement and the Deed of Guarantee may be amended without the consent of the Holders to correct a manifest error. Any such modification shall be binding on the Holders.

An active trading market for the Securities may not develop.

The Securities are a new issue of securities for which there is currently no trading market. Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities by way of debt issues to Professional Investors only. No assurance can be given that the application for the listing will be successful or that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Securities or the price at which Holders will be able to sell their Securities. The Joint Bookrunners are not obliged to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the discretion of the Joint Bookrunners.

Investors in the Securities may be subject to foreign exchange risk.

The Securities are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars will be subject to foreign exchange risks by virtue of an investment in the Securities, due to, among other things, economic, political and other factors over which neither the Issuer nor the Guarantor has any control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Securities for an investor and could result in a loss when the return on the Securities is translated into such currency. Conversely, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Securities in the event of an appreciation.

The credit ratings assigned to the Securities may not reflect all risks.

The Securities are expected to be rated “A2” by Moody’s, and the Guarantor has been rated “A2” by Moody’s. 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 Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Securities will remain in effect for any given period or that the ratings will not be revised or withdrawn by the rating agencies in the future if, in their judgement, the circumstances so warrant. The Group has no obligation to inform holders of the Securities of any such suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Securities at any time may adversely affect the market price of the Securities.

An adverse change in the credit rating of the Guarantor is likely to adversely affect the trading price of the Securities.

There is a risk that the credit rating of the Guarantor may change as a result of changes in the Group’s operating performance or capital structure, or for some other reason. No assurance can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant or if a different methodology is applied to derive such credit ratings. Any lowering or withdrawal of a credit rating of the Guarantor could, notwithstanding that it is not a rating of the Securities or the Guarantee of the Securities, adversely impact the market price and the liquidity of the Securities.

TERMS AND CONDITIONS OF THE SECURITIES

The following, other than the words in italics is the text of the terms and conditions of the Securities which will appear on the reverse of each of the definitive certificates evidencing the Securities.

The US$300,000,000 3.80 per cent. guaranteed senior perpetual capital securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Panther Ventures Limited (the "**Issuer**") are constituted by a deed of covenant dated 17 September 2020 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are the subject of (a) a deed of guarantee dated 17 September 2020 (as amended and supplemented from time to time, the "**Deed of Guarantee**") entered into by CK Asset Holdings Limited (the "**Guarantor**") and (b) a fiscal agency agreement dated 17 September 2020 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Securities), The Hongkong and Shanghai Banking Corporation Limited as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Securities) and calculation agent (the "**Calculation Agent**"), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Securities) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Securities). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agent, the Calculation Agent and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and subject to their detailed provisions. The Holders (as defined in Condition 3(a) (*Register, Title and Transfers – Register*)) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Holders with prior written notice during normal business hours at the principal office for the time being of the Fiscal Agent, being at the date hereof Level 24, HSBC Main Building, 1 Queens Road Central, Hong Kong or by email upon proof of holding and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1 Form and Denomination

The Securities are in registered form in the denomination of US$200,000 and integral multiples of US$1,000 in excess thereof (each, an "**Authorised Denomination**").

2 Status of the Securities and the Guarantee of the Securities

(a) **Status of the Securities**: The Securities constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable legislation.

(b) **Guarantee of the Securities; Status of the Guarantee of the Securities**: The Guarantor has, in the Deed of Guarantee, unconditionally and irrevocably guaranteed the due and punctual payment of all sums payable by the Issuer in respect of the Securities. This guarantee (the "**Guarantee of the Securities**") constitutes a direct, unsecured, unconditional and unsubordinated obligation of the Guarantor which ranks at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such exceptions as may be provided by applicable legislation.

3 Register, Title and Transfers

(a) **Register**: The Registrar will maintain a register (the "**Register**") in respect of the Securities outside the United Kingdom in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Security means the person in whose name such Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A certificate (each, a "**Certificate**") will be issued to each Holder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

*Upon issue, the Securities will be represented by a global certificate (the "**Global Certificate**") deposited with, and representing the Securities registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A ("**Clearsteam**"). The Conditions are modified by certain provisions contain in the Global Certificate. See "Summary of Provisions Relating to the Securities in Global Form".*

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

(b) **Title**: The Holder of each Security shall (except as otherwise required by law) be treated as the absolute owner of such Security for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

(c) **Transfers**: Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration*) below, a Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Security may not be transferred unless the principal amount of Securities transferred and (where not all of the Securities held by a Holder are being transferred) the principal amount of the balance of Securities not transferred are Authorised Denominations. Where not all the Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Securities will be issued to the transferor.

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

(d) **Registration and delivery of Certificates**: Within five business days of the surrender of a Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Securities transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day, excluding a Saturday and a Sunday, on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(e) **Registration of transfer upon partial redemption**: In the event of a partial redemption of Securities under Condition 5(d), the Issuer shall not be required to register the transfer of any Security called for partial redemption.

(f) **No charge**: The transfer of a Security will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) **Closed periods**: Holders may not require transfers to be registered during (i) the period of 15 days ending on the due date for any payment of principal or Distribution (as defined in Condition 4(a) (*Distribution – Accrual of Distribution*)) in respect of the Securities or (ii) during the period of 15 days ending on (and including) any date on which the Securities may be called for redemption by the Issuer at its option pursuant to Condition 5 (*Redemption and Purchase*).

(h) **Regulations concerning transfers and registration**: All transfers of Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Securities scheduled to the Agency Agreement. The parties to the Agency Agreement may agree, without the consent of the Holders, to any modifications to any provisions thereof (including the regulations concerning the transfer of Securities). A copy of the current regulations will be mailed (free of charge) by the Registrar to any Holder who requests in writing a copy of such regulations.

4 Distribution

(a) **Accrual of Distribution**: Subject to Condition 4(c) (*Distribution – Distribution Deferral*), the Securities confer a right to receive distribution (each a "**Distribution**") from 17 September 2020 (the "**Issue Date**") at the Distribution Rate in accordance with this Condition 4. Subject to Condition 4(c) (*Distribution – Distribution Deferral*), Distribution shall be payable on the Securities semi-annually in arrear on 17 March and 17 September of each year (each, a "**Distribution Payment Date**"), with the first Distribution Payment Date falling on 17 March 2021.

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, Distribution will continue to accrue at the applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of (a) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Holders under these Conditions).

The amount of Distribution payable on each Distribution Payment Date shall be US$3,800 in respect of each Security of US$200,000 denomination and US$19 in respect of each Security of US$1,000 denomination. If a Distribution is required to be paid in respect of a Security on any other date, it shall be calculated by applying the Distribution Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Security divided by the Calculation Amount, where "**Calculation Amount**" means US$1,000 and "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

Distribution payable under this Condition will be paid in accordance with Condition 6 (*Payments*).

(b) **Rate of Distribution**: The rate of distribution ("**Distribution Rate**") applicable to the Securities shall be 3.80 per cent. per annum.

(c) **Distribution Deferral**:

(i) *Optional Deferral*: The Issuer may, at its sole discretion, elect to defer Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") to the Holders (in accordance with Condition 14 (*Notices*)) not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date provided that such election to defer may only be made if, during the three months ending on the day before that scheduled Distribution Payment Date no discretionary dividend, distribution or other discretionary payment has been paid or declared by the Guarantor on or in respect of its Junior Securities or its Parity Securities (except (i) in relation to Parity Securities of the Guarantor, on a pro rata basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants) (an "**Optional Deferral Event**").

(ii) *No obligation to pay*: The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(c)(i) (*Distribution – Distribution Deferral – Optional Deferral*) and any failure to pay Distribution shall not constitute a default of the Issuer in respect of the Securities or of the Guarantor in respect of the Guarantee of the Securities.

(iii) *Requirements as to Notice*: Each Optional Deferral Notice shall be accompanied by a certificate in the form scheduled to the Agency Agreement signed by any two authorised signatories of the Guarantor confirming that an Optional Deferral Event has occurred and is continuing.

(iv) *Cumulative Deferral*: Any Distribution deferred pursuant to this Condition 4(c) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(c) except that Condition 4(c)(v) (*Distribution – Distribution Deferral – Restrictions in the case of Deferral*) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(v) *Restrictions in the case of Deferral*: If on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(c), the Issuer and the Guarantor shall not:

(A) declare or pay any discretionary dividends, distributions or make any other discretionary payment on, and will procure that no discretionary dividend, distribution or other discretionary payment is made on any of its Junior Securities or (except on a pro-rata basis) its Parity Securities, provided that such restriction shall not apply to payments declared, paid or made in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities on a discretionary basis, provided that such restriction shall not apply to an exchange of any Parity Securities in whole for Junior Securities,

in each case unless and until (i) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution; or (ii) the Issuer and the Guarantor have been permitted to do so by an Extraordinary Resolution (as defined in the Agency Agreement) of the Holders.

(vi) *Satisfaction of Arrears of Distribution by payment*: The Issuer:

(A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 14 (*Notices*)) and the Fiscal Agent not more than 20 nor less than 10 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(B) in any event must satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of (1) the date of redemption of the Securities in accordance with Condition 5(b) (*Redemption and Purchase – Redemption for tax reasons*), 5(c) (*Redemption and Purchase – Redemption for accounting reasons*), or 5(d) (*Redemption and Purchase – Redemption at the option of the Issuer*) or 5(e) (*Redemption and Purchase – Redemption for minimum outstanding amount*); (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(c)(v) (*Distribution – Distribution Deferral – Restrictions in the case of Deferral*) and (3) the date such amount becomes due under Condition 8 (*Non-payment*).

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Holders of all outstanding Securities on a pro-rata basis.

(vii) *No default*: Notwithstanding any other provision in these Conditions, the deferral of any Distribution payment in accordance with this Condition 4(c) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 8 (*Non-payment*)) on the part of the Issuer or the Guarantor.

(viii) *Definitions*: For the purposes of these Conditions:

"**Business Day**" means any day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and New York;

"**HKFRS**" means Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;

"**IFRS**" means International Financial Reporting Standards issued by the International Accounting Standards Board;

"**Junior Security**" means, (i) in relation to the Issuer, (a) any class of the Issuer's share capital (including preference shares) qualifying as equity under HKFRS, (b) any instrument or security issued or entered into by or other obligation of the Issuer which ranks, or is expressed to rank, junior to the Issuer's obligations under the Securities and (c) any security or other obligation guaranteed by the Issuer where the Issuer's obligations under the relevant guarantee rank or are expressed to rank junior to the Issuer's obligations under the Securities; and (ii) in relation to the Guarantor, (a) any class of the Guarantor's share capital (including preference shares) qualifying as equity under IFRS, (b) any instrument or security issued or entered into by or other obligation of the Guarantor which ranks, or is expressed to rank junior to the Guarantor's obligations under the Guarantee of the Securities and (c) any security or other obligation guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee rank or are expressed to rank junior to the Guarantor's obligations under the Guarantee of the Securities; and

"**Parity Security**" means, in relation to the Issuer or the Guarantor, as the case may be, any instrument or security issued, entered into or guaranteed by the Issuer or the Guarantor (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities (in the case of the Issuer) or the obligations of the Guarantor under the Guarantee of the Securities (in the case of the Guarantor) and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Guarantor.

5 Redemption and Purchase

(a) **No fixed redemption date**: The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 (*Status of the Securities and the Guarantee of the Securities*) and without prejudice to Condition 8 (*Non-payment*)), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) **Redemption for tax reasons**: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if:

(i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 3 September 2020; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Securities) would become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Securities, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 3 September 2020 and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due or (as the case may be) a demand under the Guarantee of the Securities were then made.

Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Guarantor shall deliver or procure that there is delivered to the Fiscal Agent:

(A) a certificate, signed by one director of the Issuer, stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two directors of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and

(B) 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, provided that the Fiscal Agent shall be protected and incur no liability to any Holder or any other person for so accepting and relying on such certificate or opinion without further investigation or enquiry.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(b).

(c) **Redemption for accounting reasons**: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, as a result of any changes or amendments to IFRS or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of the Guarantor (the "**Relevant Accounting Standard**"), the Securities and/or the Guarantee of the Securities must not or must no longer be recorded as "**equity**" of the Guarantor pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Guarantor shall deliver or procure that there is delivered to the Fiscal Agent:

(A) a certificate, signed by two directors of the Guarantor, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Guarantor's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect, provided that the Fiscal Agent shall be protected and incur no liability to any Holder or any other person for so accepting and relying on such certificate or opinion without further investigation or enquiry,

provided, however that no notice of redemption may be given under this Condition 5(c) earlier than 90 days prior to the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect in relation to the Issuer and/or the Guarantor.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(c) provided that such date for redemption shall be no earlier than the last day before the date on which the Securities and/or the Guarantee of the Securities must not or must no longer be so recorded as "**equity**" of the Guarantor pursuant to the Relevant Accounting Standard.

(d) **Redemption at the option of the Issuer**: The Securities may be redeemed at the option of the Issuer in whole or in part, on the Distribution Payment Date falling on 17 September 2023 or on any day thereafter (each, a "**Call Settlement Date**") on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date at their prevailing principal amount plus Distribution accrued to such date (including any Arrears of Distribution and any Additional Distribution Amount)) provided that, in the case of a partial redemption of Securities, the aggregate principal amount of the Securities outstanding is no less than US$300,000,000.

(e) **Redemption for minimum outstanding amount**: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) if prior to the date of such notice at least 80 per cent. in principal amount of the Securities originally issued (including any further Securities issued pursuant to Condition 13 (*Further Issues*) and consolidated and forming a single series with the Securities) has already been redeemed or purchased and cancelled.

(f) **No other redemption**: The Issuer shall not be entitled to redeem the Securities and shall have no obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 5(b) (*Redemption for tax reasons*) to 5(e) (*Redemption for minimum outstanding amount*) above.

(g) **Purchase**: The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Securities in the open market or otherwise and at any price.

(h) **Cancellation**: All Securities so purchased by the Issuer, the Guarantor or their respective subsidiaries may be held, resold, or cancelled. All Securities redeemed by the Issuer (pursuant to Conditions 5(b) (*Redemption for tax reasons*) to 5(e) (*Redemption for minimum outstanding amount*) above) shall be cancelled.

(i) **Calculation**: The Agents shall not be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Holders or any other person for not doing so, apart from where performing the role of Calculation Agent.

6 Payments

(a) **Principal**: Payments of principal shall be made in U.S. dollars by U.S. dollar cheque drawn on, or, upon application by a Holder of a Security to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(b) **Distribution**: Payments of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall be made in U.S. dollars by U.S. dollar cheque drawn on, or upon application by a Holder of a Security to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of Distribution payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(c) **Payments subject to fiscal laws**: All payments in respect of the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.

(d) **Payments on business days**: Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by U.S. dollar cheque, the cheque will be mailed (i) (in the case of payments of principal and Distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of Distribution payable other than on redemption) on the due date for payment. A Holder of a Security shall not be entitled to any Distribution or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail. In this paragraph, "**business day**" means any day, other than a Saturday and a Sunday, on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and New York City and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Security, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) **Record date**: Each payment in respect of a Security will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Security is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

*So long as the Securities are represented by the Global Certificate, each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

7 Taxation

All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands or the Cayman Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Holders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security:

(i) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Security; or

(ii) where (in the case of a payment of principal or Distribution on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York City by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

Any reference in these Conditions to principal, Distribution, Arrears of Distribution or Additional Distribution Amount shall be deemed to include any additional amounts in respect of principal, Distribution, Arrears of Distribution or Additional Distribution Amount (as the case may be) which may be payable under this Condition 7 (*Taxation*).

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

The Agents shall not be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Holder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Securities without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8 Non-payment

(a) **Non-payment when due**: Notwithstanding any of the provisions below in this Condition 8, the right to institute Winding-Up (as defined in Condition 8(e) (*Non-payment – Definitions*)) proceedings is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 4(c) (*Distribution – Distribution Deferral*).

(b) **Proceedings for Winding-Up**: If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor or (ii) the Issuer or the Guarantor shall not make payment in respect of the Securities or the Guarantee of the Securities, as the case may be, for a period of ten days or more after the date on which such payment is due, the Issuer and the Guarantor shall be deemed to be in default under the Securities (in the case of the Issuer) and the Guarantee of the Securities (in the case of the Guarantor) and Holders holding not less than 15 per cent. of the aggregate principal amount of the outstanding Securities may institute proceedings for the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) and/or prove in the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) and/or claim in the liquidation of the Issuer, the Guarantor or both of them (as applicable) for such payment.

(c) **Enforcement**: Without prejudice to Condition 8(b) (*Non-payment – Proceedings for Winding-Up*), Holders holding not less than 15 per cent. of the aggregate principal amount of the outstanding Securities may without further notice to the Issuer and/or the Guarantor institute such proceedings against the Issuer, the Guarantor or both of them (as applicable) as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Securities or the Guarantee of the Securities (other than any payment obligation of the Issuer or the Guarantor under or arising from the

Securities or the Guarantee of the Securities, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities or the Guarantee of the Securities, including any damages awarded for breach of any obligations) and in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) **Extent of Holders' remedy**: No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 8, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Securities or the Guarantee of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Guarantee of the Securities.

(e) **Definitions**: In these Conditions, "**Winding-Up**" means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be.

9 Prescription

Claims for principal and Distribution on redemption shall become void unless the relevant Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10 Replacement of Certificates

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

11 Agents

In acting under the Agency Agreement and in connection with the Securities, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, fiscal agent, agent bank and additional or successor paying agents and transfer agent; **provided, however, that** the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Holders.

12 Meetings of Holders; Modification

(a) **Meetings of Holders**: The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to the Securities, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Holders holding not less than one tenth of the aggregate principal amount of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Securities or, at any adjourned meeting, two or more persons being or representing Holders whatever the principal amount of the Securities held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, to reduce the amount of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) payable on any date in respect of the Securities, to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment, to change the currency of payments under the Securities, to amend the terms of the Guarantee of the Securities or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders, whether present or not.

In addition, (i) a resolution in writing signed by or on behalf of Holders of not less than 90 per cent. of the aggregate principal amount of Securities for the time being outstanding will take effect as if it were an Extraordinary Resolution, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders (a "**Written Resolution**") and (ii) a resolution passed by way of electronic consents through the clearing systems by or on behalf of Holders of not less than 75 per cent. in aggregate principal amount of Securities for the time being outstanding (an "**Electronic Consent**") with the effect as if it were an Extraordinary Resolution, in each case whether or not relating to a Reserved Matter. A Written Resolution and/or an Electronic Consent will be binding on all Holders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(b) **Modification**: The Securities, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Holders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree without the consent of the Holders to any such modification unless it is of a formal, minor or technical nature or it is made to correct a manifest error.

13 Further Issues

The Issuer may (with the prior written consent of the Guarantor) from time to time, without the consent of the Holders, create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of Distribution) so as to form a single series with the Securities.

14 Notices

Notices to the Holders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, for communication by it to entitled account holders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery of such clearing system.

15 Governing Law and Jurisdiction

(a) **Governing law**: The Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by, and construed in accordance with, English law.

(b) **Jurisdiction**: The Issuer (i) agrees for the benefit of the Holders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Securities (including any non-contractual obligation arising out of or in connection with the Securities); (ii) agrees that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) has designated a company in England to accept service of any process on its behalf.

THE GLOBAL CERTIFICATE

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

The Securities will be represented by a Global Certificate which will be registered in the name of HSBC Nominees (Hong Kong) Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, promises to pay distributions on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Global Certificate will become exchangeable in whole, but not in part, for individual certificates ("**Individual Certificates**") if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) upon a Winding-Up (as defined in the Conditions) of the Issuer or the Guarantor.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Certificate, Euroclear and/or Clearstream to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Securities scheduled thereto and, in particular, shall be effected without charge to any Holder or the Agents, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Certificate will contain provisions which modify the Conditions as they apply to the Securities evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Record date: Notwithstanding Condition 6(f) (*Record date*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**"), each payment in respect of the Global Certificate will be made to the person shown as the Holder in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a day on which each clearing system for which this Global Certificate is being held is open for business.

Notices: Notwithstanding Condition 14 (*Notices*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or an Alternative Clearing System, notices to Holders of Securities represented by the Global Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

Determination of entitlement: The Global Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined in accordance with the Register and only the Holder is entitled to payment in respect of the Global Certificate.

Electronic Consent: While the Securities evidenced by the Global Certificate are registered in the name of any nominee for, or a nominee for any common depositary for, Euroclear, Clearstream or any Alternative

Clearing System (as the case may be), then (a) approval of a resolution proposed by the Issuer or the Guarantor (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Securities then outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including in relation to Reserved Matters (as defined in the Agency Agreement)), take effect as an Extraordinary Resolution passed at a meeting of Holders duly convened and held, and shall be binding on all Holders whether or not they participated in such Electronic Consent; and (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, subject to certain requirements set out in the Agency Agreement, the Issuer, the Guarantor and the Fiscal Agent shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor or the Fiscal Agent, as the case may be, by accountholders in the relevant clearing system with entitlements to Securities evidenced by the Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds such entitlement directly with the accountholder or via one or more intermediaries.

USE OF PROCEEDS

The net proceeds from the issue of Securities will be for the general corporate purposes of the Guarantor and its subsidiaries including redemption of outstanding perpetual securities.

CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets out the consolidated capitalisation and indebtedness of the Guarantor as at 30 June 2020 on an actual basis[(1)] and as adjusted[(2)] to give effect to the issuance of the Securities:

	As of 30 June 2020	
	Actual[(1)]	**Adjusted[(2)]**
	HK$ million	
Short-term loans:		
Bank and other loans	12,836	12,836
Long-term loans:		
Bank and other loans	63,892	63,892
Shareholders' funds:		
Share capital and share premium	245,639	245,639
Reserves	96,826	96,826
	342,465	342,465
Perpetual capital securities	11,670	11,670
Securities to be issued in this offering	—	2,325
	11,670	13,995
Total	430,863	433,188

Notes:

(1) The figures are extracted from the 2020 Interim Financial Statements.

(2) Assuming the Securities to be issued in this offering in the total amount of US$300,000,000 had been issued as at 30 June 2020. For the purpose of the above table, the Securities in U.S. dollars is translated into Hong Kong dollars at the rate of HK$7.75 to US$1.00.

(3) There has been no significant change to the total consolidated capitalisation and indebtedness of the Guarantor since 30 June 2020.

DESCRIPTION OF THE ISSUER

HISTORY AND INTRODUCTION

The Issuer was incorporated as a company with limited liability in the British Virgin Islands on 7 August 2020. The Issuer was established to raise finance for the Guarantor and its subsidiaries. The Issuer will not conduct any other business, except relating to the offering, sale and issuance of indebtedness and the lending of the proceeds thereof to the Guarantor and/or member(s) of the Guarantor. The registered office of the Issuer is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the date of this Offering Circular, the issued and paid-up share capital of the Issuer is US$1.00 of one ordinary share. The Issuer is a wholly-owned, direct subsidiary of the Guarantor. As at the date of this Offering Circular, the Issuer had no borrowings, indebtedness in the nature of borrowings, loan capital outstanding or created (including term loans), hire purchase commitments, guarantees or material contingent liabilities. 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. Ho Wai Leung Edmond in his capacity as a beneficial owner had, as at 30 June 2020, personal interests in 3,420 ordinary shares, representing approximately 0.000092 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 2020, personal interests in 9,576 ordinary shares, representing approximately 0.000259 per cent. of the then issued share capital in the Guarantor.

As at 30 June 2020, 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 ("**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 Issuer has no employees.

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 recurring 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 31 July 2020, the Guarantor had a market capitalisation of approximately HK$159 billion.

The Guarantor's registered office is at PO Box 309, Ugland 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 2018, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK$64,481 million and HK$40,117 million, respectively. 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 six months ended 30 June 2019, the aggregate of the Group's revenue and the share of revenue of joint ventures, and profit attributable to shareholders were HK$34,008 million and HK$15,128 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.

As at 30 June 2020, the Group reported consolidated total assets of HK$502,111 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 2020, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 92 million square feet ("**sq.ft.**"), of which 5 million sq.ft., 83 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively. In the first half of 2020, the Group's revenue of property sales (including share of joint ventures) recognised for the period was HK$19,484 million, an increase of HK$252 million from HK$19,232 million in the first half of 2019.

The property market in Hong Kong was disrupted by the COVID-19 pandemic during the first half of 2020. The Group recorded a lower contribution from property sales in Hong Kong during the six months ended 30 June 2020 as compared to the same period in 2019, which was offset by a higher contribution from property sales on the Mainland. Nevertheless, the volume and value of transactions in Hong Kong improved slightly at the end of the first half of 2020 due to persistent housing demand and low interest rates. Sea to Sky, a residential project in Tseung Kwan O, was launched in June 2020 and received an overwhelming response.

During the first half of 2020, the Group also successfully bid for a site off Anderson Road in Kwun Tong which was earmarked for a project that comprises both private units and government subsidised starter homes.

Despite the impact of COVID-19 in the first half of 2020, the property market on the Mainland remained relatively stable with the support of the Central Government's directive of "housing for residents and not speculators". On 23 July 2020, the Group completed the sale of certain residential and commercial units and carparks of Chengdu Le Parc.

Property investment, which include office, retail and industrial properties and car park spaces, primarily located in Hong Kong. As at 30 June 2020, the Group had an investment property portfolio of approximately 16.4 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 1.5 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Contribution from property rental during the first half of 2020 was 11% less than the same period in 2019, mainly attributable to the negative impact of the COVID-19 pandemic and the fact that certain retail properties previously leased to Greene King have become part of the pub operation since October 2019. OP Mall in Tsuen Wan generated a satisfactory response and contributed rental income to the Group. The redevelopment of Hutchison House is on track and it is well-positioned to become a landmark modern Grade A office building in Central. The Group will continue to evaluate acquisition opportunities and optimise the quality of its investment portfolio for steady income yield and long-term capital growth.

Hotel and serviced suite operation, in addition to the ongoing social incidents since June 2019, the hotel sector was impacted further by the COVID-19 pandemic which caused visitor arrivals to plummet during the first half of 2020. Although the hotel operation recorded a negative contribution in the first half of 2020, the serviced suite operation remained relatively stable as the majority of the occupancy is on a long-term basis, and a small contribution was recorded for the overall hotel and serviced suite operation. The newly completed extension of Harbour Grand Kowloon in Hung Hom has commenced operation, and Hotel Alexandra in North Point is expected to welcome guests in the second half of 2020. The Group's hotel and serviced suite portfolio provides approximately 15,000 rooms.

Property and Project Management, as at 30 June 2020, the total floor area of completed properties managed by the Group was approximately 269 million sq.ft. 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, the aviation industry has been severely impacted by COVID-19. Worldwide passenger numbers decreased significantly. Airlines were forced to ground their aircraft, resulting in a substantial revenue drop. While various governments have expanded efforts to protect the industry, a great deal of uncertainty remains and consumer confidence in air travel will take time to restore. As a result, profit contribution from aircraft leasing for the first half of 2020 was affected, but an overall contribution of HK$733 million was recorded due to the gain on disposal of aircraft. AMCK Aviation's investment approach focuses on young and in demand aircraft, with over 90% of its fleet being narrowbody mostly used for short-haul and domestic travel, the areas which are expected to recover first. Lease management, protection of assets and mitigation of risks will continue to be the main focuses of AMCK Aviation. As at 30 June 2020, the Group (including interest in joint ventures) owned 121 narrowbody aircraft and 5 wide body aircraft with an average age of 6.3 years and an average remaining lease term of 4.6 years, and had commitments of approximately HK$9 billion for acquisition of 20 aircraft.

Pub operation, in October 2019, the Group completed the acquisition of Greene King, a leading integrated brewer and pub retailer operating over 2,700 pubs, restaurants and hotels across England, Wales and Scotland. The operation of Greene King is split into three divisions: (i) pub company - operates food-led and drink-led destination pubs and restaurants and community-focused local pubs; (ii) pub partners - owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs; and (iii) brewing & brands - sells and distributes a wide range of beers including ale brands brewed in own breweries.

All pubs in the UK, including pubs across the Greene King portfolio, were closed for more than three months since March 2020 in accordance with the UK government's instructions amid the COVID-19 pandemic. The entire industry was halted due to the lockdown and the related restrictions. During the period of closure, Greene King launched its takeaway and delivery service and an online pub "The Lock Inn". Notwithstanding a phased re-opening in the beginning of July 2020, it is expected that the path to full recovery will be long and testing. Greene King recorded an operating loss of HK$1,938 million during the first half of 2020.

Infrastructure and utility asset operation, infrastructure and utility asset operation is a key contributor of steady recurrent income to the Group. 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, and (iii) Sarvana JV - a fully integrated energy management service provider operated by ista Group in Europe. As at 30 June 2020, the Group had interests in CK William JV, CKP (Canada) JV and Sarvana JV of 40 per cent., 75 per cent. and 65 per cent., respectively.

The Group also invests 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, (iii) Northumbrian Water - a regulated water and sewerage company in England and Wales, (iv) Dutch Enviro Energy - an energy-from-waste company in the Netherlands, (v) Wales & West Gas Networks - a gas distributor that serves Wales and the South West of England, and (vi) Australian Gas Networks - a distributor of natural gas in Australia. As at 30 June 2020, the Group's interests in the economic benefits of Park'N Fly, UK Rails, Northumbrian Water, Dutch Enviro Energy, Wales & West Gas Networks and Australian Gas Networks were 20 per cent., 20 per cent., 16 per cent., 14 per cent., 12 per cent. and 11 per cent., respectively.

The COVID-19 pandemic disrupted the performance of this sector, although to a lesser extent due to the stable nature of infrastructure and utility assets. During the six months ended 30 June 2020, CK William Group contributed HK$707 million 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$553 million from its building equipment and services business in Canada. ista contributed HK$890 million from its fully integrated energy management services business in Europe. The economic benefits of infrastructure businesses received by the Group under an economic benefits agreement contributed HK$306 million. The Group will continue to source global diversified 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 strengthen its management platform and expand its asset base pursuant to its predefined return criteria.

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 Group[1] and the Hutchison Group[2], 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.

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 24 August 2017 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 building 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, Cheung Kong Center, The Center and 1881 Heritage in Hong Kong, and Beijing Oriental Plaza on the Mainland.

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[1] "**Cheung Kong Group**" refers to CK Hutchison and its subsidiaries before 3 June 2015.

[2] "**Hutchison Group**" refers to Hutchison Whampoa Limited and its subsidiaries before 3 June 2015.

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 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.

The Group also continues to pursue quality investments worldwide with stable recurring revenue such as property investment projects in Hong Kong and overseas markets; aircraft leasing; pub operation in the UK and infrastructure and utility assets in investments in Continental Europe, Australia, Canada and the UK. It enables the Group to strengthen recurring revenue streams and achieve long-term sustainable business growth.

The Group's investment strategies have proven to be effective, and quality recurring income is expected to increase over time. In the midst of the current economic turmoil, the Group will adhere to its strategy "Advancing Without Forgoing Stability". As the Group continues to explore new investment opportunities and grow continuously around the world, Hong Kong and the Mainland will remain important markets for the Group. The Group believes that its strong and diversified recurring income base provides it with a solid financial foundation and allows it to maintain its credit profile.

Disciplined investment approach and prudent financial management

The Group is focused on maintaining financial prudence in its pursuit of acquisitions and investments. The Group has had access to diversified financing channels including offshore and onshore bank borrowings, and maintains strong relationships with a large number of leading financial institutions. This philosophy and approach have allowed it to achieve attractive financing costs while maintaining sufficient cash resources.

As at 30 June 2020, the Group had ample cash on hand with a net debt to net total capital ratio of approximately 4.7%, and maintained "A" and "A2" credit ratings from Standard & Poor's and Moody's respectively. With its solid financials, a low debt ratio and a portfolio of quality assets, the Group remains resilient amid a macro-environment full of uncertainties.

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 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 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 following various quality investments and acquisitions made in recent years across sectors and geographies. By utilising the Group's market strengths and financial resources effectively, the Group will continue to explore sound investment opportunities in and outside of Hong Kong in order to broaden further our recurrent income base.

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

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 and growth prospects 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 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 long-term value for shareholders.

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 2019

The table below as extracted from the 2019 Annual Report of the Guarantor sets out the Group's developments completed during the year ended 31 December 2019:

Name	**Location**	**Gross Floor Area** *(sq.ft.)*	**Group's Interest**
Harbour Glory and Hotel Alexandra	Inland Lot No. 8920	755,626	100%
Stars of Kovan	Upper Serangoon Road, Singapore	326,063	100%
Upper West Shanghai Phase 3 Tender 1, Phase 4 Tender 1 and Phase 5	Putuo District, Shanghai	3,540,203	60%
La Grande Ville Phase 5	Shun Yi District, Beijing	582,216	100%
Noble Hills Phase 4B	Wangcheng District, Changsha	882,898	100%
Regency Hills Land Nos. 13B and 14 (except Block 14)	Yangjiashan, Nanan District, Chongqing	1,978,012	95%
Noble Hills Phase 2B	Zengcheng, Guangzhou	290,518	100%

Name	Location	Gross Floor Area *(sq.ft.)*	Group's Interest
Regency Cove Phase 2A	Caidian District, Wuhan	727,959	100%
Chelsea Waterfront West Tower	Chelsea/Fulham, London	157,004	95%

Developments completed and scheduled for completion in 2020

The table below as extracted from the 2020 Interim Report of the Guarantor sets out the Group's properties which have been completed or are, as at 30 June 2020, scheduled for completion in the year ending 31 December 2020:

Name	Location	Gross Floor Area *(sq.ft.)*	Group's Interest
Borrett Road Project Phase 2	Inland Lot No. 8949	149,123	100%
Seaside Sonata	New Kowloon Inland Lot No. 6506	595,702	Joint Venture
Yuhu Mingdi Phase 3	Huangpu District, Guangzhou	453,680	80%
Upper West Shanghai Phase 2 Tender 3, Phase 3 Tender 2 and Phase 4 Tender 2	Putuo District, Shanghai	2,740,144	60%
Le Grande Ville Phase 5	Shun Yi District, Beijing	487,766	100%
Le Parc Phases 7B and 8A	Chengdu High-Tech Zone, Chengdu	1,013,582	100%[(1)]
Regency Hills Land No. 14 (Block 14)	Yangjiashan, Nanan District, Chongqing	299,538	95%
Laguna Verona Phases D2c, G1b/G2a Zone 3 and G2b Zone 1	Hwang Gang Lake, Dongguan	3,670,113	99.8%
Noble Hills Phases 3A and 3B	Zengcheng, Guangzhou	1,070,341	100%
Emerald Cove Phase 1	Daya Bay, Huizhou	1,288,460	100%
Regency Garden Phase 5B-1	Pudong New District, Shanghai	330,549	85%
Emerald Cove	Wuguishan, Zhongshan	677,415	100%

Note:

(1) On 23 July 2020, the Group completed the sale of this development, details of which were stated in the Guarantor's announcement of the same date.

New Acquisitions and Joint Developments and Other Major Events

- **May 2020**: A wholly-owned subsidiary of the Group was awarded a Government tender for a site, Lot No.1069 in Survey District No.3, off Anderson Road, Kwun Tong, Kowloon. With an area of approximately 217,076 sq.ft. (approximately 20,167 sq.m.), the site is designated for a residential development estimated to have a developable gross floor area of approximately 1,089,145 sq.ft. (approximately 101,185 sq.m.). Not less than 1,000 units out of the total number of residential units to be erected within the lot shall be starter homes units to implement the Starter Homes Pilot Project.

- **July 2020**: On 23 July 2020, two indirect wholly owned subsidiaries of the Group (the "**Sellers**") entered into the reinstatement and fifth amendment agreement with RZ3262019 Limited (the "**Purchaser**") to reinstate and amend the share purchase agreement dated 9 May 2019 (as amended) made between the two parties for the sale of the entire issued share capital of Carton International Limited and Happy Magic Enterprises Inc. (the "**Target Companies**", both the then indirect wholly owned subsidiaries of the Group) and the assignment of the related shareholder loans, to the Purchaser at a total consideration of approximately US$1,012,481,987 (subject to adjustment) ("**Consideration**"), which was completed on 23 July 2020. The Target Companies, directly or indirectly, together hold the entire equity interest in a company established in the PRC, which is the owner and developer of the property development known as "Chengdu Le Parc" (also known as "南城都匯商住項目") in Chengdu, PRC, comprising residential and commercial units and carparks. The Consideration was partly paid for by a loan in the US$ equivalent sum of RMB 2,400,000,000 advanced by the Sellers to the Purchaser.

PROPERTY SALES

Revenue of property sales (including share of joint ventures) recognised for the year ended 31 December 2019 was HK$64,108 million (2018 – HK$34,767 million), comprising mainly (i) sales of residential units of The Zumurud, Ocean Pride, Ocean Supreme, My Central and Harbour Glory in Hong Kong; (ii) sales of residential and commercial projects on the Mainland including Laguna Verona in Dongguan, Noble Hills in Guangzhou, The Harbourfront in Qingdao, Hupan Mingdi in Shanghai, Regency Hills in Chongqing, Regency Cove in Wuhan and a project in Dalian; (iii) sales of residential units of Chelsea Waterfront in the UK; and (iv) sales of residential and commercial units of Stars of Kovan in Singapore.

Revenue of property sales (including share of joint ventures) recognised for the six months ended 30 June 2020 was HK$19,484 million (30 June 2019 – HK$19,232 million), comprising mainly (i) sales of the remaining units and carparks of projects completed previously in Hong Kong; (ii) sales of residential units of various projects on the Mainland – Upper West Shanghai and Hupan Mingdi in Shanghai, Regency Hills in Chongqing and La Grande Ville in Beijing; (iii) sales of residential units of Chelsea Waterfront in the UK; and (iv) sales of residential and commercial units of Stars of Kovan in Singapore. Such revenue is summarised by location as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	50,020	11,497	6,116	15,674
The Mainland	13,059	22,142	10,929	3,428
Overseas	1,029	1,128	2,439	130
	64,108	**34,767**	**19,484**	**19,232**

Contribution from property sales for the year ended 31 December 2019 amounted to HK$21,372 million (2018 – HK$12,003 million). Contribution from property sales for the six months ended 30 June 2020 amounted to HK$9,004 million (30 June 2019 – HK$7,530 million). Such contribution is summarised by location as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	18,982	3,580	1,768	6,653
The Mainland	2,074	7,783	6,638	830
Overseas	316	640	598	47
	21,372	**12,003**	**9,004**	**7,530**

During the six months ended 30 June 2020, a significant contribution was derived from the sales of residential units of Upper West Shanghai on the Mainland, a development project which is 60% owned by the Group and comprises retail, office, residential, serviced apartment and hotel properties.

The presales of residential units of Sea to Sky and Seaside Sonata in Hong Kong and various projects on the Mainland including Laguna Verona in Dongguan, Noble Hills in Guangzhou and Regency Garden in

Shanghai are progressing steadily. Contribution to profit is expected upon sales recognition when the projects are completed.

Property sales contracted but not yet recognised at 30 June 2020 are as follows:

	Scheduled for Sales Recognition		
	In 2020	**After 2020**	**Total**
Location	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	1,335	13,627	14,962
The Mainland	7,454	5,436	12,890
Overseas	4	78	82
	8,793	**19,141**	**27,934**

As at 30 June 2020, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 92 million sq.ft., of which 5 million sq.ft., 83 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 2019 was HK$7,450 million (2018 – HK$7,635 million). Revenue of property rental (including share of joint ventures) for the six months ended 30 June 2020 was HK$3,453 million (30 June 2019 – HK$3,756 million). Such revenue comprised rental income derived from leasing of office, retail, industrial and other properties as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Use of Property	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Retail	3,357	3,334	1,441	1,695
Office	2,926	3,132	1,439	1,471
Industrial	736	722	365	371
Others	431	447	208	219
	7,450	**7,635**	**3,453**	**3,756**

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, Hutchison Logistics Centre in Kwai Chung and others. During the six months ended 30 June 2020, the Group completed the acquisition of OP Mall in Tsuen Wan, Hong Kong, and further expanded its retail property investment portfolio.

Contribution from property rental for the year ended 31 December 2019 amounted to HK$6,897 million (2018 – HK$6,930 million). Contribution from property rental for the six months ended 30 June 2020 amounted to HK$3,169 million (30 June 2019 – HK$3,567 million). Such contribution is summarised by location as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	5,466	5,706	2,634	2,819
The Mainland	649	638	281	340
Overseas	782	586	254	408
	6,897	**6,930**	**3,169**	**3,567**

Rental contribution from overseas decreased as certain retail properties in the UK, previously leased to Greene King for rental income, have become part of the pub operation since October 2019.

As at 30 June 2020, the Group had an investment property portfolio of approximately 16.4 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

	Retail	**Office**	**Industrial**	**Total**
Location	*million sq.ft.*	*million sq.ft.*	*million sq.ft.*	*million sq.ft.*
Hong Kong	3.2	3.9	5.9	13.0
The Mainland	1.5	0.4	-	1.9
Overseas	0.1	1.4	-	1.5
	4.8	**5.7**	**5.9**	**16.4**

An increase in fair value of investment properties of HK$228 million (2018 – HK$3,993 million) was recorded at 31 December 2019 based on a professional valuation using capitalisation rates ranging from approximately 4 % to 8 %.

A decrease of HK$809 million (30 June 2019 – increase of HK$1,002 million) in fair value of investment properties was recorded at 30 June 2020 based on a professional valuation using capitalisation rates ranging from approximately 4 % to 8 %.

HOTEL AND SERVICED SUITE OPERATION

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year ended 31 December 2019 was HK$4,185 million (2018 – HK$5,152 million), a decrease of HK$967 million when compared with 2018 as hotel operation had been adversely affected by the social unrest in Hong Kong which started in mid 2019.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the six months ended 30 June 2020 was HK$992 million (30 June 2019 – HK$2,374 million), a decrease of HK$1,382 million when compared with the same period in 2019. During the six months ended 30 June 2020, while Horizon Hotels & Suites managed to maintain its occupancy with long stay guests, the hotel operation of Harbour Plaza Hotels & Resorts and all other hotels of the Group had been severely hit by the COVID-19 pandemic. Average occupancy rates of 23% and 86% were recorded for the hotel and serviced suite properties respectively.

Contribution from hotel and serviced suite operation for the year ended 31 December 2019 amounted to HK$1,345 million (2018 – HK$1,924 million). Contribution from hotel and serviced suite operation for the six months ended 30 June 2020 amounted to HK$33 million (30 June 2019 – HK$876 million), a decrease of HK$843 million when compared with the same period in 2019. Such contribution is summarised by location as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	1,371	1,978	90	897
The Mainland	(26)	(21)	(57)	(21)
Overseas	-	(33)	-	-
	1,345	**1,924**	**33**	**876**

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 2019 was HK$868 million (2018 - HK$884 million). Revenue of property and project management (including share of joint ventures) for the six months ended 30 June 2020 was HK$403 million (30 June 2019 – HK$432 million). Such revenue mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution from property and project management for the year ended 31 December 2019 amounted to HK$362 million (2018 – HK$371 million). Contribution from property and project management for the six months ended 30 June 2020 amounted to HK$173 million (2019 – HK$183 million). Such contribution is summarised by location as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Hong Kong	277	261	138	130
The Mainland	61	71	23	40
Overseas	24	39	12	13
	362	**371**	**173**	**183**

As at 30 June 2020, the total floor area of completed properties managed by the Group was approximately 269 million sq.ft. 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 2019 was HK$3,192 million (2018 – HK$2,949 million), an increase of HK$243 million when compared with 2018 as more aircraft were acquired. Revenue of aircraft leasing (including share of joint ventures) for the six months ended 30 June 2020 was HK$1,520 million (30 June 2019 – HK$1,556 million). Such revenue comprised income derived from leasing of narrowbody aircraft and wide body aircraft to airlines. The aircraft leasing business for the six months ended 30 June 2020 has been hit by the COVID-19 pandemic as most of the airline lessees have suffered a decline in operating cash flow due to a slump in flight demand as a result of travel restrictions worldwide.

Contribution from aircraft leasing for the year ended 31 December 2019 amounted to HK$1,515 million (2018 – HK$1,276 million). Contribution from aircraft leasing for the six months ended 30 June 2020 amounted to HK$733 million (30 June 2019 – HK$717 million), including a gain of HK$195 million on disposal of aircraft. Such contribution is summarised with reference to lessee's location of operation as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
Location	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Asia	481	518	256	272
Europe	438	300	164	219
North America	388	302	256	174
Latin America	208	156	57	52
	1,515	**1,276**	**733**	**717**

As at 30 June 2020, the Group (including interest in joint ventures) owned 121 narrowbody aircraft and 5 wide body aircraft with an average age of 6.3 years and an average remaining lease term of 4.6 years, and had commitments of approximately HK$9 billion for acquisition of 20 aircraft.

PUB OPERATION

In October 2019, the Group completed the acquisition of Greene King, a leading integrated brewer and pub retailer operating over 2,700 pubs, restaurants and hotels across England, Wales and Scotland, and embarked on its pub operation.

The operation of Greene King is split into three divisions:

Division	**Operation**
Pub Company	Operates food-led and drink-led destination pubs and restaurants and community-focused local pubs
Pub Partners	Owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs
Brewing & Brands	Sells and distributes a wide range of beers including ale brands brewed in own breweries

Revenue and contribution of Greene King's operation for the year ended 31 December 2019, after it became subsidiaries in October 2019, amounted to HK$3,611 million and HK$555 million respectively.

Unfortunately, pub businesses in the UK for the six months ended 30 June 2020 were badly affected by the lockdown and mandated closure of pubs and restaurants imposed by the government to counteract the

COVID-19 pandemic. Significant operating losses were incurred as a result of the enforced closure of the Group's pubs and restaurants. Revenue and contribution of Greene King's operation for the six months ended 30 June 2020, amounted to HK$3,862 million and negative HK$1,938 million respectively.

INFRASTRUCTURE AND UTILITY ASSET OPERATION

The Group has interests in the following joint ventures which operate infrastructure and utility asset businesses:

	Principal Activity	**Interest**
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%

and shared the revenue of these joint ventures as follows:

	Year ended 31 December		**Six months ended 30 June**	
	2019	**2018**	**2020**	**2019**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
CK William JV	4,158	4,355	2,020	2,132
CKP (Canada) JV	3,542	3,376	1,782	1,698
Sarvana JV	5,205	5,363	2,807	2,828
	12,905	**13,094**	**6,609**	**6,658**

The Group also invests in the economic benefits of the following infrastructure and utility asset businesses:

	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%
Northumbrian Water	A regulated water and sewerage company in England and Wales	16%
Dutch Enviro Energy	An energy-from-waste company in the Netherlands	14%
Wales & West Gas Networks	A gas distributor that serves Wales and the South West of England	12%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Profit contribution from investments in infrastructure and utility assets for the year ended 31 December 2019 amounted to HK$4,524 million (2018 – HK$4,034 million), and is summarised by location as follows:

				Year ended 31 December	
	Australia	**Europe**	**North America**	**2019 Total**	**2018 Total**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
CK William JV	1,490	18	40	1,548	1,605
CKP (Canada) JV	-	-	1,086	1,086	1,021
Sarvana JV	-	1,260	-	1,260	1,299
Other investments	83	536	11	630	109
	1,573	**1,814**	**1,137**	**4,524**	**4,034**

Profit contribution from investments in infrastructure and utility assets for the six months ended 30 June 2020 amounted to HK$2,456 million (30 June 2019 – HK$2,542 million), and is summarised by location as follows:

				Six months ended 30 June	
	Australia	**Europe**	**North America**	**2020 Total**	**2019 Total**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
CK William JV	664	15	28	707	816
CKP (Canada) JV	-	-	553	553	500
Sarvana JV	-	890	-	890	856
Other investments	144	162	-	306	370
	808	**1,067**	**581**	**2,456**	**2,542**

INTERESTS IN REAL ESTATE INVESTMENT TRUSTS

As at 30 June 2020, the Group's interests in listed real estate investment trusts ("**REITs**") were as follows:

	Principal Activity	**Interest**
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	31.9%
Fortune REIT	Investment in retail properties in Hong Kong	27.0%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.2%

The Group shared a profit of HK$175 million (2018 – HK$218 million) based on results for the year ended 31 December 2019 reported by Hui Xian REIT, an associate, and received cash distributions in the amount of HK$517 million (2018 – HK$583 million) during the year ended 31 December 2019. The Group shared the results of Hui Xian REIT, and took up a profit of HK$99 million (30 June 2019 – HK$166 million) for the six months ended 30 June 2020, whereas a distribution of HK$190 million (30 June 2019 – HK$260 million) was received.

For Fortune REIT and Prosperity REIT, cash distributions received in the total amount of HK$319 million (2018 – HK$320 million) were recognised as investment income for the year ended 31 December 2019 and an increase in value of HK$85 million based on market closing price at 31 December 2019 was accounted for as gain on financial instruments (2018 – loss of HK$453 million on financial instruments). Distributions received from Fortune REIT and Prosperity REIT during the six months ended 30 June 2020 in the amount of HK$157 million (30 June 2019 – HK$156 million) were recognised as investment income. A decrease of HK$1,318 million (30 June 2019 – increase of HK$1,056 million) in fair value of the Group's interests in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 30 June 2020.

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 2020, the Group's bank and other loans amounted to HK$76.7 billion, a decrease of HK$3.4 billion when compared with bank and other loans at 31 December 2019. The maturity profile was spread over a period of 16 years, with HK$12.8 billion repayable within 1 year, HK$47.6 billion within 2 to 5 years and HK$16.3 billion beyond 5 years.

The Group's net debt to net total capital ratio at 30 June 2020 was approximately 4.7 %. Net debt is arrived at by deducting bank balances and deposits of HK$58.9 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, 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 statues, 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

The correspondence address of the Directors is 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

EMPLOYEES

As at 30 June 2020, the Group employed approximately 54,000 employees. The related employees' costs for the six months ended 30 June 2020, before employment support subsidies from governments and other reimbursements, amounted to approximately HK$4,753 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 2019 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							
Hotel Alexandra, North Point	I.L.8920	100.0%	84,895	322,917	Hotel	Completed	Completed
A site at Mid-level	I.L.8949	100.0%	112,892	286,163	Residential	Completed	Completed
				149,123	Residential	Interior finishing	June, 2020
A site at Sha Tin	S.T.T.L. 614	100.0%	67,802	244,084	Residential	Foundation work	January, 2022
A site at Yuen Long	Lot 4328 in D.D. 124	100.0%	110,222	138,876	Residential	Foundation work	June, 2022
A site at Tuen Mun	T.M.T.L. 463	100.0%	266,945	142,073	Residential	Foundation work	June, 2023
A site at Yau Tong	Y.T.I.L. 45	100.0%	83,668	418,339	Residential	Demolition work	June, 2024
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, 2020
The Greenwich	Beijing	100.0%	1,052,720	2,580,979	Residential/ Commercial	Superstructure in progress	December, 2021
Beixinjiayuan	Beijing	100.0%	2,759,132	861,112	Residential	Planning	-
Noble Hills	Changsha	100.0%	543,878	1,258,235	Residential/ Commercial	Planning	September, 2022
Le Parc	Chengdu	100.0%	1,840,326	1,013,582	Commercial	Superstructure in progress	November, 2020
				2,318,792	Residential/ Commercial	Superstructure in progress	March, 2021
				3,927,338	Residential/ Commercial	Superstructure in progress	November, 2021
Regency Hills	Chongqing	95.0%	9,081,804	284,561	Residential	Superstructure completed	January, 2020
				1,046,683	Residential/ Commercial	Site formation	December, 2021
				3,758,744	Residential/ Commercial	Site formation	September, 2022
				3,584,498	Residential/ Commercial	Planning	September, 2023
				4,536,153	Residential/ Commercial	Planning	September, 2024
				14,362,238	Residential/ 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
The South Bay	Dalian	100.0%	3,007,111	2,888,503	Residential	Planning	June, 2023
				762,569	Commercial	Planning	-
Laguna Verona	Dongguan	99.8%	10,592,323	3,663,617	Residential	Superstructure in progress	December, 2020
				450,156	Residential	Planning	September, 2021
				2,784,162	Residential	Planning	September, 2022
				1,298,655	Residential	Planning	June, 2023
				1,055,434	Residential	Planning	June, 2024
				1,094,298	Residential/ Commercial	Planning	-
Yuhu Mingdi	Guangzhou	80.0%	998,133	362,944	Residential	Superstructure completed	June, 2020
				479,603	Residential	Superstructure in progress	December, 2022
Noble Hills	Guangzhou	100.0%	4,668,949	1,416,938	Residential	Superstructure in progress	November, 2020
				1,088,112	Residential	Planning	December, 2022
				268,667	Residential	Planning	-
Emerald Cove	Huizhou	100.0%	861,672	1,288,460	Residential/ Commercial	Superstructure in progress	October, 2020
				1,223,382	Residential/ Commercial	Superstructure in progress	March, 2021
Upper West Shanghai	Shanghai	60.0%	1,181,510	2,124,122	Residential/ Commercial/ Hotel	Completed	Completed
				433,755	Residential/ Commercial	Superstructure in progress	March, 2020
				248,549	Commercial/ Hotel	Superstructure in progress	June, 2020
				961,784	Commercial	Superstructure in progress	December, 2020
Regency Garden	Shanghai	85.0%	326,792	280,966	Residential	Superstructure in progress	August, 2020
				220,343	Residential	Planning	September, 2022
				326,045	Residential	Planning	-
Regency Cove	Wuhan	100.0%	6,882,319	657,621	Residential/ Commercial	Superstructure in progress	September, 2021
				3,755,611	Residential/ Commercial	Planning	December, 2022
				2,491,272	Residential	Planning	December, 2023
				2,588,718	Residential/ Commercial	Planning	December, 2024
				5,066,471	Residential/ Commercial/ Hotel	Planning	-
Emerald Cove	Zhongshan	100.0%	1,121,760	677,415	Residential/ Commercial	Superstructure completed	March, 2020
Horizon Costa	Zhuhai	100.0%	2,152,780	1,202,801	Residential/ Commercial	Planning	June, 2023
				1,354,314	Residential	Planning	June, 2024

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
Overseas							
Chelsea Waterfront, Chelsea	London, the UK	95.0%	237,979	4,468	Commercial	Demolition work	April, 2022
				239,800	Residential/ Commercial	Foundation work	June, 2022
				124,784	Residential	Foundation work	December, 2022
				125,521	Residential/ Commercial	Foundation work	March, 2023
A site at Convoys Wharf	London, the UK	100.0%	1,742,400	7,320	Commercial	Planning	March, 2022
				143,461	Residential	Planning	December, 2022
				208,790	Residential/ Commercial	Planning	June, 2023
				213,002	Residential/ Commercial	Planning	December, 2023
				500,469	Residential/ Commercial	Planning	December, 2024
				1,994,981	Residential/ Commercial/ Hotel	Planning	-
A site at Teversham Road, Fulbourn	Cambridgeshi-re, the UK	100.0%	737,327	45,008	Residential	Planning	September, 2022
				46,192	Residential	Planning	March, 2023
A site at Bukit Timah Road	Singapore	100.0%	104,532	219,518	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						
OP Mall, Tsuen Wan	T.W.T.L. 401	461,453	436,476	Commercial	Completed	Completed
Seaside Sonata, Sham Shui Po	N.K.I.L 6506	80,805	595,702	Residential/ Commercial	Superstructure in progress	September, 2020
Area 86, Tseung Kwan O (Package 8)	T.K.O.T.L. 70 R.P., Site H	179,090	1,044,098	Residential	Superstructure in progress	June, 2021
Wong Chuk Hang Station Package 3, Aberdeen	A.I.L. 467, Site C	240,928	505,882	Commercial	Foundation work	December, 2022
			999,967	Residential	Foundation work	November, 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

Description	Lot Number/ Location	Group's Interest	Approx. Floor Area Attributable to the Group *(sq. ft.)*	Existing Use	Lease Term
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
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	Develop ment 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
Sheraton Hong Kong Hotel & Towers, Tsim Sha Tsui	K.I.L. 9172	39.0%	260,061	Hotel/Retail	Long Lease
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

Description	Lot Number/ Location	Group's Interest	Approx. Floor Area Attributable to the Group *(sq. ft.)*	Existing Use	Lease Term
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%	327,324	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%	115,399	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%	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.

EXCHANGE RATES

The HK dollar is freely convertible into the U.S. dollar. Since 1983, the HK dollar has been linked to the U.S. dollar at the rate of HK$7.80 to US$1.00. The Basic Law of Hong Kong (the "**Basic Law**"), which came into effect on 1 July 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

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

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfers in HK dollars for the periods indicated:

	Noon Buying Rate			
Period	**Low**	**Average**	**High**	**Period End**
		(HK$ per US$1.00)		
2015	7.7495	7.7520	7.7686	7.7507
2016	7.7505	7.7618	7.8270	7.7534
2017	7.7540	7.7950	7.8267	7.8128
2018	7.8043	7.8376	7.8499	7.8305
2019	7.7850	7.8335	7.8499	7.7894
2020				
January	7.7661	7.7725	7.7889	7.7665
February	7.7630	7.7757	7.7951	7.7927
March	7.7511	7.7651	7.7863	7.7513
April	7.7498	7.7512	7.7530	7.7514
May	7.7500	7.7519	7.7561	7.7513
June	7.7498	7.7501	7.7514	7.7501
July	7.7499	7.7509	7.7538	7.7500
August (through 14 August 2020)	7.7500	7.7502	7.7506	7.7506

Source: The Federal Reserve Board

TAXATION

The following summary of certain Cayman Islands, the British Virgin Islands and Hong Kong consequences of the purchase, ownership and disposition of the Securities and certain other relevant issues are based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Securities or any persons acquiring, selling or otherwise dealing in the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities.

Prospective investors considering the purchase of the Securities should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Securities under the laws of their country of citizenship, residence or domicile.

BRITISH VIRGIN ISLANDS

Under Existing British Virgin Islands laws:

Payments of interest and principal on the Securities will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of interest and principal to any holder of the Securities nor will gains derived from the disposal of the Securities be subject to British Virgin Islands income or corporation tax, provided that the payments are made to persons who are not resident in the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the British Virgin Islands with respect to the Securities.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer.

If neither the Issuer nor any subsidiary holds an interest in real estate in the British Virgin Islands, no stamp duty is payable in respect of the issue of the Securities or on an instrument of transfer in respect of the Securities.

CAYMAN ISLANDS

Under existing Cayman Islands laws:

Payments of principal or Distribution in respect of the Securities will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of principal or Distribution to any Holders nor will gains derived from the redemption of the Securities 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; and

No stamp duty is payable in respect of the issue of the Securities although the Securities themselves will be subject to stamp duty if they are executed in or brought into the Cayman Islands.

HONG KONG

Withholding tax

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

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).

Distribution on the Securities 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) distribution on the Securities 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) distribution on the Securities 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) distribution on the Securities 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) distribution on the Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Securities 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 Securities will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Securities 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 Securities 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

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

Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

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 Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, 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 Securities, 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 and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Securities (as described under "*Terms and Conditions — Further Issues*") that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities 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 Securities.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with Merrill Lynch (Asia Pacific) Limited, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and UBS AG Hong Kong Branch (the "**Joint Bookrunners**") dated 3 September 2020 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer agreed to sell to the Joint Bookrunners, and the Joint Bookrunners have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Securities at an issue price of 100.00 per cent. of their principal amount (the "**Issue Price**") in the amount set forth in the table below.

	Principal amount of the Securities to be subscribed
	US$
Merrill Lynch (Asia Pacific) Limited	60,000,000
Deutsche Bank AG, Hong Kong Branch	60,000,000
The Hongkong and Shanghai Banking Corporation Limited	60,000,000
J.P. Morgan Securities plc	60,000,000
UBS AG Hong Kong Branch	60,000,000
Total	300,000,000

The Issuer and the Guarantor have agreed with the Managers that certain private banks will be paid a commission in connection with the distribution of the Securities to their clients. This commission will be based on the principal amount of the Securities so distributed, and may be deducted from the purchase price for the Securities payable by such private banks upon settlement.

The Subscription Agreement provides that each of the Issuer and the Guarantor will indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Securities. The Subscription Agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent, and entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Bookrunners and certain of their respective affiliates may have performed certain investment banking and advisory services for the Guarantor and/or its affiliates from time to time for which it has received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Guarantor and/or its affiliates in the ordinary course of their business.

The Joint Bookrunners or certain of their respective affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution.

The Joint Bookrunners or their respective affiliates may purchase the Securities for its own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Securities and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Securities).

In connection with the issue of the Securities, any of the Joint Bookrunners as a Stabilising Manager or any person acting on behalf of the Stabilising Manager may, to the extent permitted by applicable laws and directives, over-allot the Securities or effect transactions with a view to supporting the price of the Securities at a level higher than that which might otherwise prevail, but in so doing, the Stabilising Manager or any person acting on behalf of the Stabilising Manager shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that Stabilising Manager or any person acting on behalf of the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilising Manager.

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Securities is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

GENERAL

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or the Joint Bookrunners that would permit a public offering of the Securities, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Bookrunner has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Securities constituting part of its allotment within the U.S. except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of the Joint Bookrunners or any of their affiliates) has engaged or will engage in any directed selling efforts with respect to the Securities.

Terms used in this paragraph have the meanings given to them by Regulation S.

Prohibition of Sales to European Economic Area and UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area or in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

1. a retail client as defined in point (11) of Article 4(1) of MiFID II; or
2. (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.

UNITED KINGDOM

Each Joint Bookrunner has represented, warranted and agreed that:

1. 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 Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Securities in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the UK.

HONG KONG

Each Joint Bookrunner has represented, warranted and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

2. 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 Securities, 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 Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each Joint Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities 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 Securities, 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 the Securities 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 Securities pursuant to an offer made under Section 275 of the SFA except:

(1) 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;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37(A) 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, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities 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).

JAPAN

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Bookrunner has represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

TAIWAN

Each Joint Bookrunner has represented, warranted and agreed that the Securities have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Securities in Taiwan.

BRITISH VIRGIN ISLANDS

Each Joint Bookrunner has represented, warranted and agreed that it has not made and will not make any offer to the public or any person in the British Virgin Islands to purchase or subscribe for any of the Securities and the Securities may not be offered or sold, directly or indirectly, in the British Virgin Islands.

CAYMAN ISLANDS

Each Joint Bookrunner has represented, warranted and agreed that the public in the Cayman Islands may not be invited directly or indirectly to subscribe for the Securities.

GENERAL INFORMATION

Authorisation

The issue of the Securities has been duly authorised by a resolution of the Board of Directors of the Issuer dated 31 August 2020 and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 31 August 2020.

Listing of Securities on the Hong Kong Stock Exchange

Application will be made to the Hong Kong Stock Exchange for the listing of the Securities.

The issue price of listed Securities 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 Securities, commence on or about the date of listing of the relevant Securities.

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 Guarantor and from the specified office of the Paying Agent for the time being in Hong Kong:

(i) the Amended and Restated Memorandum and Articles of Association of the Guarantor;

(ii) the Memorandum and Articles of Association of the Issuer;

(iii) the 2018 Financial Statements and the 2019 Financial Statements, together with their respective audit report prepared in connection therewith. The Guarantor currently prepares audited consolidated accounts on an annual basis;

(iv) the 2020 Interim Financial Statements. The Guarantor currently prepares unaudited consolidated interim accounts on a half-yearly basis;

(v) the Agency Agreement, the Deed of Guarantee and the Deed of Covenant; and

(vi) a copy of this Offering Circular.

Clearing Systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) under Common Code number 222704715 and the ISIN for the Securities is XS2227047151.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belguim. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

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 2020 and there has been no material adverse change in the financial position or prospects of the Group since 30 June 2020.

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 do 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 of Accounting issued by the Hong Kong Institute of Certified Public Accountants for the financial years ended on 31 December 2019 and 2018. 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 years ended 31 December 2019 and 2018 is 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.

ISSUER

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